

Appendix A

COLORADO HOUSE BILL 10-1051

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 10-0653.01 Thomas Morris

HOUSE BILL 10-1051

HOUSE SPONSORSHIP

Pommer,

SENATE SPONSORSHIP

(None),

House Committees

Agriculture, Livestock, & Natural Resources

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING ADDITIONAL INFORMATION REGARDING COVERED**
102 **ENTITIES' WATER EFFICIENCY PLANS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill requires water providers' water efficiency plans to include specific elements, including the use of water-efficient washing machines, and, beginning in 2013, requires water providers to annually report to the Colorado water conservation board the total amount of water provided to major sectors of water customers, the total number of accounts or taps

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

served in each such sector, an estimate of the resident population and total population served by the covered entity, an estimate of the amount of water that has been saved for the year through the implementation of certain plan elements, and a description of any changes made to the plan elements.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** The introductory portion to 37-60-126 (4) and
3 37-60-126 (4) (a) (I), Colorado Revised Statutes, are amended, and the
4 said 37-60-126 is further amended BY THE ADDITION OF A NEW
5 SUBSECTION, to read:

6 **37-60-126. Water conservation and drought mitigation**
7 **planning - programs - relationship to state assistance for water**
8 **facilities - guidelines - water efficiency grant program - repeal.** (4) A
9 plan developed by a covered entity pursuant to subsection (2) of this
10 section shall ~~at a minimum, include a full evaluation of~~ the following plan
11 elements:

12 (a) The water-saving measures and programs to be used by the
13 covered entity for water conservation. In developing these measures and
14 programs, each covered entity shall, at a minimum, consider the
15 following:

16 (I) ~~Water-efficient fixtures and appliances, including toilets,~~
17 ~~urinals, CLOTHES WASHERS, showerheads, and faucets~~ FAUCET AERATORS;

18 (4.5) ON AN ANNUAL BASIS STARTING NO LATER THAN JUNE 30,
19 2013, COVERED ENTITIES SHALL PROVIDE TO THE BOARD BY THE END OF
20 THE SECOND QUARTER THE FOLLOWING INFORMATION FOR THE PREVIOUS
21 CALENDAR YEAR:

22 (a) (I) THE TOTAL AMOUNT OF WATER PROVIDED TO MAJOR
23 SECTORS, INCLUDING SINGLE-FAMILY RESIDENTIAL, MULTI-FAMILY

1 RESIDENTIAL, COMMERCIAL, INDUSTRIAL, INSTITUTIONAL, MUNICIPAL,
2 PARKS, IRRIGATION, NONREVENUE WATER, WHOLESALE DELIVERIES, OR
3 OTHER SECTORS, IN GALLONS OR ACRE-FEET;

4 (II) AS USED IN THIS PARAGRAPH (a), "NONREVENUE WATER"
5 MEANS WATER PRODUCED BY COVERED ENTITIES FOR WHICH NO REVENUE
6 IS RECOVERED, INCLUDING UNBILLED AUTHORIZED CONSUMPTION,
7 UNAUTHORIZED CONSUMPTION, METERING INACCURACIES, DATA
8 HANDLING ERRORS, AND LEAKS.

9 (b) THE TOTAL NUMBER OF ACCOUNTS OR TAPS SERVED IN EACH
10 SECTOR REPORTED ON PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION
11 (4.5);

12 (c) AN ESTIMATE OF THE RESIDENT POPULATION AND TOTAL
13 POPULATION SERVED BY THE COVERED ENTITY;

14 (d) EITHER AS A PERCENTAGE OR IN ACRE-FOOT INCREMENTS, AN
15 ESTIMATE OF THE AMOUNT OF WATER THAT HAS BEEN SAVED FOR THE
16 YEAR THROUGH THE IMPLEMENTATION OF THE PLAN ELEMENTS SPECIFIED
17 IN SUBPARAGRAPHS (V), (VII), (IX), AND (X) OF PARAGRAPH (a) OF
18 SUBSECTION (4) OF THIS SECTION; AND

19 (e) A DESCRIPTION OF ALL CHANGES MADE TO PLAN ELEMENTS
20 LISTED IN PARAGRAPH (a) OF SUBSECTION (4) OF THIS SECTION.

21 **SECTION 2. Applicability.** This act shall apply to conduct
22 occurring on or after the effective date of this act.

23 **SECTION 3. Safety clause.** The general assembly hereby finds,
24 determines, and declares that this act is necessary for the immediate
25 preservation of the public peace, health, and safety.

Appendix B

TRI-COUNTY WATER CONSERVANCY DISTRICT WATER SERVICE AGREEMENT & SUPPLEMENT

SERVICE AREA AGREEMENT

This Agreement is entered into this 6th day of May, 1999, between the City of Montrose (City) and Tri-County Water Conservancy District (District).

WHEREAS, the City and the District wish to set out terms concerning service from their respective water systems, particularly with respect to areas where their service area boundaries overlap, and

WHEREAS, the City and the District presently furnish water utility service and expect to continue to do so in the future in an efficient and effective manner, and

WHEREAS, the parties have agreed on mutually exclusive service areas, as shown on the map attached hereto referred to as Exhibit "A", and

WHEREAS, each of the parties are authorized to enter into this Agreement by C.R.S. 29-1-203(1), and 31-35-402(h), and by Article XIV, Sections 18(2)(a) and (b) of the Colorado Constitution

NOW, THEREFORE, IT IS AGREED BY THE PARTIES, as follows:

- (1) Except as otherwise provided herein, the District agrees NOT to provide any new domestic water service inside the City's service area as defined by Exhibit "A". The District may continue to serve existing customers within the City service area as of the date of execution of this Agreement until such service is transferred to the City pursuant to provisions outlined in this Agreement.
- (2) Except as otherwise provided herein, the City agrees NOT to provide any new domestic water service inside the District's service area as defined by Exhibit "A". The City may continue to serve existing customers within the District service area as of the date of execution of this Agreement until such service is transferred to the District pursuant to provisions outlined in this Agreement.
- (3) Notwithstanding the provisions above, the parties recognize that the boundaries as delineated in Exhibit "A", and agreed to herein, may need to be refined from time to time in order to accommodate changes in land use, private property boundaries, etc. The parties may, in good faith, negotiate boundary refinements accordingly.
- (4) Subject to future transfers as provided in paragraph 7, the City and the District each reserve the right to serve any customer who has purchased a tap from that party prior to the date of execution of this Agreement, regardless of physical location or state of installation, assuming that the party is capable of providing service to that customer at the time service is requested.

(5) Subject to future transfers as provided in paragraph 7, the City or the District may provide new domestic water service within the other party's designated service area as shown in Exhibit "A" ONLY if the other party does not have the capability to provide that service and permission is granted in writing by that party. Each party shall make prompt and reasonable determination of each request for service, to allow the customer ample time to plan for service. If either party refuses to serve a customer in its respective service area, the other may do so upon written confirmation of refusal to serve.

(6) In areas within the City Limits but outside the City's service area as shown on Exhibit "A", whether now within the City or subsequently annexed, the City may serve City owned property or facilities used for the functions of City government. This provision is intended to allow the City to provide service to developed property where the City conducts its business and is not intended to allow service to properties which the City rents to third parties.

(7) If either party wants to acquire or transfer service within its service area, which is currently being served by the other party, the parties will negotiate appropriate compensation to the party relinquishing service, prior to the time of transfer. In the event that the parties cannot agree on fair compensation, payment will be $\frac{1}{2}$ the current providers tap fee for the service in place, or the payment will be five times the average annual gross revenue from water sales for the prior three years for the service being transferred, whichever is greater. Upon transfer of service to either party, each agrees NOT to impose or lien any additional charges to the customer for future services (tap fees, impact fees, surcharges, etc.) except for necessary and prorated costs of upgraded infrastructure. Written notice of transfer shall be provided to the other party no less than six (6) months in advance unless otherwise agreed by the parties.

(8) If the City provides sewer service to a District water customer and the City requests a meter reading to determine a sewer bill, the District will provide scheduled meter readings to the City at no cost to the City. The City may read District meters to determine usage if necessary. The City will not tamper or modify any District infrastructure. The District shall be responsible for billing and collecting for water usage and the City shall be responsible for billing and collecting for sewer charges. The District shall cooperate with the City to provide any other information or accommodation necessary.

(9) This Agreement shall be deemed effective as of the date of execution and shall terminate 30 years after that date unless earlier modified, extended, or amended by written agreement signed by both parties. This Agreement may not be assigned by either party and shall terminate if either party no longer provides domestic water service.

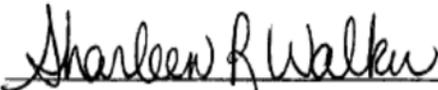
(10) If this Agreement, or any part thereof, is declared invalid, void, or unenforceable by a court of competent jurisdiction, the other provisions of this Agreement shall not be affected and shall remain in full force and effect.

(11) This Agreement supercedes and replaces that agreement between the parties dated July 26, 1977, and any other agreements between the parties (including those with third parties) relating to service area boundaries.

CITY OF MONTROSE

By: 
Mayor *Pro Tem*

ATTEST:

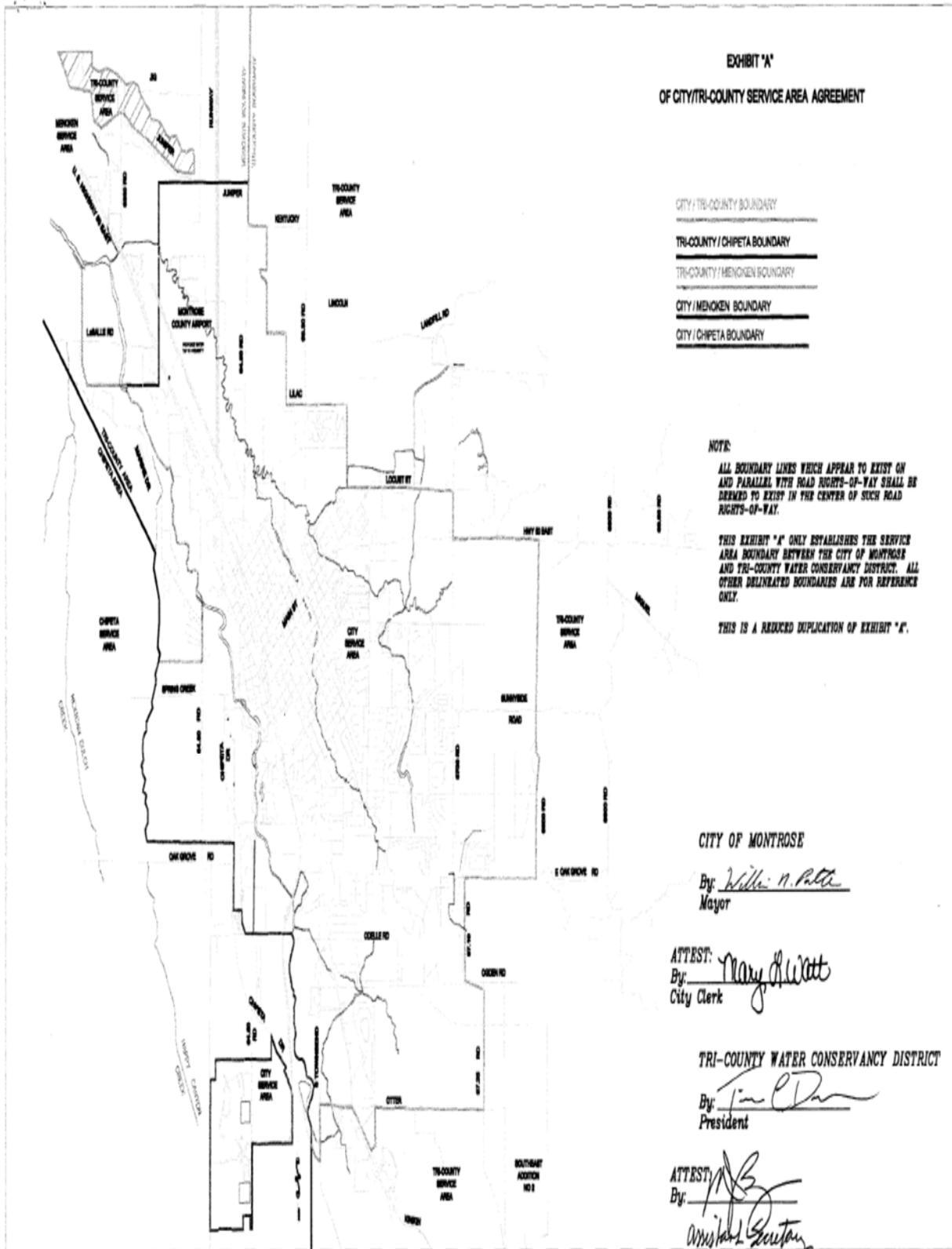

City Clerk
Deputy

TRI-COUNTY WATER CONSERVANCY DISTRICT

By: 
President

ATTEST:

By: 
Assistant Secretary



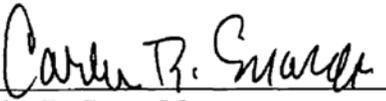
SUPPLEMENT TO SERVICE AREA AGREEMENT

This Supplement to the Service Area Agreement between the City of Montrose (“City”) and the Tri-County Water Conservancy District (“District”) as executed on May 6, 1999, is entered into this 19th day of October, 2001.

The Service Area Agreement as referenced above is supplemented by a new paragraph (12) which reads as follows:

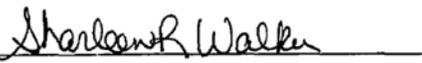
(12) Notwithstanding the District’s provision of domestic water service to certain areas within the City’s water service in accordance with the terms herein, the City shall make available the provision of industrial fire flow water service to lots located within, or areas within close proximity to, the Aerospace Research Park Addition, through separate and City owned fire flow infrastructure. The District shall not provide competing fire flow water service to such lots or areas. The District may, however, provide the supply water for the City fire flow system, upon terms and fees as may be established by the District.

CITY OF MONTROSE



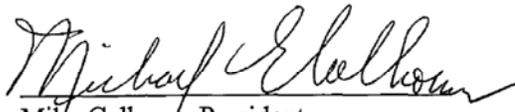
Carlos R. Guara, Mayor

ATTEST:



Mary Watt, City Clerk
Deputy

TRI-COUNTY WATER CONSERVANCY DISTRICT



Mike Calhoun, President

ATTEST:



Ted Hermanns, Secretary

November 26, 2001

Mr. Greg Clifton
City Attorney, City of Montrose
PO Box 790
Montrose, Colorado 81402



Re: Supplement to Service Area Agreement

Dear Greg:

Enclosed for your files is an original signed copy of the subject supplement. I plan to announce that this agreement has been executed to my Board at our meeting on December 10.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Berry", with a long horizontal flourish extending to the right.

Mike Berry
Manager

MEMO

TO: Mary L. Watt
FROM: Greg Clifton 
DATE: February 4, 2002
SUBJECT: Original Document

Please find attached hereto, for inclusion within the master files, the original Supplement to Service Area Agreement between the City and Tri-County Water Conservancy District. A copy of the same will be retained in our files accordingly. Thank you very much.

Attachment

Appendix C

MENOKEN WATER DISTRICT

SERVICE AGREEMENT

Agree *MC 6/19/98*

640727 06/19/1998 11:12A B972 P500 AGR
1 of 6 R 36.00 D 0.00 N 0.00 CLK&REC MONTROSE CO

SERVICE AREA AGREEMENT

THIS AGREEMENT is entered into between the **CITY OF MONTROSE, COLORADO (CITY)** and the **MENOKEN WATER DISTRICT (DISTRICT or MENOKEN)**.

WHEREAS, the District has acquired the facilities of the Menoken Water Company, and

WHEREAS, the City and the District wish to set out terms concerning service from their respective water systems, particularly with respect to areas where their boundaries overlap, and

WHEREAS, each of the Parties are authorized to enter into this Agreement by C.R.S. 29-1-203 and by Article XIV, Sections 18(2)(a) and (b) of the Colorado Constitution

NOW, THEREFORE, IT IS AGREED BY THE PARTIES, as follows:

- (1) Menoken agrees that it shall provide no water service outside the boundaries of its service area as indicated on the map attached as Exhibit "A", except for the CDOT property shown thereon, currently served by Menoken, which it may continue to serve.
- (2) The City will not provide water service outside of its City limits within the service area of the District as shown on Exhibit "A" unless specifically agreed to by the District.
- (3) In areas of the City which now overlap the boundaries of the District service area as shown on Exhibit "A", or which may hereafter overlap the District service area



by subsequent annexation of property to the City, the following provisions will apply:

- (A) The District shall have the right to serve any customer within its service area shown on Exhibit "A". The City will not provide service within the District's service area unless the Parties enter into a separate agreement for the authorization of such City water service, or except as otherwise provided herein, and except for those portions of the Airport Industrial Park Subdivision, and adjacent property currently served by the City as shown on Exhibit "A" which the City may continue to serve.
- (B) The City shall have the right to provide City water service to City owned facilities constructed and used for functions of municipal government; i.e., City offices for City employees, City equipment, storage, repair, maintenance, sewer treatment, animal shelter, Public Works, etc. This provision is not intended to provide the City with the right to provide City water to undeveloped land within the Menoken service area upon which the City may construct improvements for rent or lease to third parties, merely because it holds legal title.
- (C) If any customer requires reasonable service and fire flows in accordance with the District's published standard rates, tap or connection fees, or standard terms and conditions as may be set by District resolutions from time to time, which the District determines that it is unable to provide within a reasonable time after written request is made for the same, the City shall have the right to provide such service to such customer or customers. The parties hereto shall enter into a separate agreement for the transfer of each such customer to City water service. The District shall promptly make a determination as to whether or not it is able to provide the requested water



service and shall provide written notice of said determination to the applicant and the City if so requested by the applicant.

- (4) Effective the first day of the month subsequent to the full execution of this Agreement, new customers of the Menoken District shall be informed that if they apply for and obtain City sewer service while customers of the District, that a condition for obtaining water from the District is that upon request of the City their water service will be terminated in the event that Menoken is informed in writing by the City that the City's sewer bills have not been timely paid and that the City has requested the District to terminate the water delivery even though the bill to the water District is current. If requested by the City, the District agrees to execute a joint covenant with the City to be placed of record in the Office of the County Clerk and Recorder of Montrose County to provide record notice to purchasers of property within the District that they will be subject to such covenant if they receive the benefit of both Menoken District water delivery and City sewer service.
- (5) The District shall cooperate with the City to provide reasonable access to water meters, water usage, and/or other customer records for sewer billing purposes.
- (6) The City and the District agree to cooperate concerning the planning and development of capital improvement needs in the future based on anticipated growth and land use.
- (7) The District shall be responsible for billing and collecting the water and service charges from its customers, and the City shall be responsible for billing and collecting the sewer and service charges from its customers.
- (8) This Agreement shall be deemed effective as of the date of execution.



- (9) This Agreement shall terminate 30 years after date unless earlier modified, terminated, extended or amended by written agreement signed by both Parties.
- (10) That if this Agreement, or any material part thereof is declared invalid by a court of competent jurisdiction, then the entire Agreement shall be null and void as of the date of entry of a Final Judgment.
- (11) The Parties stipulate that the previous agreement among the City, Menoken Water Company and the Tri-County Water Conservancy District has been terminated and superseded by this Agreement insofar as it deals with the service area provisions between the City and the District. This Agreement shall have no affect on that separate agreement between the City and the Tri-County Water Conservancy District concerning service area provisions.
- (12) This Agreement shall not be construed to be a franchise. The Parties recognize that there is a disagreement between them as to whether or not the District is required to have a franchise to serve within the City pursuant to the City Charter. Nothing in this Agreement shall be deemed to waive or prejudice any claim or theory of either Party concerning such franchise issue.
- (13) This Agreement may be enforced by an action for specific performance in a court of competent jurisdiction.
- (14) This Agreement may not be assigned by either Party and if for any reason either Party no longer provides treated water service, this Agreement shall terminate.
- (15) Dated this 15th day of June, 1998.

CITY OF MONTROSE



640727 06/19/1998 11:12A B972 P504 AGR
5 of 6 R 36.00 D 0.00 N 0.00 CLK&REC MONTROSE CO

By William F. Cooper
Mayor

ATTEST:

Mary A. Watt
City Clerk

MENOKEN WATER DISTRICT

By Randall B. Meeker
President

ATTEST:

John R. [Signature]
Secretary

Appendix D

CHIPETA WATER DISTRICT

SERVICE AGREEMENT

SERVICE AREA AGREEMENT

THIS AGREEMENT is entered into between the City of Montrose, Colorado (City) and the Chipeta Water Company (Chipeta).

WHEREAS, both the City and Chipeta wish to set out terms concerning service from their respective water systems, particularly with respect to areas where their boundaries overlap, and

WHEREAS, the City and Chipeta presently furnish water utility service and expect to continue to do so in the future in an efficient and effective manner, and

WHEREAS, the Parties have agreed on mutually exclusive service areas, as shown on the map attached hereto as “Exhibit A” and incorporated herein by this reference, and

WHEREAS, each of the parties are authorized to enter into this Agreement by Section 29-1-203 of the Colorado Revised Statutes and by Article XIV, Sections 18(2)(a) and (b) of the Colorado Constitution.

NOW, THEREFORE, IT IS AGREED BY THE PARTIES as follows:

1. Chipeta agrees that it shall provide no water service to areas within the service area of the City and the City agrees that it shall provide no water service within the service area of Chipeta

both of which service areas are shown on the map attached hereto as Exhibit A.

2. In instances where the service area boundaries transects a singular development project, or in instances where the water utility provider is unable to provide services because it is technically or legally unable to do so, the City or Chipeta may provide water utility service outside of its designated service area as shown on Exhibit A only if authorized to do so in writing by the other party. Each party shall make prompt and reasonable determination of such request for service, to allow the water user ample time to plan for water utility service accordingly. If either party refuses to serve a customer in their respective service area, the other party may do so upon written confirmation of refusal to serve.

3. The parties understand and agree that each now have or may in the future have utility installations in easements which cross the other party's service area. Each party agrees to provide the other party an infrastructure location map delineating such utility easements located within or upon the other party's service area. To the extent that any subdivision of properties within the City service area concern Chipeta utility easements, the City shall provide Chipeta with copies of all relevant subdivisions plats during the plat review process for the purpose of ensuring the property plat delineation of such easements. This provision shall not be construed to imply, however, any duty by the City to ensure or enforce third party obligations which may exist with respect to such easements.

4. In areas within the City's corporate boundaries, but outside of the City service area shown on Exhibit A, the City shall have the right to provide City water service to:

- (a) City owned and operated facilities used for functions of City government, and
- (b) Vacant, landscaped buffer areas within the City's recreation trail as designated on Exhibit A.

5. Chipeta shall be responsible for billing and collecting the water and service charges from its customers, and the City shall be responsible for billing and collecting the sewer and service charges from its customers. If the City provides sewer service to a Chipeta water customer, Chipeta shall provide scheduled meter readings to the City at no cost to the City. The City may read Chipeta meters to determine usage if necessary. The City shall not tamper or modify any Chipeta infrastructure.

6. Customers of the Chipeta Water Company shall be informed that if they apply for and obtain City sewer service while customers of the Company, a condition for obtaining water from the Company is that upon request of the City, their water service shall be terminated in the event that Chipeta is informed in writing by the City that the City's sewer bills have not been timely paid.

7. Chipeta shall pursue the formation of a district under Title 32 of the Colorado Revised Statutes. Chipeta shall file a district service area that specifically conforms with the service area boundaries delineated on Exhibit A, or amend any existing filing at the time of execution of this Agreement accordingly. To the extent that the district service area plan, or any amendment thereto, conforms with the boundaries as provided on Exhibit A, the City agrees not to oppose such a service area plan.

8. Chipeta shall, upon execution of this Agreement and upon formation of a district, take all necessary measures to assume maintenance and operation of the Rancho Casias Water Company, Inc. water supply system (Rancho Casias System).

9. Upon acquisition of the Rancho Casias system, Chipeta shall construct, or cause to construct, all upgrades, improvements, installations and/or repairs to the Rancho Casias system, as may be required to comply with Chipeta standards and specifications. The acquisition of the Rancho Casias system, together with the completion of all such upgrades, improvements, installations and/or repairs, shall be pursued with due diligence upon the execution of this Agreement.

10. If for any reason Chipeta is not able to acquire the Rancho Casias system, both the City and Chipeta shall, in good faith, pursue cooperative efforts toward the City acquisition of the Rancho Casias system. It is the intent of both parties that any such arrangement shall only occur if mutually agreeable by the parties and expressed in writing in accordance with the terms of this Agreement.

11. The City shall make payment to Chipeta of the amount of \$125,000, which payment is intended to cover the cost of all actual upgrades, improvements, installations and/or repairs to the Rancho Casias system so as to bring that system in compliance with Chipeta standards and specifications, without cost to the users presently served by Casias Water Company. The payment of \$125,000 shall be made in full, only upon Chipeta's successful acquisition of the Rancho Casias System.

12. This Agreement shall be deemed effective as of the date of execution, and shall terminate thirty years after such date unless earlier modified, and terminated, extended or amended by written agreement signed by both Parties.

13. If this Agreement or any material part hereof is declared invalid by a court of competent jurisdiction, then the entire Agreement shall be null and void as of the date of entry of a final judgment. If, however, Chipeta has undertaken the covenants set forth in paragraphs 9 and 10 hereof, it shall retain all payments made by the City pursuant to paragraph 11 hereof.

14. The Parties stipulate that the previous agreement between the City and Chipeta Water Company has been terminated and superseded by this Agreement insofar as it deals with the service area provisions between the City and Chipeta.

15. This Agreement shall have no effect on any separate service area agreements between the parties and other water utility service entities, including the Tri-County Water Conservancy District and the Menoken Water District.

16. This Agreement shall not be construed to be a franchise. The parties recognize that upon formation of a Water District, Chipeta may not, as a matter of law, be required to have a franchise to serve within corporate City boundaries. Nothing in this Agreement shall be deemed to waive or prejudice any claim or theory by any independent third party concerning such franchise issue.

17. This Agreement may be enforced by an action for specific performance in a court of competent jurisdiction.

18. This Agreement may only be assigned by Chipeta to the Chipeta Water District or a successor quasi-governmental entity based upon the successful compliance with the terms as stated herein. Other than this specific assignment, this Agreement is not assignable by either party without the prior consent of the other. If either Party (including any permitted successor or assignee) no longer provides domestic water service, this Agreement shall terminate accordingly.

DATED this 1st day of April, 1999.

CITY OF MONTROSE

CHIPETA WATER COMPANY

William F. Cooper
 William F. Cooper, Mayor

By: K.M. Townsend
 K.M. Townsend, President

STATE OF COLORADO)
) ss.
 COUNTY OF MONTROSE)

The foregoing instrument was acknowledged before me this 1st day of April, 1999, by William F. Cooper, Mayor of the City of Montrose, Colorado.

Witness my hand and official seal.

My commission expires: 6-23-01

(SEAL)

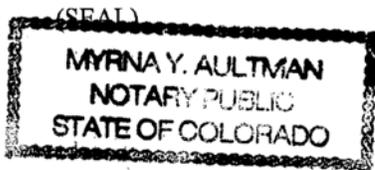
Mary J. Watt
2258 Jason Way
 Address
Montrose, CO 81401

STATE OF COLORADO)
) ss.
COUNTY OF MONTROSE)

The foregoing instrument was acknowledged before me this 1st day of April, 1999, K. M. Townsend, President of Chipeta Water Company.

Witness my hand and official seal.

My commission expires: 07/30/2001



Myrna Y. Aultman
14923 6175 Rd Montrose Co.
Address

Appendix E

MONTROSE SUBURBAN DOMESTIC WATERWORKS DISTRICT CONTRACT

1184

Montrose, Colorado.

November 22nd, 1922

A Special meeting of the City Council of the City of Montrose was held at the City Hall, Wednesday morning, November 22nd, at 10 o'clock. Present and answering to roll call were commissioners A. L. Anderson, W. G. Haney, and C. M. Thompson. City Att'y. Henry W. Catlin, City Manager J. E. McDaniel and City Clerk Mabel Curtis. Absent Commissioners J. J. Gatschet and L. A. Scrivner.

It was moved by Commissioner C. M. Thompson, seconded by Commissioner W. G. Haney that the following contract between the City of Montrose and The Montrose Suburban Domestic Waterworks District be accepted:

"This agreement made and entered into this 21st day of November, 1922, by and between the City of Montrose, Montrose County, Colorado, a municipal corporation, party of the first part and The Montrose Suburban Domestic Water Works District, a corporation organized and existing under the laws of the State of Colorado, of the County of Montrose, Colorado, party of the second part,

Witnesseth; That whereas party of the second part is constructing a water works system within its district situate south west of the City of Montrose in Montrose County, Colorado for the purpose of carrying water to the residents and owners of land in said district for domestic purposes, and

Whereas said district is desirous of connecting its carrying system with the water works system of the first party so that the owners of land in said district may purchase water from first party.

It is Hereby agreed by and between the parties hereto that second party may connect its said carrying system with the water system of first party, the connection with the system of first party to be made at the present west end of the West Main Street water main of said system. Said connection to be made upon the following conditions, to-wit:

1st. The City Council of said City shall at all times have power by resolution or ordinance to regulate and limit the amount of water to be used through said system of second party and to order the water turned off from said system whenever in the opinion of said Council the water supply is insufficient or inadequate for the uses of the city and its inhabitants.

2nd. In case of a leak or leaks in the said carrying system of second party at any place on said system up to the turnoffs on users lines connecting with said system, the party of the second party shall immediately repair same and if same is not immediately repaired the City Manager is hereby authorized to shut off the water from said system entirely or at such place as will prevent water from running in the pipe or pipes so leaking and keep same shut off until repaired.

1185

3rd. Second party assumes all responsibility for the carrying of water so to be supplied from said water system of first party from the point of junction of the three inch steel pipe of second party with the four inch cast iron pipe of first party which occurs about _____ feet east of the east end of the bridge which carried the public road westward from West Main Street across the Uncompahgre River, where said system of second party connects with or taps said water system of first party, and first party shall in no way be liable for the maintenance or operation of said system of second party.

The above mentioned four inch cast iron pipe extending eastward from the point of junction above mentioned together with the four inch valve located about 12 ft. east of that point belong to the City of Montrose and is under its exclusive jurisdiction.

4th. This contract shall not be construed so as to in any way make or hold first party responsible to second party nor any of the users of water from said system of second party or to third persons for failure to furnish water to said system or at all and in no event can first party be compelled to furnish any water whatever through same or at all.

5th. First party shall in no event be held liable for any damage whatsoever for failure to furnish water to said system, or at all.

6th. Second party shall well and faithfully comply with all the regulations, ordinances and resolutions of the City of Montrose, Colorado, which are now or hereafter may be in force concerning the water and water works system of party of the first party and the distribution system connected therewith.

7th. The term "Domestic use" as herein employed shall not be construed to mean sprinkling of lawns or any irrigation of any kind or nature whatsoever, and shall not be construed to allow the watering of more domestic animals than are actually raised or used on the premises of each user.

8th. No water shall be turned into said system of second party for any purpose than for domestic and manufacturing use and only for the use of such property as the owner of the land shall apply for water for, and then only after contract for such water shall be signed by the owner of the land upon which the premises to be so supplied are situate, the form of such contract to be designated by the City Council of the City of Montrose, Colorado, and shall be between the City of Montrose and the owner or owners of the land only.

1186

In witness whereof, the said party of the first part has caused its corporate name to be hereunto subscribed by its Mayor and its corporate seal to be hereunto affixed by its Clerk, and the said party of the second part has caused its corporate name to be hereto subscribed by its President and its corporate seal to be hereunto affixed by its Secretary, the day and year first above written.

THE CITY OF MONTROSE, COLORADO.

ATTEST:
MABEL CURTIS,
City Clerk.

By, A. L. ANDERSON, Mayor

THE MONTROSE SUBURBAN DOMESTIC WATER WORKS DISTRICT.

By T. A. Gresham, President

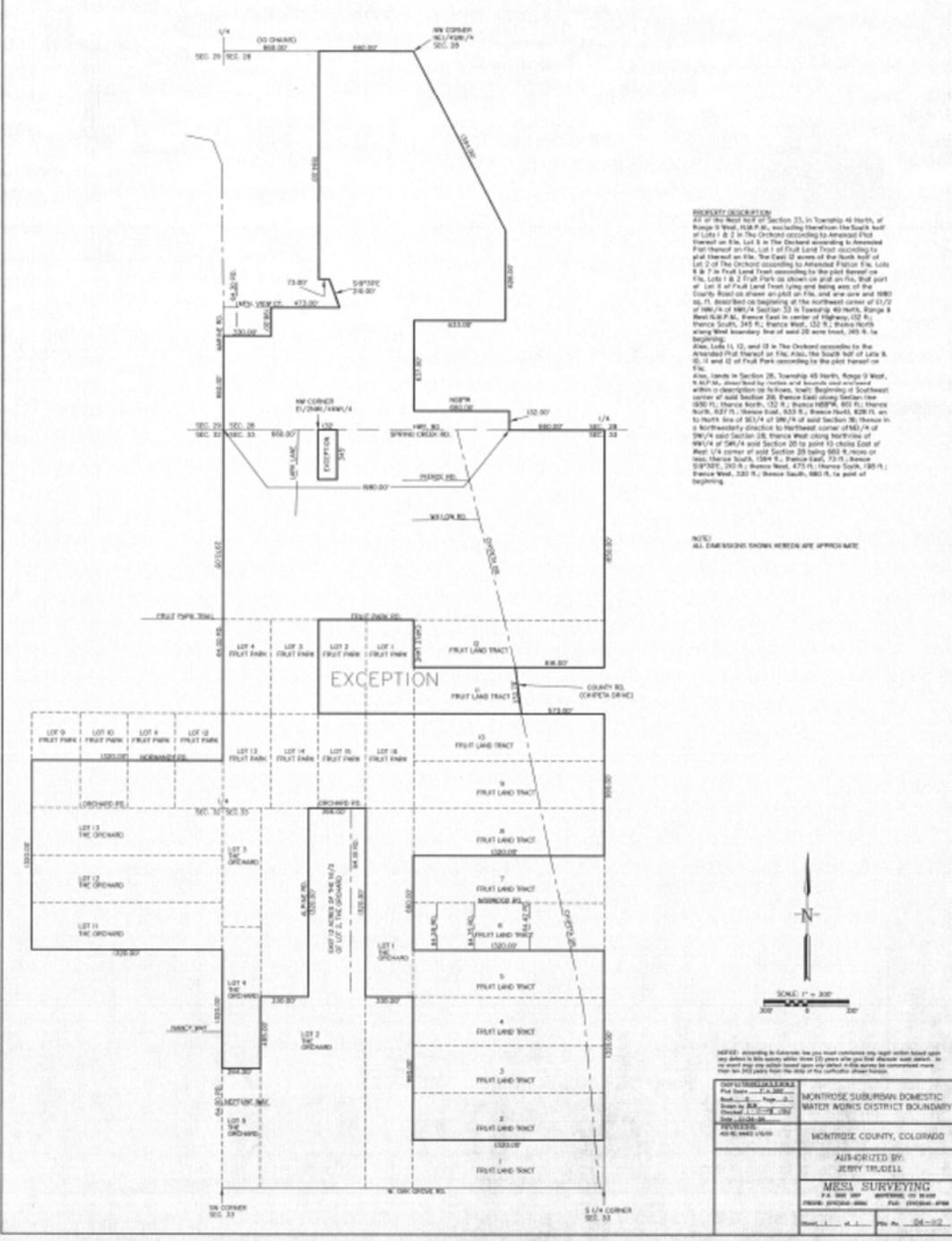
ATTEST:
J. B. MORGAN, Secretary.

Roll call: Ayes to motion, Commissioners A. L. Anderson, Mayor, W. G. Haney and C. M. Thompson. Nays to motion, none. Absent and not voting Commissioners J. J. Gatschet and L. A. Scrivner. Motion carried.
Moved, seconded and carried meeting adjourn.

A. L. Anderson
Mayor.

ATTEST:
Mabel Curtis
City Clerk.

PLAT OF DESCRIPTION
MONTROSE SUBURBAN DOMESTIC WATER WORKS DISTRICT BOUNDARY
 SITUATED IN SECTIONS 28, 32 & 33, TOWNSHIP 49 NORTH, RANGE 9 WEST, N.M.P.M.
 MONTROSE COUNTY, COLORADO



Appendix F

PROJECT 7 WATER AUTHORITY

CONTRACT AND AMENDMENTS

CONTRACT ESTABLISHING THE PROJECT 7
WATER AUTHORITY
AS A SEPARATE GOVERNMENTAL ENTITY

This Contract establishing the PROJECT 7 WATER AUTHORITY made and entered into this 29th ^{September} day of August, 1977, by and among the parties to this contract which are the CITY OF DELTA, COLORADO, a municipal corporation of the State of Colorado ("Delta"), the CITY OF MONTROSE, COLORADO, a municipal corporation of the State of Colorado ("Montrose"), the TRI-COUNTY WATER CONSERVANCY DISTRICT, Montrose, Colorado, a Water Conservancy District of the State of Colorado ("Tri-County") and the TOWN OF OLATHE, COLORADO, a municipal corporation of the State of Colorado ("Olathe"); when specificity is not required, the individual parties hereto will be hereinafter referred to as a "Contracting Party" and all of such parties will hereinafter be collectively referred to as the "Contracting Parties",

W I T N E S S E T H :

WHEREAS, the Contracting Parties each own and operate water systems or facilities which supply treated water at retail to users located within the boundaries of the Contracting Parties, and

WHEREAS, each of the Contracting Parties either own adjudicated water rights or have contracted or are about to contract for the purchase or lease of raw water supplies, and

WHEREAS, the Contracting Parties now desire, pursuant to the provisions of CRS 1973, 29-1-203.2 to establish a water authority as a separate governmental entity to purchase raw water, treat raw water through a treatment facility to be acquired and constructed by the Authority and to deliver such treated water to the Contracting Parties, and others, including but not exclusively the Menoken Water Company, Montrose County, Colorado, and the Chipeta Water Company, Montrose County, Colorado, through transmission lines to be acquired and constructed by the Authority.

NOW, THEREFORE, the Contracting Parties agree as follows:

1. Effective Date: This contract shall become effective when it has been duly executed on behalf of all the Contracting Parties.
2. Establishment of Project 7 Water Authority: The Contracting Parties do hereby establish a separate governmental entity to be known as Project 7 Water Authority ("Authority"), to be used by the Contracting

Parties to effect the treatment of raw water and the transmission thereof for the benefit of the inhabitants of the Contracting Parties and others.

2.1 Purpose: The purpose of the Authority is to conduct its business and affairs for the benefit of the Contracting Parties and their inhabitants and to provide at wholesale the treated water requirements of the Contracting Parties and others as hereinabove set forth.

2.2 Function or Service: The function or service to be provided by the Authority is the supplying of the wholesale treated water by:

- (a) Purchasing raw water from the Contracting Parties, the Uncompahgre Valley Water Users Association, Montrose, Colorado, and from other parties with whom the Authority contracts to furnish treated water.
- (b) Acquiring, constructing, owning, reconstructing, improving, rehabilitating, repairing, operating and maintaining water treatment plant or plants and water transmission systems or interests therein for the purpose of delivering raw water to the treatment facilities and treated water from the treatment facilities to Contracting Parties or others.
- (c) Selling at wholesale to the Contracting Parties or others, including but not exclusively, the said Menoken Water Company and Chipeta Water Company, treated water.
- (d) On rescission or termination of this contract to vest all right, title or interest of the Authority in or to all of its property and assets in the Contracting Parties.

3. Board of Directors: The governing body of the Authority shall be a Board of Directors in which all legislative power of the Authority is vested.

3.1 Number: The number of Directors shall be five (5).

3.2 Appointment: The governing body of each of the Contracting Parties shall appoint one principal member and one alternate member to the Board of Directors. The four (4) members of the Board of Directors so appointed shall select the fifth principal member and the fifth alternate member to the Board of Directors who shall both reside within the boundaries of one of the Contracting Parties. Such alternate member shall act and vote only in the absence of the principal member appointed by the same body.

3.3 Term: Except as herein provided, each Director shall serve at the pleasure of the governing body of the Contracting Party by whom he was appointed. The fifth Director who is selected by the four (4) Directors appointed by the Contracting Parties shall serve for a term of two (2) years.

3.4 Vacancies: A vacancy occurring in the Board of Directors, whether such vacancy is the result of resignation, death, removal or disability

shall be filled in the same manner of appointment or selection as provided in Paragraph 3.2 hereof.

3.5 Compensation: Directors may receive compensation for their services as may be provided by Resolution of the Board of Directors and the Board of Directors, by Resolution, shall provide for reimbursement to Directors of their actual expenses for attendance at meetings of the Board of Directors and for expenses otherwise incurred on behalf of the Authority.

3.6 Associate Members: Menoken Water Company, Chipeta Water Company and the Uncompahgre Valley Water Users Association may each appoint an associate member. Such associate members shall not have the right to vote, act in behalf of the Authority, hold office or exercise any of the powers of the Board of Directors but shall act in an advisory capacity only to the Board of Directors.

3.7 Annual Meetings: An annual meeting of the Board of Directors shall be held within the first one hundred twenty (120) days in each year at such place within the Tri-County Water Conservancy District as shall be designated in the notice of the meeting, to elect officers, to pass upon reports for the preceding fiscal year and to transact such other business as may come before the meeting. Failure to hold the annual meeting at the designated time, or failure to hold the annual meeting in any year, shall not cause a forfeiture or dissolution or otherwise affect the Authority.

3.8 Regular Meetings: The Board of Directors, from time to time, may provide by unanimous Resolution of all Directors for the time and place of holding regular meetings without notice to Directors other than such Resolution.

3.9 Special Meetings: Special meetings of the Board of Directors may be called by the Chairman or any Director and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the Board of Directors shall be held at such time and place within Tri-County Water Conservancy District as shall be fixed by the Chairman or Director calling the meeting.

3.10 Notice of Meetings: Written notice of the annual or of any special meeting of the Board of Directors shall be delivered to each Director not less than seven (7) nor more than thirty (30) days before the date fixed for such meeting, either personally or by mail, by or at the direction of the

secretary, or, upon his default, by the person calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at his address as it appears on the records of the Authority, with postage thereon prepaid.

3.11 Waiver of Notice: Whenever any notice is required to be given to any Director of the Authority under the provisions of law or this contract, a waiver thereof in writing signed by such Director whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Director at any meeting of the Board of Directors shall constitute a waiver by such Director of notice of such meeting except when such Director attends such meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.12 Quorum: Three of the number of Directors then in office shall constitute a quorum for the transaction of business; provided that, if less than a quorum is present, the Directors present may adjourn the meeting from time to time and, provided further, that the Secretary shall notify any absent Directors of the time and place of such adjourned meeting. Unless otherwise provided herein, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

3.13 Duties: The duties of the Board of Directors shall be:

- (a) To govern the business and affairs of the Authority.
- (b) To exercise all powers of the Authority.
- (c) To comply with the provisions of parts 1, 5, and 6 of Article I of Title 29 of CRS (1973).
- (d) To adopt a fiscal Resolution, which complies with statutory and other restrictions imposed by law on the affairs of the Authority, to govern the financial transactions of the Authority, including the receipt, custody and disbursement of its funds, securities and other assets, and to provide for the services of a firm of independent certified public accountants to examine, at least annually, the financial records and accounts of the Authority and to report thereupon to the Board of Directors.
- (e) To keep minutes of its proceedings.
- (f) To adopt such By-Laws as appropriate for the conduct of its business not in conflict herewith.

4. Officers: The officers of the Authority shall be a Chairman, Vice-chairman, Secretary, Treasurer, and such other officers and assistant officers as may be authorized by the Board of Directors from time to time

to perform such duties as may be approved by the Board of Directors. The Chairman and Vice-chairman shall be members of the Board of Directors, but the other officers of the Authority need not be members of the Board of Directors.

4.1 Initial Election of Officers: At the first meeting of the Board of Directors, the members of the Board of Directors shall elect officers who shall serve as such officers of the Authority until the next succeeding annual meeting of the Board of Directors and until their successors are elected and qualified.

4.2 Regular Elections and Term of Office: The officers shall be elected annually by the Board of Directors at the annual meeting. Each officer shall hold office until the next succeeding annual meeting of the Board of Directors or until his successor is elected and qualified. Vacancies or new offices may be filled at any meeting of the Board of Directors.

4.3 Removal: Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without cause, whenever in its judgment the best interests of the Authority will be served thereby.

4.4 Duties of Officers: In addition to duties designated by the Board of Directors, the duties of the officers shall include the following:

- (a) Chairman: The Chairman shall preside at all meetings of the Board of Directors and, except as otherwise delegated by the Board of Directors, shall execute all legal instruments of the Authority. The Chairman shall perform such other duties as the Board of Directors may prescribe from time to time.
- (b) Vice-Chairman: The Vice-Chairman shall, in the absence of the Chairman, or in the event of his inability or refusal to act, perform the duties of the Chairman and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice-Chairman shall also perform such other duties as may be prescribed by the Board of Directors from time to time.
- (c) Secretary: The Secretary shall maintain the official records of the Authority, including this contract, By-Laws, rules and regulations adopted by the Board of Directors, the minutes of meetings of the Board of Directors, and a register of the names and addresses of Directors and officers and shall issue notice of meetings, attest and affix the corporate seal to all documents of the authority and shall perform such other duties as the Board of Directors may prescribe from time to time.
- (d) Treasurer: The Treasurer shall serve as financial officer of the Authority and, pursuant to the fiscal Resolution

adopted by the Board of Directors governing the financial transactions of the Authority and the restrictions imposed by law, be responsible for the receipt, custody, investment and disbursement of the Authority's funds and securities and for duties incident to the office of Treasurer, and shall perform other duties as the Board of Directors may prescribe from time to time.

4.5 Bonds of Officers: The Treasurer and any other officer or agent of the Authority charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Authority to give bond in such amount and with such surety as it shall determine. The cost of such bond shall be an expense payable by the Authority.

5. Indemnification of Officers and Directors: Each Director and officer of the Authority, whether or not then in office and his Personal Representatives shall be indemnified by the Authority against all costs and expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he may be involved or to which he may be made a party by reason of his being or having been such Director or officer, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for willful or wanton negligence or misconduct in the performance of his duty. Such costs and expenses shall include amounts reasonably paid in settlement for the purpose of curtailing the cost of litigation, but only if the Authority is advised in writing by its counsel that in his opinion the person indemnified did not commit such willful and wanton negligence or misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law or by agreement.

6. Term of Contract: This contract shall continue in force and effect until terminated by the written document of all of the Contracting Parties, authorized by the formal action of their governing bodies; provided, however, that this contract may not in any event be terminated or rescinded so long as the Authority has bond, notes or other obligations outstanding unless provision for full payment of such obligations by escrow or otherwise, has been made pursuant to the terms of such obligations.

7. Assets Held in Trust: All assets and properties of the Authority shall be held in trust for the purposes herein mentioned, including the payment of liabilities of the Authority.

8. Adding and Deleting Parties: No party may be added to this contract as a Contracting Party without the unanimous consent of all Contracting Parties authorized by a written document formally approved by the governing body of each Contracting Party. A Contracting Party may withdraw from this contract by written document authorized by the governing body of such Contracting Party; provided, however, such withdrawing Contracting Party shall remain liable for the minimum amount of water it has obligated itself hereunder until such time as all indebtedness incurred while the withdrawing Contracting Party was a party has been paid, such indebtedness to include all bonds, notes or other obligations of the Authority. Upon withdrawal, a withdrawing Contracting Party shall have no further interest, right or title in or to any assets or equity of the Authority.

9. Distribution on Termination: In the event of the rescision or termination of this contract and the dissolution of the Authority, all the assets of the Authority shall immediately vest in the Contracting Parties. The assets of the Authority conveyed to each Contracting Party shall be that proportion which the total dollar amount of treated water purchased and paid for by such Contracting Party from the Authority bears to the total dollar amount of all treated water purchased and paid for by all of the Contracting Parties from the Authority during its existence.

10. Sale of Treated Water to Others: The Authority shall provide wholesale treated water to the Menoken Water Company and the Chipeta Water Company at rates and charges uniform with the rates and charges charged to the Contracting Parties. The Authority may sell wholesale treated water to others only outside the boundaries of the Contracting Parties and at such rates and charges as the Board of Directors may determine.

11. Seal: The corporate seal of the Authority shall be in the form of a circle and have inscribed thereon the name of the Authority and the words, "Corporate Seal", together with such insignia, if any, as the Board of Directors may authorize.

12. Execution of Contracts: Except as otherwise provided by law, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, or execute and deliver any instrument in the name and on behalf of the Authority.

13. Checks, Drafts, Etc.: All checks, drafts or other orders for payment of money and all notes, bonds, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents, employee or employees of the Authority and in such manner as from time to time shall be determined by Resolution of the Board of Directors.

14. Deposits: All funds of the Authority shall be deposited from time to time to the credit of the Authority, pursuant to law, in such bank or banks as the Board of Directors may select.

15. Fiscal Year: The fiscal year of the Authority shall be the calendar year.

16. Principal Place of Business: The principal place of business of the Authority shall be established by the Board of Directors. Annually, on or before the 1st day of February of each year, and within thirty (30) days following any change, the Authority shall file with the Division of Local Government the name of agent for service of process on the Authority and the address of the principal place of business of the Authority.

17. General Powers: The general powers of the Authority shall include all powers granted by the Colorado Revised Statutes, 1973, as amended, including but not exclusively, the following powers:

17.1 Water: To develop water resources, systems, or facilities in whole or in part for the benefit of the inhabitants of the Contracting Parties or others at the discretion of the Board of Directors, subject to fulfilling the conditions and requirements set forth in this contract; provided, however, that the Authority shall not have the power to acquire ownership of water rights or raw water supplies in the Authority's own name but shall have the power to purchase or lease raw water from the Contracting Parties, the Uncompahgre Valley Water Users Association, Montrose, Colorado, and from other parties with whom the Authority contracts to furnish treated water.

17.2 Contracts: To make and enter into contracts of every kind with the United States, the State of Colorado, or political subdivisions thereof, including counties, special districts and any individual firm, association,

partnership, corporation or any other organization of any kind.

17.3 Agents and Employees: To employ agents and employees.

17.4 Facilities: To acquire, construct, manage, maintain or operate water systems, facilities, works, treatment facilities, transmission pipelines or improvements or any interest therein.

17.5 Property: To acquire, hold, lease (as lessor or lessee), sell or otherwise dispose of any real or personal property utilized only for the purposes of water treatment, distribution and waste water disposal.

17.6 Condemnation: To condemn property for use as rights of way; provided, however, only if such property is not owned by any public utility and devoted to such public use pursuant to state authority.

17.7 Debts: To incur debts, liabilities or obligations or to borrow money and from time to time to make, accept, endorse, execute and deliver bonds, debentures, promissory notes, bills of exchange and other obligations of the Authority for moneys borrowed or in payment for property acquired or for any of the other purposes of the Authority; and to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement or other collateral instrument or by other lien upon, assignment of, or agreement in regard to, all or any part of the properties, rights, assets, contracts, easements, revenues, and privileges of the Authority wherever situated.

17.8 Litigation: To sue and be sued in its own name.

17.9 Seal: To have and use a corporate seal as herein provided.

17.10 Rates: To fix, maintain and revise fees, rates and charges for functions, services or facilities provided by the entity, such rates and charges to be in such amount or amounts as necessary to provide for the purchase of raw water from the Contracting Parties, the operation and maintenance, debt service, reserves, capital improvements, and other obligations and expenses of the Authority. All Contracting Parties shall be charged at the same rate for treated water delivered to their delivery point or points unless such nonuniformity of rates is required by a lending agency and in such case such nonuniformity of rates will be subject to the unanimous approval of the Board of Directors. The requirement for uniformity rates for the Contracting parties shall not prohibit the Authority from a rate structure incorporating peak period pricing concepts, or an increasing block rate based on per capita consumption rates. The Authority may not utilize a declining block rate

17.11 Regulations: To adopt by Resolution regulations respecting the exercise of its powers and the carrying out of its purpose.

17.12 Agents: To do and perform any acts and things authorized by CRS 1973 29-1-203.2, as amended, under, through or by means of an agent or by contracts with any persons, firm or corporation.

17.13 Rehabilitation of Lands: To provide for the rehabilitation of any surfaces adversely affected by the construction of water pipelines, facilities or systems through the rehabilitation of plant cover, soil stability and other measures appropriate to the subsequent beneficial use of such lands.

17.14 Indemnification of Property Owners: To justly indemnify property owners or others affected for any losses or damages incurred, including reasonable attorneys' fees or that may subsequently be caused by or which result from actions of the Authority.

17.15 Other Powers: To exercise any other powers which are essential to the provision of functions, services, or facilities by the Authority and which are specified in this contract.

18. Political Subdivision: The Authority shall be a political subdivision and a public corporation of the state, separate from the Contracting Parties. It shall have the duties, privileges, immunities, rights, liabilities and disabilities of a public body politic and corporate. The provisions of Article 10.5 of Title 11, CRS 1973, as amended, shall apply to moneys of the entity.

19. Debt Not That of Contracting Parties: The bonds, notes and other obligations of the Authority shall not be the debts, liabilities or obligations of the contracting Parties or parties which may become future Contracting Parties.

20. Revenue Bonds: The Authority is authorized to issue revenue bonds or other obligations pursuant to the terms, conditions and authorization contained in 1973 CRS 29-1-203.2 (7).

21. Funds of Contracting Parties: The Authority may receive from the Contracting Parties funds from proprietary revenues for services rendered by the entity, funds from proprietary revenues or other public funds as contributions to defray the cost of any purpose set forth in this contract and funds from proprietary revenues or other public funds as advances for any purpose, subject to repayment by the Authority, as the Board of Directors of

the Authority and the Contracting Parties may agree.

22. Limitation on Depositories: In addition to any other requirements or limitations with respect to funds of the Authority, the limitations imposed by the 1973 CRS 32-1-701 shall apply.

23. Reserve and Capital Improvement Funds: For the first ten (10) years of operation, the Authority shall cause a reserve fund to be maintained consisting of ten per cent (10%) of gross revenues each year to be used for debt repayment, emergency repairs or capital improvements. After ten (10) years twenty per cent (20%) of gross revenues shall be placed in the capital improvement fund each year. Such fund shall be used solely for the expansion of the treatment and delivery capacities and facilities.

24. Raw Water: The Contracting Parties shall furnish by sale or otherwise to the Authority raw water in proportion to the treated water received by each from the Authority. If a Contracting Party has an insufficient raw water supply, Montrose, at its cost, shall make available to such Contracting Party amounts of raw water in excess of its needs which it is entitled to purchase from the Uncompahgre Valley Water Users Association through Tri-County in accordance with the terms of a contract between Montrose, the Water Users Association, Tri-County and the United States dated March 8, 1967. Prior to the availability of Dallas Creek Project Water, Montrose, Delta and Tri-County, in case any contracting party has an insufficient raw water supply, shall also make available, at cost, any excess raw water which they may have available.

25. Service Areas: The Contracting Parties shall enter into service area agreements between each other and furnish the Authority current copies of all such service area agreements.

26. Meters Required: All water service furnished by each Contracting Party and other user shall be fully metered by January 1, 1981, and the Board of Directors is authorized to terminate water service to any such Contracting Party or other user whose system is not fully metered by said date.

27. Delivery Points: The Authority shall deliver water to the Contracting Parties and other users only at points to be established by the Board of Directors in order to provide adequate service to each of the users for its present needs. No tap will be allowed into the main transmission line other than for delivery of water to the Contracting Parties or other users as provided for.

28. Raw Water Storage: The Contracting Parties shall have the right to store and transmit their raw water in and through raw water reservoirs and transmission pipelines of the Authority.

29. Expansion of Treatment Plant and Transmission Facilities: The Authority acting through the Board of Directors shall take timely steps to insure adequate treatment and delivery capacity in order to meet the needs of the Contracting Parties and other users herein provided for. At such time as the plant capacity is exceeded, if the Authority has failed or refused to take the necessary action to increase capacity, any of the Contracting Parties shall have the right to construct such capacity as it deems necessary and may integrate and utilize the Authority's treatment and delivery facilities in so doing. Any Contracting Party or Parties constructing such additional capacity shall be the sole owner of such additional capacity and shall have the sole right to use such treated water and charge any other Contracting Party or other user desiring to use such capacity a reasonable charge for such use.

30. Minimum Purchase Obligation: The Contracting Parties shall be obligated to purchase the following minimum amounts of water each year at the rates set by the Authority in accordance with this agreement. Menoken Water Company and Chipeta Water Company shall be obligated to purchase the following minimum amounts of water each year at rates set by the Authority in accordance with this agreement and such obligation shall be provided for in a separate contract between the Authority and the Menoken Water Company and the Chipeta Water Company.

<u>Water User</u>	<u>Minimum (Million Gallons)</u>
Montrose	1,208.7
Delta	976.4
Tri-County	186.9
Olathe	19.6
Chipeta Water Company	2.2
Menoken Water Company	1.2

The minimum amounts from time to time may be adjusted due to transfer of service area or customers between the Contracting Parties and the other users. The obligation for minimum purchases shall terminate when all debt, other than operating expense, of the Authority has been paid.

31. Maximum Limit of Water Delivery: At any time that the total demand of the Contracting Parties and the other users for treated water exceeds the capacity for the plant, each shall be entitled to a pro rata share of the plant capacity based upon its share of the volume purchased during the same month of the prior calendar year.

32. Indemnification of Contracting Parties: The Authority shall hold harmless and indemnify the Contracting Parties hereto for any amounts which might be adjudged or collected against them because of the operation of the Authority for the quality of water produced by the Authority. The Authority shall obtain liability and other insurance or self insure, in amounts to be determined by the Board of Directors but in no event less than the limits of liability specified in the Colorado Governmental Immunity Act, as amended. Any insurance contract shall name the Authority and the Contracting Parties as insureds.

33. Filing of Contract: A copy of this contract shall be filed with the Division of Local Government of the State of Colorado as soon as practicable following its execution by the Contracting Parties and in all events within ten (10) days after such execution.

34. Notices: Any formal notice, demand or request provided for in this contract shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by registered or certified mail, postage prepaid, to the Contracting Parties as follows, unless another address is certified to the Authority:

City of Montrose, Colorado
 c/o City Manager
 City Hall
 Montrose, Colorado 81401

City of Delta, Colorado
 c/o City Manager
 City Hall
 Delta, Colorado 81416

Town of Olathe
 c/o Town Clerk
 Town Hall
 Olathe, Colorado 81425

Tri-County Water Conservancy District
 c/o Manager
 P. O. Box 347
 Montrose, Colorado 81401

35. Amendment: This agreement may be amended only by written agreement approved by formal authority of the governing bodies of all of the Contracting Parties provided, however, that such agreement will not affect the obligations or the liability of the Authority to perform the work under this

other obligations outstanding of the Authority unless provision for full payment of such obligations, by escrow or otherwise, has been made pursuant to the terms of such obligations.

36. Severability: In the event that any of the terms, covenants or conditions of this contract or their application shall be held invalid as to any person, corporation or circumstance by any court having jurisdiction, the remainder of this contract and the application and effect of its terms, covenants or conditions to such persons, corporations or circumstances shall not be affected thereby.

37. Regulatory Jurisdiction: This contract shall be subject to filing with, approval by, and to such changes or modifications as may from time to time be directed by competent regulatory authority, if any, in the exercise of its jurisdiction.

38. Duplicate Originals: This contract shall be executed in several counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Contracting Parties have caused this contract to be executed as of the 29th ^{September} day of ~~August~~, 1977.

CITY OF DELTA

By James M. Mendenhall
Mayor

ATTEST:

By Donna Day
City Clerk

CITY OF MONTROSE

By Robert A. Strong
Mayor

ATTEST:

By Shirley R. Pabey
City Clerk

TOWN OF OLATHE

By Loren L. Switzer
Mayor

ATTEST:

By Virginia Kellu
Town Clerk

TRI-COUNTY WATER CONSERVANCY DISTRICT

By Harold Whitson
President

ATTEST:

By Harold Whitson
Secretary

APPROVED

UNCOMPHGRE VALLEY WATER USERS ASSOCIATION

By [Signature]
President

CHIPETA WATER COMPANY

By [Signature]
President

MENOKEN WATER COMPANY

By [Signature]
President

FIRST AMENDMENT
CONTRACT ESTABLISHING THE PROJECT 7 WATER AUTHORITY
AS A SEPARATE GOVERNMENTAL ENTITY

FIRST AMENDMENT TO THE CONTRACT ESTABLISHING THE PROJECT 7 WATER AUTHORITY made and entered into this 22nd day of April, 1981, by and among the parties to said Contract which parties are THE CITY OF DELTA, Colorado, a Municipal Corporation of the State of Colorado, THE CITY OF MONTROSE, Colorado, a Municipal Corporation of the State of Colorado, TRI-COUNTY WATER CONSERVANCY DISTRICT, Montrose, Colorado, a Water Conservancy District of the State of Colorado, and THE TOWN OF OLATHE, Colorado, a Municipal Corporation of the State of Colorado; all of such parties hereinafter referred to collectively as the "Contracting Parties",

W I T N E S S E T H :

WHEREAS, the Contracting Parties entered into a Contract Establishing the Project 7 Water Authority as a Separate Governmental Entity on the 29th day of September, 1977, and

WHEREAS, the Contracting Parties desire to amend Sections 10, 23, 30 and 31 of said Contract.

NOW, THEREFORE, the Contracting Parties agree as follows:

1. Section 10, Sale of Treated Water to Others, is hereby amended to read as follows:

10. Sale of Treated Water to Others: The Authority shall provide wholesale treated water to the Menoken Water Company and the Chipeta Water Company at rates and charges uniform with the rates and charges charged to the contracting parties.

The Authority may sell wholesale treated water to others at rates and charges set by the Board of Directors

only with the approval of 4/5th of the entire membership of the Board of Directors. Any sale to such other customers shall set a defined maximum amount of water to be delivered by the Authority. The tap fees, rates or charges to such others shall be determined so as to include an equitable apportionment of prior capital investment by the Authority.

2. Section 23, Reserve and Capital Improvement Fund, is amended to read as follows:

23. Reserve and Capital Improvement Fund: The Board of Directors shall have the authority to establish and cause a reserve fund to be maintained, which fund shall consist of not more than seven per cent (7%) of gross revenues each year. The reserve fund shall be used only for debt repayment, emergency repairs, capital improvements and for the expansion of the treatment and delivery capacities and facilities.

3. Section 30, Minimum Purchase Obligation, is hereby amended to read as follows:

30. Minimum Purchase Obligation: The Contracting Parties shall be obligated to purchase the following minimum amounts of water each year at the rates set by the Authority in accordance with this agreement. Menoken Water Company and Chipeta Water Company shall be obligated to purchase the following minimum amounts of water each year at rates set by the Authority in accordance with this agreement and such obligation shall be provided for in a separate contract between the Authority and the Menoken Water Company and the Chipeta Water Company.

<u>WATER USER</u>	<u>MINIMUM</u> (Million Gallons)
Montrose	825.0
Delta	500.0
Tri-County	183.0
Olathe	45.0
Chipeta Water Company	50.0
Menoken Water Company	45.0

The minimum purchase obligations are subject to the following conditions:

(a) If the total amount of water delivered in a year exceeds the aggregate of the annual minimum purchase obligations, 1,648 million gallons, any Contracting Party or Company not using its minimum amount shall be excused from its minimum obligation for that year and shall be obligated only for the actual amount of water delivered to it.

(b) If the total amount of water delivered in a year is less than the aggregate of the annual minimum obligations, 1,648 million gallons, those Contracting Parties and Companies not using their minimum amount shall be obligated to pay their proportionate share of the difference between the total water delivered and the aggregate of the minimum purchase obligations. Such proportionate share shall be based on the minimum purchase obligations of those not using their minimum amounts.

(c) The amounts of the minimum purchase obligations may be adjusted annually by the Board of Directors to reasonably reflect the actual use of the Contracting Parties and Companies, provided, however, that any adjustment must be made with the unanimous approval of all of the members of the Board of Directors and with the approval of any Company whose minimum purchase obligation is adjusted, and further provided, that the aggregate of the total annual minimum purchase obligation shall not be less than 1,648 million gallons.

4. Section 31, Maximum Limit of Water Delivery, is hereby amended to read as follows:

31. Maximum Limit of Water Delivery: At any time that the total demand of the Contracting Parties, Chipeta Water Company and Menoken Water Company, for treated water exceeds the capacity of the plant, each shall be entitled to a pro-rata share of the volume purchased during the same month of the prior calendar year. Other users shall be li-

mitted by the limits provided in their supply contracts.

IN WITNESS WHEREOF, the Contracting Parties have
caused this Amendment to be executed this 22nd day of
April, 1981.

CITY OF DELTA

By *Gene Robertson*
Mayor

ATTEST:

By *Mari Lynn Hutton*
City Clerk

CITY OF MONTROSE

By *Sue Muehl*

ATTEST:

By *Mary B. Watt*
City Clerk

TOWN OF OLATHE

By *Sam Howard*
Mayor

ATTEST:

By *Catherine M. Shipley*
Town Clerk

TRI-COUNTY WATER CONSERVANCY
DISTRICT

By *Garner L. Kuebler*
President

ATTEST:

By *L. J. Brown Jr*
Secretary

APPROVED:

CHIPETA WATER COMPANY

By _____
President

MENOKEN WATER COMPANY

By _____
President

I, Virginia Kellin, Town Clerk of the
Town of Olathe, Colorado, do hereby certify that the attached
is a true and correct copy of Ordinance No. 175 as adopted
by the Board of Trustees of the Town of Olathe.

Virginia Kellin
Town Clerk



BY-LAWS
OF
PROJECT 7 WATER AUTHORITY

ARTICLE I

OFFICES

1. The principal office of the Authority shall be in Montrose, Colorado.
2. The Authority may also have offices at such other places as the Board of Directors may from time to time appoint, or the business of the corporation may require.

ARTICLE II

MEETINGS OF DIRECTORS

1. All meetings of Directors shall be held at the office of the Authority unless otherwise ordered by the Directors, subject, however, to Section 2.
2. The annual meeting of the Directors of this Authority shall be held at the principal office of the Authority on the 4th Thursday of March of each year at 7:30 p.m. for the purpose of transacting such business as may properly come before the meeting.
4:30 pm Feb 2007
3. Regular monthly meetings of the Board shall be held on the 4th Thursday of each month. No notice is required for such regular monthly meetings.
4. Special meetings of the Board may be called in accordance with the organizational contract of the Authority.
5. Notice of meetings shall be given and waiver of notice and quorum requirements in accordance with the organizational contract of the Authority.
6. The order of business at the annual meeting and, so far as possible, at all other meetings of the Directors shall be:
 1. Calling the roll.
 2. Proof of due notice of the meeting.
 3. Reading and approval of minutes.
 4. Annual Reports of officers and committees.
 5. Election of officers.
 6. Unfinished business.
 7. New business.
 8. Adjournment.

ARTICLE III

BOARD OF DIRECTORS

The qualifications, appointment, number, term, compensation, duties and powers of the Directors shall be as specified in the organizational contract.

ARTICLE IV

OFFICERS

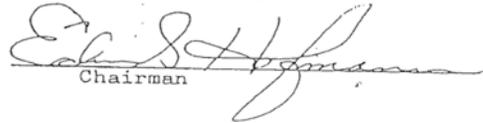
The officers, their qualifications, duties and powers shall be as specified in the organizational contract.

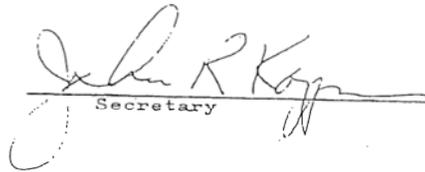
ARTICLE V

ORGANIZATIONAL
CONTRACT CONTROLS

If any of the provisions of these By-laws conflict with the organizational contract of the Authority, the provisions of the organizational contract of the Authority shall control.

Approved by the Board of Directors at the annual meeting of the Authority on March 23, 1978.


Chairman

 for R. C. Strong
Secretary

SECOND AMENDMENT

TO

CONTRACT ESTABLISHING THE PROJECT 7 WATER AUTHORITY
AS A SEPARATE GOVERNMENTAL ENTITY

SECOND AMENDMENT TO THE CONTRACT ESTABLISHING THE PROJECT 7 WATER AUTHORITY made and entered into this 24th day of JUNE, 1998, by and among the parties to said Contract which parties are THE CITY OF DELTA, Colorado, a Municipal Corporation of the State of Colorado, THE CITY OF MONTROSE, Colorado, a Municipal Corporation of the State of Colorado, TRI-COUNTY WATER CONSERVANCY DISTRICT, Montrose, Colorado, a Water Conservancy District of the State of Colorado, and THE TOWN OF OLATHE, Colorado, a Municipal Corporation of the State of Colorado; all of such parties hereinafter referred to collectively as the "Contracting Parties",

W I T N E S S E T H :

WHEREAS, the Contracting Parties entered into a Contract Establishing the Project 7 Water Authority as a Separate Governmental Entity on the 29th day of September, 1977 and a First Amendment thereto dated April 22, 1981, and

WHEREAS, the Contracting Parties desire to include the Menoken Water District as a Contracting Party with the same rights, duties and obligations as all other Contracting Parties, and

WHEREAS, the Contracting Parties desire to amend Sections 2.2(c), 3.2, 3.3, 3.6, 10, 30, 31 and 34 of said Project 7 Contract as amended.

NOW, THEREFORE, the Contracting Parties agree as follows:

1. Section 2.2(c) Function or Service is hereby amended to delete "Menoken Water Company and".

2. Section 3.2 Appointment is hereby amended to read as follows:

3.2 Appointment: The governing body of each of the Contracting Parties shall appoint one principal member and one alternate member to the Board of Directors.

(1)

3. Section 3.3 Term is hereby amended to read as follows:

3.3 Term: Each Director shall serve at the pleasure of the governing body of the Contracting Party by whom he was appointed.

4. Section 3.6 Associate Members is amended by the deletion of "Menoken Water Company".

5. Section 10 Sale of Treated Water to Others is amended to read as follows:

Section 10: Sale of Treated Water to Others: The Authority shall provide wholesale treated water to the Chipeta Water Company at rates and charges uniform with the rates and charges charged to the Contracting Parties.

The Authority may sell wholesale treated water to others at rates and charges set by the Board of Directors only with the approval of 4/5 of the entire membership of the Board of Directors. Any sale to such other customers shall set a define maximum amount of water to be delivered by the Authority. The tap fees, rates or charges to such others shall be determined so as to include an equitable apportionment of prior capital investment by the Authority.

6. Section 30 Minimum Purchase Obligation is amended by the deletion of "Menoken Water Company" and the addition of "Menoken Water District with a minimum purchase obligation in the amount of 45.0 million gallons per year".

7. Section 31 Maximum Limit of Water Delivery is amended by the deletion of "Menoken Water Company".

8. Section 34 Notices is amended by the addition of:

Menoken Water District
c/o Manager
4683 6225 Road
Montrose, Colorado 81401

This Amendment shall be executed in several counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

A copy of this Amendment shall be filed with the Division of Local Government of the State of Colorado as soon as practicable following the execution by the Contracting Parties and in all event in ten (10) days after such execution.

IN WITNESS WHEREOF the Contracting Parties have caused this Amendment to be executed this 10th day of October, 1997.

CITY OF DELTA

By *Bruce Thompson*
Mayor

ATTEST:

By *Mary Lynn Williams*
City Clerk

CITY OF MONTROSE

By *William F. Cooper*
Mayor

ATTEST:

By *Mary R. Watt*
City Clerk

TOWN OF OLATHE

By _____
Mayor

ATTEST:

By _____
Town Clerk

TRI-COUNTY WATER CONSERVANCY DISTRICT

By _____
President

ATTEST:

By _____
Secretary

(3)

A copy of this Amendment shall be filed with the Division of Local Government of the State of Colorado as soon as practicable following the execution by the Contracting Parties and in all event in ten (10) days after such execution.

IN WITNESS WHEREOF the Contracting Parties have caused this Amendment to be executed this ____ day of _____, 1997.

CITY OF DELTA

By _____
Mayor

ATTEST:

By _____
City Clerk

CITY OF MONTROSE

By _____
Mayor

ATTEST:

By _____
City Clerk

TOWN OF OLATHE

By Billy D. Sale
Mayor

ATTEST:

Patricia L. Mariano
Town Clerk

A copy of this Amendment shall be filed with the Division of Local Government of the State of Colorado as soon as practicable following the execution by the Contracting Parties and in all event in ten (10) days after such execution.

IN WITNESS WHEREOF the Contracting Parties have caused this Amendment to be executed this ____ day of _____, 1997.

CITY OF DELTA

By _____
Mayor

ATTEST:

By _____
City Clerk

CITY OF MONTROSE

By _____
Mayor

ATTEST:

By _____
City Clerk

TOWN OF OLATHE

By _____
Mayor

ATTEST:

By _____
Town Clerk

TRI-COUNTY WATER CONSERVANCY DISTRICT

By 
President

ATTEST:

By 
Secretary

APPROVED BY:

MENOKEN WATER DISTRICT

By *Radha Meeker*
President

ATTEST:

By *John King*
Secretary

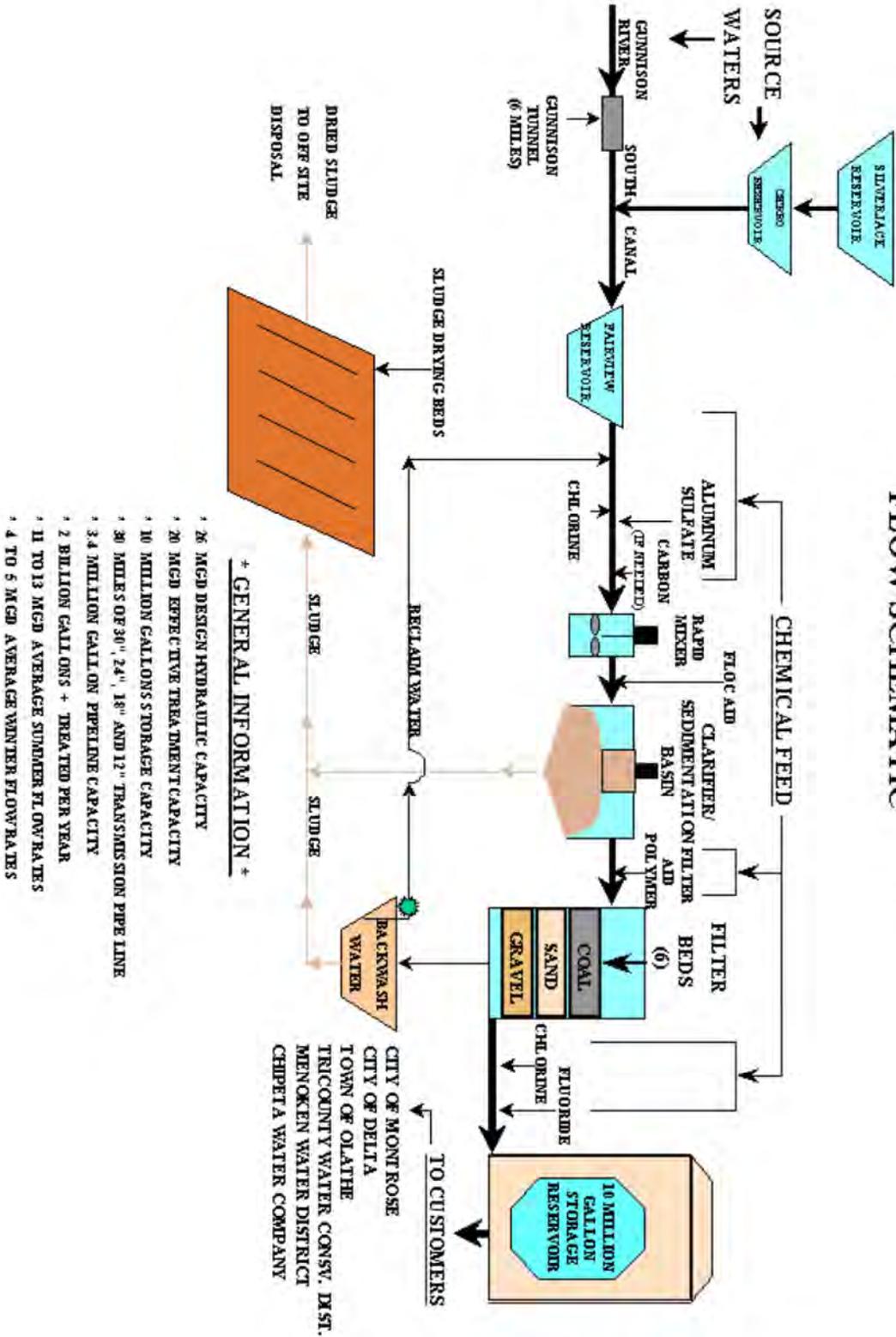


Appendix G

PROJECT 7 WATER AUTHORITY

TREATMENT PROCESS FLOWCHART

PROJECT 7 WATER AUTHORITY FLOW SCHEMATIC



Appendix H

CITY OF MONTROSE

WATER RIGHTS SUMMARY

CITY OF MONTROSE

RAW WATER RIGHTS

(June 2009)

DESCRIPTION	VOLUME/SHARES/FLOW RATE
Dallas Creek Project	10,000 Ac-Ft
Cimarron Canal & Reservoir Company	80 Shares
City Ditch (Riverbottom, Lions, Buckley, Rotary Parks)	10 cfs
Rice Ditch	7.29 cfs
Val Verde Ditch (Cerise)	8 cfs

UVWUA SHARES

DESCRIPTION	ACRES
Black Canyon Industrial Park	3.1
Rotary Park	4.0
City Shop	0.9
Riverbottom Park	2.0
Black Canyon Golf Course	59.2
Pavilion	12.3
Olathe Farm (Banner Road)	259.5
Ouellette Property	2.3
Cedar Creek Cemetery/N. Entrance Sign	0.22 cfs

Appendix I

DALLAS CREEK PROJECT

B.O.R./TCWCD CONTRACT

Contract No. 7-07-40-10273

CONFORMED COPY

1-14-77

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF RECLAMATION

DALLAS CREEK PROJECT
 COLORADO RIVER STORAGE PROJECT

REPAYMENT CONTRACT BETWEEN THE UNITED STATES OF AMERICA
 AND THE
 TRI-COUNTY WATER CONSERVANCY DISTRICT

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Contract No. 7-07-40-L0273
CONFORMED COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

DALLAS CREEK PROJECT
COLORADO RIVER STORAGE PROJECT

REPAYMENT CONTRACT BETWEEN THE UNITED STATES OF AMERICA
AND THE
TRI-COUNTY WATER CONSERVANCY DISTRICT

1 THIS CONTRACT, made this 14th day of January 1977,
2 between THE UNITED STATES OF AMERICA, acting through the Secretary of the
3 Interior, and pursuant to the Federal Reclamation Laws, and the TRI-
4 COUNTY WATER CONSERVANCY DISTRICT, a water conservancy district orga-
5 nized and existing pursuant to the laws of the State of Colorado, with
6 its principal place of business and office at Montrose, Montrose County,
7 Colorado.

8 WITNESSETH, That:

9 WHEREAS, the following statements are made in explanation:

10 The Act of Congress approved April 11, 1956 (70 Stat.
11 105), authorized the planning and investigations of the Dallas Creek
12 Project as a participating project of the Colorado River Storage Proj-
13 ect; subsequent authorization for the construction, operation and main-
14 tenance of the Dallas Creek Project was authorized by Title V of the
15 Colorado River Basin Project Act of September 30, 1968 (82 Stat. 896),
16 and the United States has investigated, planned, and proposes to con-
17 struct said Dallas Creek Project for the storage, diversion, salvage,
18 and distribution of the waters of the Uncompahgre River and its tributaries

1 for municipal and industrial use, irrigation of water deficient areas,
2 flood control, enhancement of recreation opportunities, conservation and
3 development of fish and wildlife resources, and other purposes.

4 The parties hereto desire to enter into a contract in
5 accordance with and subject to the conditions hereinafter set forth
6 providing, among other things, for the delivery of project water from
7 project works for irrigation of irrigable land within the Tri-County
8 Water Conservancy District, for municipal and industrial purposes, and
9 for the operation, maintenance, and replacement of project works.

10 NOW, THEREFORE, in consideration of the mutual and dependent
11 covenants herein contained, it is mutually agreed between the parties
12 hereto as follows:

13 GENERAL DEFINITIONS

14 1. Where used in this contract:

15 a. "Federal Reclamation Laws" means the Act of June 17,
16 1902 (32 Stat. 388), and all acts amendatory thereof or supplementary
17 thereto.

18 b. "Secretary" or "Contracting Officer," or either of
19 them, means the Secretary of the United States Department of the Interior
20 or his duly authorized representative.

21 c. "Contractor" means the Tri-County Water Conservancy
22 District, organized pursuant to Colorado Statutes.

23 d. "Project" means the Dallas Creek Project, a par-
24 ticipating project of the Colorado River Storage Project, and authorized
25 by Title V of the Colorado River Basin Project Act (82 Stat. 896).

1 e. "Project Works" means all works or facilities to be
2 constructed under provisions of this contract, together with lands and
3 rights-of-way for such works.

4 f. "Project Water" means all water made available from,
5 through, or by means of project works.

6 (1) "Project Irrigation Water" means project water
7 made available for use in the production of agricultural
8 crops and livestock, and for irrigation of small tracts
9 of irrigable land.

10 (2) "Project Municipal and Industrial Water" means
11 that portion of the project water furnished to municipal-
12 ities, to industrial establishments, and for commercial
13 recreation uses.

14 g. "Transferred Works" means those project works, turned
15 over to the Contractor for care, operation, and maintenance, exclusive of
16 fish and wildlife facilities described in Article 2a.(4)(b) and (c) hereof,
17 and any facilities constructed solely for recreational purposes.

18 h. "Irrigation Year" means a continuous period during
19 each calendar year in which project irrigation water will be delivered.
20 The periods will vary in the different areas of the project and will be
21 established for each area by the Contracting Officer.

22 i. "Irrigable Lands" means lands classified as being
23 capable of sustained agricultural production under irrigation in accord-
24 ance with standards established by the Contracting Officer.

25 j. "Reservoir Yield" means project water regulated by and
26 delivered from the active capacity of Ridgway Reservoir.

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PROJECT WORKS

2. a. Subject to the terms and conditions of this contract, the United States will construct the project works, acquire or withdraw land, and provide certain movable property needed for project operation which, in the opinion of the Contracting Officer, are necessary for project purposes, without being limited by enumeration and within the limit of funds made available by the Congress, hereinafter described:

(1) Ridgway Dam and Reservoir located on the Uncompahgre River about 6 miles north of Ridgway, Colorado, having an initial storage capacity of about 80,000 acre-feet.

(2) Operating headquarters, shops, and warehouses as determined necessary by the Contracting Officer after consultation with the Contractor.

(3) The purchase or transfer of certain movable property required in the care, operation, and maintenance of project works, as determined by the Contracting Officer after consultation with the Contractor.

(4) The United States will acquire or withdraw lands and construct facilities for fish and wildlife as follows:

(a) A dual-level outlet works at Ridgway Dam to make possible a blending of warm surface water and colder lower level water for downstream releases for fishery purposes.

1 (b) Fishing easements totaling 12 miles may be
2 acquired for public access along one or both sides
3 of the Uncompahgre River below Ridgway Dam, provid-
4 ing satisfactory arrangements can be made with
5 owners.

6 (c) Approximately 1,000 acres of land will be
7 acquired and developed in the vicinity of Ridgway
8 Reservoir to mitigate losses of deer winter range
9 and wildlife habitat attributable to project
10 development.

11 b. In keeping with the purposes of the project, the
12 Secretary may change the location or size of project works, or may
13 eliminate works or add works to those described above, and the Secre-
14 tary's decision on such changes, eliminations, or additions shall be
15 conclusive. Nothing contained herein shall be construed to indicate the
16 order in which the works described in subarticle (a) hereof will be
17 constructed or acquired.

18 c. The United States shall have the right at any time
19 after construction to increase the capacity of the project works or any
20 unit or feature thereof for other than project purposes without cost to
21 the Contractor; Provided, That the Contractor's use of project water
22 shall not be impaired thereby. The right of use of such increased
23 capacity is reserved to the United States.

24 POINTS OF DELIVERY, MEASUREMENT, AND USE OF PROJECT WATER

25 3. The project plan provides for construction of works to
26 deliver project water for irrigation, municipal and industrial and other

1 uses, at points of delivery to be determined by the Contracting Officer.
2 All project water delivered pursuant to this contract shall be measured
3 with equipment installed by the Contracting Officer, and said equipment
4 shall be operated, maintained, and replaced by the Contractor in a
5 manner satisfactory to the Contracting Officer, so that it will accurately
6 measure the water and encourage its economical and beneficial use. No
7 treatment facilities for municipal and industrial water or other uses
8 are included in the project plan.

9 CONDITIONS PRECEDENT TO CONSTRUCTION

10 4. The United States shall be under no obligation to com-
11 mence, or having commenced, to continue construction of the Ridgway Dam
12 and Reservoir and appurtenant works until:

13 a. A substantial portion of the available project water
14 supply for irrigation and municipal and industrial use has been sold in
15 a manner and amount satisfactory to the Contracting Officer.

16 b. Water exchange and water right adjustment contracts
17 are executed to the satisfaction of the Contracting Officer.

18 c. Adequate water rights for the project are obtained
19 and any conflicts between private water rights and project water rights
20 are resolved to the satisfaction of the Contracting Officer.

21 ACQUISITION OF LANDS, EASEMENTS, AND WATER RIGHTS

22 5. a. When permitted and authorized by the provisions of
23 Article 45, Title 37 of the Colorado Revised Statutes, the Contractor
24 will acquire for the project, any land and interest in land needed for
25 project purposes when such acquisition is requested by the Contracting
26 Officer.

1 b. If requested by the Contracting Officer, the Con-
2 tractor will file and diligently prosecute to a final decree, applica-
3 tions for water rights under Colorado law as may be needed for project
4 purposes, and upon request of the Contracting Officer will assign such
5 rights to the United States. The Contractor will also protect the
6 project water rights and in case a dispute arises as to the character,
7 extent, priority, or validity of the right of the United States or the
8 Contractor to use or permit use of project water, the Contractor, unless
9 the United States itself elects to sue to enforce or defend said rights,
10 shall promptly bring and diligently prosecute or defend judicial pro-
11 ceedings for the determination of such dispute and shall take all other
12 measures necessary toward the defense and protection of the project
13 water supply.

14 OBLIGATION AND TERMS OF REPAYMENT

15 6. a. The Contractor agrees to discharge its obliga-
16 tion to the United States, as herein defined, with revenue from all
17 sources available to it, including but not limited to revenue derived
18 from irrigation users, municipal and industrial (M&I) users, irrigation
19 account charges, general mill levies assessed against property within
20 the Tri-County Water Conservancy District, and miscellaneous sources.

21 b. The irrigation repayment obligation consists of
22 three parts:

23 (1) A total water user obligation of \$2,025,000
24 to be apportioned to the development blocks. The
25 allocated amount to each irrigation block, as defined
26 in Article 7 hercof, will be repaid in 50 annual

1 installments. Payments on each block will be paid
2 annually on February 1 each year commencing February 1
3 following the first year water is furnished under a
4 unit notice for that block, as provided in Article 7
5 hereof.

6 (2) An account charge obligation for irriga-
7 tion equal to \$10 times the number of separate
8 ownership accounts but not less than \$23,500 annually.
9 Adjustments to recognize changes in the number of
10 ownership accounts will be made 5 years after project
11 water is first made available to each block and
12 every 5 years thereafter, and the number of owner-
13 ship accounts upon which payment is to be based
14 shall be determined by the Contractor as of the year
15 prior to the year such adjustment is made. Payment
16 of account charges for each block will be due and
17 payable on February 1 following the year water is
18 first made available by unit notice to that block,
19 and February 1 each year thereafter until a total of
20 50 payments has been made.

21 (3) The contractor agrees to make an annual
22 payment to the United States derived from ad valorem
23 taxes which the Contractor is authorized to collect
24 under Colorado Revised Statutes.

1 The annual payment shall be at least 25 percent of
2 the total amount of money the Contractor is authorized to
3 collect under State Law in 1977 and shall be payable
4 within 60 days of the time tax revenues are distributed
5 to the Contractor by the appropriate County Officials of
6 the Counties in which the Tri-County Water Conservancy
7 District is located.

8 The first payment hereunder shall be payable the
9 first year following the year water is first made avail-
10 able to the Contractor and continue thereafter until a
11 total of 50 annual payments have been made; Provided,
12 however, That the aggregate of the annual payments, due
13 hereunder during said 50-year period, shall not be less
14 than \$3,066,000.

15 c. The Contractor hereby agrees to pay all project
16 costs allocated to M&I use, including interest during construction, but
17 not more than \$38,000,000. Said obligation limit is the current estimated
18 project cost allocated to M&I use, based on January 1, 1976, price levels
19 and fiscal year 1976 interest rates increased to cover possible changes
20 in the cost of construction, increases in the applicable rate of interest,
21 changes in project works, or changes in the allocation of project water.
22 The estimated cost based on January 1976 price levels and fiscal year
23 1976 interest rate is \$27,966,000. The allocated M&I repayment obli-
24 gation is based on furnishing 28,100 acre-feet annually of project M&I
25 water and is to be paid with revenues received from project M&I water
26 users and in accordance with subarticle d. hereof. The M&I repayment
27 obligation shall accrue interest at the rate to be established pursuant
28 to the provisions of Section 5(f) of the Act of April 11, 1956

1 which water from each block shall be made available for M&I use and the
2 first payment for such block will be due and payable on February 1 next
3 following said notice; subsequent payments shall be due and payable on
4 February 1 each year thereafter. If the Contractor elects to defer
5 taking M&I water when it first becomes available as provided in (1) and
6 (2) above, payment for each block shall commence on February 1 of the
7 year water is first to be taken, but such deferral shall not exceed a
8 period of 10 years, as provided above, and payment shall be payable each
9 year after the 10th year of deferral, whether or not the Contractor
10 takes water allotted for its use.

11 All M&I water made available by the Contracting
12 Officer shall be included in development block notices with their accom-
13 panying payment schedules. The payment schedules shall specify, among
14 other things, the annual amount for project M&I water that the Contractor
15 is to collect and pay to the United States under the schedule; Provided,
16 however, That nothing herein shall preclude the lease or resale of this
17 water for a lower price for irrigation uses by the Contractor at times
18 when it is not needed for M&I purposes and is approved in advance by
19 the Contracting Officer.

20 d. The Contracting Officer, after consultation with
21 the Contractor, will include in appropriate payment schedules, payments
22 to be made from revenues received by the Contractor from miscellaneous
23 contracts for storage of non-project water or use of project works.
24 Such payment will be applied first to reduce the M&I repayment obligation

1 and second to reduce the irrigation repayment obligation of the Contractor,
2 but will not be applied to reduce annual payment obligations of the Con-
3 tractor under any schedule.

4 ESTABLISHMENT OF DEVELOPMENT BLOCKS

5 7. a. The Contracting Officer shall, from time to
6 time as project features are completed, establish development blocks and
7 apportion to each block an appropriate part of the Contractor's repay-
8 ment obligation based on the nature of water use therein. A development
9 block may include presently irrigated project land needing supplemental
10 water, municipalities, industrial areas, and other lands within the
11 boundaries of the Tri-County Water Conservancy District. The Contract-
12 ing Officer shall give the Contractor written notice of his action,
13 referred to herein as the "development block notice," at least 12 months
14 prior to the date when water will be first delivered to the affected
15 block. The development block notice shall contain:

16 (1) A description of the area included in the
17 block.

18 (2) The quantity of project water available to the
19 Contractor for the block.

20 (3) A designation of that part of the Contractor's
21 irrigation or M&I repayment obligation apportioned to the
22 block.

23 (4) A payment schedule as provided in Article 6 for
24 the project irrigation water available in such block,
25 including a breakdown of the amount and due date of each

1 payment to be paid by the Contractor with revenues received
2 from irrigation water users and from all other revenues
3 available to the Contractor.

4 (5) A payment schedule as provided in Article 6
5 hereof for the project M&I water available in such block,
6 including a breakdown of the amount and due date of each
7 payment to be paid by the Contractor from revenues from
8 M&I water users.

9 (6) The development period established for the
10 irrigable lands of the block.

11 (7) The irrigation year established for the irri-
12 gable lands of the block.

13 b. Each development block notice shall be reexamined by
14 the Contracting Officer at intervals no longer than 5 years after water
15 is first made available to determine whether during the preceding
16 period water use changes have occurred which justify amendment of the
17 notice. If so, the Contracting Officer shall amend the notice and
18 payment schedules to reflect such changes; Provided, however, That such
19 development block notice amendments shall not reduce the project repay-
20 ment obligation established in Article 6.

21 c. Each development block notice and amendment thereto
22 shall become a part of this contract.

23 DISPOSAL OF PROJECT WATER BY UNITED STATES

24 8. During construction of the project works, and at any
25 other time, project water which is not obligated to the Contractor

1 pursuant to a development block notice, as provided in Article 7, may be
2 disposed of by the Contracting Officer at terms and charges fixed by
3 him. The charges shall be sufficient to at least cover the operation and
4 maintenance costs appropriate for such water delivery. Payment for use
5 of such water shall be in advance and the proceeds shall be applied to
6 operation and maintenance expense and other appropriate accounts as
7 determined by the Contracting Officer. The Contractor shall, however,
8 have the first opportunity to purchase said water at the price and terms
9 offered.

10 USE AND ALLOTMENT OF PROJECT WATER

11 9. a. The Contractor shall have the permanent right
12 to the annual yield from the reservoir and the right to use and dispose
13 of project water as such water is made available, subject to subarticle
14 c. hereof and subject to the rights of the United States to use or
15 release project water for flood control, fish, wildlife, and recrea-
16 tional purposes pursuant to operating standards and procedures governing
17 the project. Excess project water in any year shall be retained in the
18 project reservoir to the extent of capacity available and shall be
19 available for use during succeeding years. No holdover rights in the
20 project reservoir for water not used in any year shall be granted to
21 any individuals or subcontractors, including irrigation districts,
22 associations, or municipalities.

23 b. The Contractor shall make water allotment
24 petitions and contracts for the disposal of project water in accordance
25 with the Colorado Revised Statutes. Such water allotment petitions and
26 contracts shall be satisfactory to the Contracting Officer, shall be

1 approved by him in advance and shall not be amended or otherwise affected
2 without his written consent until after the Contractor has paid in full
3 its repayment obligation to the United States.

4 c. There are hereby reserved to the United States
5 certain capacities in Ridgway Reservoir and the water filling such
6 capacities as follows:

7 (1) 25,000 acre-feet representing dead
8 and inactive storage reserved for recreation
9 and fishery purposes.

10 (2) 100 acre-feet for recreational
11 development associated with the reservoir,
12 including water for culinary use and irrigation
13 of grass, trees, or shrubs.

14 d. The Contractor agrees that without written con-
15 sent of the Contracting Officer, project irrigation water shall not be
16 delivered or furnished for any purpose other than agricultural uses, in-
17 cluding but not restricted to domestic use incidental to such purposes
18 and watering of livestock. If it is necessary during the term of this
19 contract to convert project water from irrigation to M&I use, the annual
20 M&I water rate will be \$87.00 per acre-foot, subject to cost increases
21 as discussed in Article 6.c., for water so converted over the remaining
22 period of repayment for that block with appropriate changes made in the
23 M&I obligation as defined in Article 6.c. herein. The new rate shall be
24 applicable only to the quantity being converted and shall be computed
25 separately for each block. The date of conversion shall be the date on
26 which the quantity of irrigation water to be converted is first diverted
27 for M&I use.

1 (1) Scheduled irrigation payments by the Con-
2 tractor due under Article 6 b. are hereby waived by
3 the United States after the date of conversion for
4 the portion of water being converted, as determined
5 by the Contracting Officer with a corresponding re-
6 duction in irrigation water users obligation identi-
7 fied in Article 6.b.(1) and (2).

8 (2) The revenue apportioned to the State of
9 Colorado under the Colorado River Storage Project
10 Act of April 11, 1956 (70 Stat. 105), and subsequent
11 amendments, scheduled to assist in repayment of the
12 costs allocated to irrigation shall not be applied
13 after the date of conversion for that portion of
14 water converted, as determined by the Contracting
15 Officer.

16 e. Water offered by the Contracting Officer for use in
17 the Uncompahgre Project area within the Tri-County Water Conservancy
18 District shall be made available on an interim basis, through water
19 service contracts, until no longer needed or as a result of an equivalent
20 amount being offered from an alternative source, including the Uncompahgre
21 Improvement Plan, Irrigation Management Scheduling, or other sources.
22 The timing of such a withdrawal shall be established by the Contracting
23 Officer following consultation with the Tri-County Water Conservancy
24 District and the Uncompahgre Valley Water Users Association. Water made
25 available by the Contractor to the Uncompahgre Valley Water Users
26 Association shall be covered by separate contract. Such contract shall

1 include provisions requiring that project water shall not be used
2 outside the Tri-County Water Conservancy District boundaries, and shall
3 not result in increased water deliveries by the Uncompahgre Valley Water
4 Users Association to its members which would be applied to excess lands
5 or lands classified by the Secretary as being non-irrigable.

6 IRRIGATION DEVELOPMENT PERIOD

7 10. a. The development period for the irrigable lands of
8 each block is 1 year, which shall include that year in which the project
9 water supply is available for delivery on or before June 1 to substantially
10 all of the irrigable lands of each block. Said development period for
11 each block shall commence on January 1 of the calendar year specified in
12 a notice given to the Contractor by the Contracting Officer not less
13 than 18 months prior to the time project water is to be made available.

14 b. The United States may operate and maintain the
15 project works during the development period. In such event the charge
16 to the Contractor will be fixed at an amount not less than the total
17 costs of such operation and maintenance by the United States. Charges
18 will be estimated and announced at least 12 months preceding the commence-
19 ment of the development period and on or before June 1 each year there-
20 after. If necessary, supplemental notices may be issued as provided in
21 Article 13 a. The Contractor shall pay such charges pursuant to the
22 provisions of the announcement.

23 c. If the amount paid by the Contractor pursuant to
24 subarticle (b) herein is less than the actual cost of operation and
25 maintenance of the project works, the Contractor will pay the additional

1 costs required on his next annual payment. If the amount paid by the
2 Contractor pursuant to subarticle (b) herein exceeds the actual costs,
3 the Contracting Officer will credit the overpayment to the Contractor's
4 next annual payment.

5 IRRIGATION OPERATIONS

6 11. The Contractor hereby agrees to cooperate with the Con-
7 tracting Officer in establishing a program of Irrigation Management
8 Scheduling on the lands irrigated within the Tri-County Water Conser-
9 vancy District boundaries. The Contractor further agrees that where
10 feasible each water user in the Tri-County Water Conservancy District
11 will be required to cooperate in establishing a program of Irrigation
12 Management Scheduling on his land with the objective of developing the
13 optimum use of water for irrigation. Upon request of the Contracting
14 Officer the Contractor agrees to assume the cost of any such program of
15 Irrigation Management Scheduling developed by the Contracting Officer on
16 any block of land for any block of land within a period of 3 years of
17 such request.

18 OPERATION AND MAINTENANCE OF TRANSFERRED
19 WORKS--PAYMENT OF MISCELLANEOUS COSTS

20 12. a. Upon substantial completion of the project works, or
21 as otherwise determined by the Contracting Officer, and following
22 written notification, the care, operation, and maintenance of any or all
23 of the project works except those works for fish and wildlife use
24 described in Article 2a.(4) (b) and (c), shall be transferred to the
25 Contractor.

1 b. The Contractor, without expense to the United States
2 shall care for, operate, and maintain such transferred works in full
3 compliance with the terms of this contract, and in such manner that said
4 transferred works will remain in good and efficient condition.

5 c. The Contractor shall promptly make any and all
6 repairs to the project works being operated by it which are necessary
7 for proper care, operation, and maintenance. In case of neglect or
8 failure of the Contractor to make such repairs within 60 days following
9 written notification, the Contracting Officer may cause the repairs to
10 be made, and the cost thereof shall be paid by the Contractor as pre-
11 scribed by the Contracting Officer.

12 d. No substantial change shall be made by the Con-
13 tractor in any of the major transferred works without first obtaining
14 the written consent of the Contracting Officer.

15 e. The Contractor shall hold the United States, its
16 officers, agents, and employees harmless as to any and all damages which
17 may in any manner grow out of the care, operation, and maintenance of
18 any of the project works transferred to the Contractor.

19 f. In the event the Contractor is found to be operating
20 the transferred works or any part thereof in violation of this contract,
21 then at the election of the Contracting Officer the United States may
22 take over from the Contractor the care, operation, and maintenance of
23 such transferred works by giving written notice to the Contractor of
24 such election and of the effective date thereof. Thereafter, during the

1 period of operation by the United States, the Contractor shall pay to
2 the United States annually in advance the cost of operation and main-
3 tenance of such works as prescribed in notices from the Contracting
4 Officer to the Contractor. Such works may be retransferred to the
5 Contractor in the manner originally transferred.

6 g. In addition to all other payments to be made by the
7 Contractor under this contract, the Contractor shall, during the period
8 of time any or all of the project works are being operated by it, pay to
9 the United States following the receipt of a detailed statement the
10 costs incurred by the United States for work involved in the adminis-
11 tration and supervision of this contract.

12 COST OF OPERATION AND MAINTENANCE OF PROJECT WORKS

13 13. a. During any period in which the transferred works are
14 operated and maintained by the United States, the Contractor agrees it
15 will pay in advance, on the basis of annual estimates made by the Con-
16 tracting Officer, in accordance with standard Reclamation procedures and
17 Reclamation law, the operation and maintenance costs of the project
18 works operated by the United States and determined by the Contracting
19 Officer to be properly chargeable to the Contractor. A notice of annual
20 estimates, hereinafter referred to as the operation and maintenance
21 charge notice, shall be furnished to the Contractor on or before June 1
22 of each year, and shall contain a statement of the estimated cost of
23 operation and maintenance to be paid by the Contractor for the following
24 calendar year. The Contractor agrees to pay the amount specified in

1 such operation and maintenance charge notice on or before December 31 of
2 the year in which the notice is given. Whenever funds so advanced are
3 inadequate to pay the Contractor's share of operating and maintaining
4 the works being operated by the United States, the Contracting Officer
5 shall give a supplemental operation and maintenance charge notice
6 stating therein the amount of additional funds required and the Con-
7 tractor shall advance such additional funds on or before the date
8 specified in any supplemental notice. If the funds advanced by the
9 Contractor, under this article, exceed the actual cost of operation, and
10 maintenance, properly chargeable to the Contractor for the year for which
11 advanced, an appropriate adjustment will be made in the notice issued
12 the next succeeding year.

13 b. When the Contractor assumes the care, operation, and
14 maintenance of works constructed pursuant to this contract, the Contractor
15 shall be compensated by the United States or by parties with whom the
16 United States contracts or credited for the cost of the operation,
17 maintenance, and replacement properly chargeable under standard Reclama-
18 tion procedures and under Reclamation law to flood control. Such compen-
19 sation or credit will be determined by the Contracting Officer after
20 consultation with the Contractor. Credit or compensation will be made
21 annually for each year of Contractor operation by June 1 of the year
22 following the year such credit or compensation is applicable.

23 c. In the event the care, operation, and maintenance,
24 of the transferred works are assumed by the United States, the Con-
25 tractor shall advance to the United States within 10 days after written

1 demand by the Contracting Officer 30 percent of the estimated cost of
2 the Contractor's share of such care, operation, and maintenance during
3 the period commencing with the date that the care, operation and main-
4 tenance of such works are assumed by the United States and terminating
5 the first day of January next succeeding. The balance will be paid
6 within 90 days after said demand.

7 OTHER COSTS TO BE PAID BY CONTRACTOR

8 14. a. In addition to all other payments required by this
9 contract, the Contractor shall pay to the United States, to the extent
10 required by the Contracting Officer, on or before March 1 of the year
11 following that in which they have been incurred, the following costs:
12 (1) inspections under the provisions of Article 17 (b), (2) crop pro-
13 duction censuses and reports to the extent not furnished as required in
14 Article 31, (3) land classification or reclassification to the extent
15 that such costs are prescribed by Federal Reclamation Law to be repaid
16 by water users, (4) protection of project water rights, and (5)
17 special work requested by the Contractor.

18 b. In the event that there are no funds available to
19 the United States with which to do the work covered by subarticle (a)
20 hereof, the Contractor will pay in advance upon request of the United
21 States, the cost of such work as estimated by the Contracting Officer.
22 If such costs are less than the funds advanced, appropriate credit will
23 be given upon the next installment on the Contractor's repayment obliga-
24 tion thereafter becoming due.

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RESERVE FUND

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15. Commencing with the time that construction of project works is sufficiently advanced that water is available for rental by the Contractor as defined by the Contracting Officer and continuing until such time as all sums of money becoming due hereunder shall have been paid to the United States, the Contractor shall accumulate and maintain a reserve fund which will be available for use in the manner, for the purposes, and in the circumstances hereinafter set forth. Such reserve fund shall consist of annual deposits by the Contractor of not less than \$5,000.00 to a special account created by the Contractor for the purpose. Such annual deposits shall continue until the amount in the reserve fund is not less than \$40,000.00. Expenditures shall be made from such reserve fund only for meeting major unforeseen extraordinary costs of operation and maintenance, repair, betterment and replacement of project works, and for operation and maintenance during periods of special stress, such as may be caused by drought, hurricane storms, or other like emergencies. Whenever said reserve fund is reduced below \$40,000.00 by expenditures therefrom, it shall be restored by the accumulation of annual deposits of \$5,000.00 commencing with the next year following that in which the fund is reduced below said amount. During any period in which any of the project works are operated and maintained by the United States, such fund shall be available for like use by the United States. At the option of the Contractor, the reserve fund may be invested to the extent permitted by law; Provided, That such reserve fund may be made available within a reasonable time to meet the expenses for the purpose for which it was accumulated; Provided, That upon mutual agreement said fund and the annual installments may be adjusted to reflect the addition, deletion, or changes in project facilities and operation and maintenance costs not contemplated when this contract was executed.

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TITLE TO PROJECT WORKS TO REMAIN IN THE UNITED STATES

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16. Title to the project works constructed or acquired by the United States shall remain in the United States notwithstanding transfer of the care, operation, and maintenance of any said works to the Contractor; Provided, however, That title to movable property described in Article 2(a)(3) shall be transferred to the Contractor pursuant to provisions of the Act of Congress of July 29, 1954 (68 Stat. 580).

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REVIEW AND INSPECTION OF PROJECT WORKS

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17. a. The Contracting Officer with the Contractor may, from time to time, make Reviews of Maintenance of project works being

1 operated by the Contractor with a view to assisting the Contractor in
2 determining the condition of facilities and the adequacy of the main-
3 tenance program. This review may include any or all of the project
4 facilities constructed by the United States and transferred to the
5 Contractor or project facilities constructed by the Contractor with
6 funds advanced by the United States. A report of the review, including
7 recommendations, if any, will be prepared and copies will be furnished
8 to the Contractor. Except for such participation by the Contractor as
9 it may desire, the review will be without cost to the Contractor.

10 b. If deemed necessary by the Contracting Officer or
11 requested by the Contractor, special inspections of any project works
12 being operated by the Contractor and of the Contractor's books and
13 records may be made to ascertain the extent of any operation and main-
14 tenance deficiencies, to determine the remedial measures required for
15 their correction, and to assist the Contractor in solving specific
16 problems. Any special inspection or audit shall, except in a case of
17 emergency, be made after written notice to the Contractor and the actual
18 cost thereof shall be paid by the Contractor to the United States.

19 LEVY OF ASSESSMENTS, TOLLS, AND CHARGES

20 18. The Contractor shall cause to be levied and collected all
21 necessary taxes, assessments, tolls, and other charges including account
22 charges as provided for in Article 6 b.(2) and will use all of the
23 authority and resources of the Contractor to meet the obligations of the
24 Contractor to make in full all payments to be made pursuant to this con-
25 tract on or before the date such payments become due and to meet its
26 other obligations under this contract.

27 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

28 19. a. The obligation of the Contractor to pay the United
29 States as provided in this contract is a general obligation of the
30 Contractor notwithstanding the manner in which the obligation may be
31 distributed among the Contractor's water users and notwithstanding the
32 default of individual water users in their obligations to the Contractor.

33 b. The payment of charges becoming due hereunder is a
34 condition precedent to receiving benefits under this contract. No water
35 will be made available to the Contractor through project facilities
36 during any period in which the Contractor may be in arrears in the
37 advance payment of any operation and maintenance charges due the United
38 States or in arrears for more than 12 months in the payment of any

1 construction charges due the United States. The Contractor shall not
2 furnish water made available pursuant to this contract for lands or
3 parties which are in arrears in the advance payment of operation and
4 maintenance or toll charges or in arrears more than 12 months in the
5 payment of construction charges as levied or established by the
6 Contractor.

7 PENALTY FOR DELINQUENT PAYMENTS

8 20. The Contractor shall pay a penalty on installments or
9 charges which become delinquent computed at the rate of 1 percent per
10 month of the amount of such delinquent installments or charges for each
11 day from such delinquency until paid; Provided, That no penalty shall be
12 charged to the Contractor unless such delinquency continues for more
13 than 30 days in which event the penalty shall accrue from the initial
14 date of delinquency.

15 DISTRIBUTION AND BENEFICIAL USE OF PROJECT WATER

16 21. a. The Contractor shall be responsible for the control,
17 carriage, handling, distribution, and use of all project water delivered
18 or taken hereunder and shall hold the United States, its officers,
19 agents, employees, and successors or assignees, harmless from every
20 claim for damages to persons or property, direct or indirect, and of
21 whatever nature, arising out of or in any manner connected with the
22 Contractor's control, carriage, handling, and distribution of such
23 water. The Contractor shall not use or permit the use of any of the
24 project irrigation water taken or delivered hereunder on any lands other
25 than those irrigable lands as defined in Article 1 i. and which are
26 situated within the Tri-County Water Conservancy District and which have
27 executed water allotment petitions and contracts as provided in Article
28 9(b).

29 b. Beneficial use shall be the basis, the measure and
30 the limit of the right to the use of project water.

31 c. During periods of water shortage, municipal and in-
32 dustrial water users shall have the first priority to the project water

1 physically available for such purposes; Provided, however, That this
2 priority shall not be effective against water reserved by the United
3 States in Article 9.

4 d. Pursuant to the provisions of the Act of September 30,
5 1968 (82 Stat. 885), for a period of 10 years from the date of enactment
6 of said Act, no project water shall be delivered to any water user
7 through the works of the project for the production on newly irrigated
8 lands of the Contractor of any basic agricultural commodity, as defined
9 in the Agricultural Act of 1949, or any amendment thereof, if the total
10 supply of such commodity for the marketing year in which the bulk of the
11 crop would normally be marketed is in excess of the normal supply as
12 defined in Section 301(b)(10) of the Agricultural Adjustment Act of
13 1938, as amended, unless the Secretary of Agriculture calls for an
14 increase in the production of such commodity in the interest of national
15 security.

16 COMMINGLING OF PROJECT AND NON-PROJECT WATER

17 22. a. Water furnished pursuant to the terms of this
18 contract may be transported by means of the same non-Reclamation funded
19 distribution works as water now available, or which may become avail-
20 able, to the Contractor or landowners within the Tri-County Water Con-
21 servancy District other than pursuant to the terms of this contract if
22 the Contracting Officer determines (1) that such mingling is necessary
23 to avoid a duplication of facilities and (2) that no ineligible excess
24 land receives a benefit by reason of an improvement in the quality of
25 the water. Notwithstanding such mingling of water, the provisions of

1 this contract shall be applicable to the quantity of water furnished to
2 the Contractor pursuant to the terms hereof, and such mingling of water
3 shall not subject to the provisions of this contract the quantity of
4 water now owned or hereafter acquired by or otherwise available to the
5 Contractor or landowners within the Tri-County Water Conservancy District
6 other than from the United States.

7 b. With respect to the distribution works or portions
8 thereof in which mingling is permitted as provided in (a) hereof, the
9 Contractor shall install and maintain, or cause to be installed and
10 maintained, such measuring equipment and distribution facilities and
11 maintain such records as in the opinion of the Contracting Officer may
12 be necessary to determine the amounts of water delivered to ineligible
13 excess lands served by the Contractor. The Contractor shall not, within
14 any 24-hour period, deliver to ineligible lands, a quantity of water
15 which is greater than that which the Contractor or landowners within the
16 Tri-County Water Conservancy District have introduced into said works
17 and channels from the supply available other than pursuant to this
18 contract. The Contracting Officer or his authorized representative
19 shall have the right at all reasonable times to inspect such records and
20 measuring equipment.

21 WATER SHORTAGES, WASTE, SEEPAGE, AND RETURN FLOWS

22 23. a. On account of drought or other causes, there may
23 occur at times during any year a shortage in the quantity of water
24 available for delivery to the project by the United States pursuant to
25 this contract. In no event shall any liability accrue against the

1 United States or any of its officers or employees for any damage, direct
2 or indirect, arising out of any such shortage.

3 b. The United States claims all of the waste, seepage,
4 and return flow water derived from project water delivered pursuant to
5 this contract and the same is hereby reserved and retained by the United
6 States for beneficial use on the project.

7 QUALITY OF WATER

8 24. The operation and maintenance of project facilities shall
9 be performed in such manner as is practicable to maintain the quality of
10 raw water made available through such facilities at the highest level
11 reasonably attainable as determined by the Contracting Officer. The
12 United States does not warrant the quality of water and is under no
13 obligation to construct or furnish water treatment facilities to main-
14 tain or better the quality of water.

*See Q# 11
Bureau file of
8/9/17*

15 EXCESS LANDS

16 25. a. As used hereinafter the term "excess land" means
17 that part of the irrigable land within the Tri-County Water Conservancy
18 District in excess of 160 acres of class 1 land or equivalent land, as
19 determined by the Secretary, held in the beneficial ownership of any
20 single person, whether a beneficiary of a trust approved by the Secre-
21 tary, a natural person, or a corporation, or in excess of 320 acres of
22 class 1 land or equivalent land held in the beneficial ownership of
23 husband and wife jointly, as tenants in common, or by the entirety, or
24 as community property. The term "large landowner" means an owner of
25 excess lands as herein defined, and the term "nonexcess land" means all
26 irrigable land within the Tri-County Water Conservancy District which is
27 not excess land as defined herein. Lands owned by the State of Colorado,
28 its political subdivisions, and agencies shall be administered in accord-
29 ance with Public Law 91-310.

1 b. Until one-half of the construction charges allocated
2 under this contract against any excess lands has been fully paid, no
3 sale of any such lands, which are not subject to the provisions of a
4 recordable contract as provided in Article 26, shall carry the right to
5 receive water hereunder, unless and until the purchase price involved in
6 such sale is certified to the Secretary by the vendor or vendee and
7 approved by the Secretary and upon proof of fraudulent representation as
8 to the true consideration involved in such sales the Secretary may
9 instruct the Contractor by written notice to refuse to deliver any water
10 subject to this contract to the lands involved in such sales and the
11 Contractor shall thereafter take such steps as may be necessary to
12 insure that said water is not delivered to such lands. Payment of one-
13 half of the construction charges allocated under this contract shall not
14 relieve the landowner of any requirements, conditions, or limitations of
15 any other contract. Computations of construction charges allocated
16 shall be pursuant to the terms and limitations of the Act of July 2,
17 1956 (70 Stat. 483).

18 LANDS NOT TO RECEIVE WATER UNTIL OWNERS
19 THEREOF EXECUTE CERTAIN CONTRACTS

20 26. a. Except as permitted by the Act of July 11, 1956 (70
21 Stat. 524), or the Act of September 2, 1960 (74 Stat. 732), or the Act
22 of July 7, 1970 (84 Stat. 411), no water made available to the Contractor
23 pursuant to this contract shall be furnished to any excess lands as
24 defined in Article 25 hereof unless the owners thereof shall have
25 executed valid recordable contracts in form approved by the Secretary
26 of the Interior, agreeing to the provisions of this article and Articles

1 25 and 27 hereof, agreeing to the appraisal provided for in Article 27
2 hereof and that such appraisal shall be made on the basis of the actual
3 bona fide value of such lands at the date of the appraisal without
4 reference to the construction of the project, all as hereinafter provided,
5 and agreeing to the sale of such excess lands under terms and conditions
6 satisfactory to the Secretary and at prices not to exceed those fixed,
7 as hereinafter provided. No sale of any excess lands shall carry the
8 right to receive water made available pursuant to this contract, unless
9 and until the purchase price involved in such sale is approved by the
10 Contracting Officer.

11 b. Each large landowner as a condition precedent to the
12 right to receive project water delivered hereunder for any of his excess
13 lands shall, within 10 years following the beginning of the development
14 period of the project, and before any water is delivered under this
15 contract to his excess land, execute a valid recordable contract in form
16 satisfactory to the Secretary; Provided, That no excess land may be made
17 eligible to receive water hereunder by the execution of a recordable
18 contract unless such excess land was, at the beginning of the develop-
19 ment period held in the ownership of the large landowner executing such
20 recordable contract. In such recordable contract, the large landowner
21 shall agree to the provisions contained in this article and in Articles
22 25 and 27 and agree to dispose of his excess lands in accordance there-
23 with to persons who can take title thereto as nonexcess lands as herein
24 provided and at a price not to exceed the value approved by the Secretary
25 pursuant to Article 27, prior to the termination of the 10th year follow-
26 ing the beginning of the development period and shall agree further that

1 if said land is not so disposed of within the period therein provided,
2 the Secretary shall have the power to dispose of said land subject to the
3 same conditions on behalf of such large landowner. The Contractor agrees
4 that it will take all necessary steps to insure that water is not deliv-
5 ered hereunder to any large landowner other than for his designated non-
6 excess lands until such owner meets the conditions precedent herein stated.

7 c. Following the issuance of a development block notice
8 and before any water is delivered to any of his lands, each landowner
9 within the development block so established who petitions for a supply
10 of project water shall furnish the Contractor with a written statement
11 setting forth the total irrigable acreage owned by him in any then
12 established development block on the date said development block notice
13 was issued. Each large landowner as thus determined as a condition
14 precedent to the right to receive water delivered hereunder for any
15 lands held in his beneficial ownership shall then furnish the Contractor
16 a written description of the lands owned by him in any development block
17 within the Tri-County Water Conservancy District for which the develop-
18 ment block notice has been issued; together with the description of the
19 portion of said lands which he desires to designate as nonexcess lands
20 or has previously so designated. Upon his failure to do so, the Con-
21 tractor shall make such designation and mail a notice thereof to such
22 large landowner, and in the event the Contractor fails to act within
23 such period of time as the Secretary considers reasonable, such desig-
24 nation will then be made by the Secretary who will mail a notice thereof
25 to the Contractor and to the large landowner. The large landowner shall
26 become bound by any such action on the part of the Contractor or the
27 Secretary, and the Contractor will take all necessary steps to insure

1 that water is delivered only to lands so designated to be nonexcess
2 lands. A large landowner may with the consent of the Secretary desig-
3 nate from lands owned by him, on the date of the establishment of the
4 development block in which the lands are located, land other than that
5 previously designated as nonexcess land; Provided, That (1) upon such a
6 redesignation the lands owned by the large landowner and previously
7 designated nonexcess shall become excess lands subject to the provisions
8 of this article and Articles 25 and 27; (2) if the large landowner shall
9 have theretofore executed a recordable contract for the excess land
10 which he selects for redesignation, such land as shall become excess
11 hereunder shall be included in said recordable contract subject to all
12 the terms thereof as if originally included therein; (3) no land which
13 shall become excess under this subarticle shall be thereafter redesign-
14 nated as nonexcess; and (4) the large landowner may not redesignate
15 lands in substitution for any nonexcess land sold at a price in excess
16 of the value approved by the Secretary pursuant to Article 27.

17 d. Sales of excess lands of large landowners in accord-
18 ance with a recordable contract shall not carry the right to receive
19 water hereunder for such land and the Contractor agrees to refuse to
20 deliver water to land so sold until, in addition to compliance with the
21 other provisions hereof, a verified statement showing the sale price
22 upon any such sale shall have been filed by the vendor or vendee with
23 the Contractor and duly recorded in the County records, and said sale
24 price is not in excess of the approved value as determined pursuant to
25 Article 27.

1 determined pursuant to Article 27, shall be furnished to the Contractor
2 by the Secretary and maintained on file in the office of the Contractor
3 and like copies in the office of the Regional Director, Bureau of Reclama-
4 tion, 125 South State Street, P.O. Box 11568, Salt Lake City, Utah
5 84147, and shall be made available for examination during the usual
6 office hours by all persons who may be interested therein.

7 COMPUTATION OF EQUIVALENT ACREAGES

8 29. Computations of the equivalent of one hundred sixty (160)
9 acres of class 1 land for purposes of Article 25, shall be based on
10 factors which shall be set forth in a Public Notice issued by the
11 Secretary of the Interior and which shall become effective on the date
12 said Public Notice is published in the Federal Register. No modification
13 or change in the equivalency factors thus established shall be effective
14 unless the Secretary of the Interior shall have approved said modifica-
15 tion or change and publication of a Public Notice to that effect shall
16 have been made in the same manner and to the same purpose as that
17 hereinabove prescribed.

18 REPEAL OR AMENDMENT OF ACREAGE LIMITATION PROVISIONS
19 OF RECLAMATION LAW

20 30. In the event that the Congress of the United States repeals
21 the so-called acreage limitation provisions of Reclamation law, Articles
22 22, 25, 26, 27, 28, and 29 of this contract will no longer be of any force
23 and effect, and, in the event said acreage limitation provisions of
24 Reclamation law are amended in material respects by the Congress, the

1 United States agrees, at the option of the Contractor, to negotiate
2 amendments of said articles in order to conform the affected article or
3 articles to the acreage limitation provisions of law as so amended.

4 BOOKS, RECORDS, AND REPORTS

5 31. The Contractor shall establish and maintain accounts and
6 other books and records pertaining to its financial transactions, land
7 use and crop census, water supply, water use, changes of project works,
8 and to other matters as the Contracting Officer may require. Reports
9 thereon shall be furnished to the Contracting Officer in such form and
10 on such date or dates as he may require. Subject to applicable Federal
11 laws and regulations, each party shall have the right during office
12 hours to examine and make copies of each other's books and records
13 relating to matters covered by this contract.

14 RULES, REGULATIONS, AND DETERMINATIONS

15 32. a. The Contracting Officer shall have the right to
16 make, after an opportunity has been offered to the Contractor for
17 consultation, rules, and regulations consistent with the provisions of
18 this contract, the laws of the United States and the State of Colorado,
19 to add to or modify them as may be deemed proper and necessary to carry
20 out this contract, and to supply necessary details of its administration
21 which are not covered by express provisions of this contract. The
22 Contractor shall observe such rules and regulations.

23 b. Where the terms of this contract provide for action
24 to be based upon the opinion or determination of either party to this
25 contract, whether or not stated to be conclusive, said terms shall not
26 be construed as permitting such action to be predicated upon arbitrary,
27 capricious, or unreasonable opinions or determinations. In the event
28 that the Contractor questions any factual determination made by the
29 Contracting Officer, the findings as to the facts shall be made by the
30 Secretary only after consultation with the Contractor and shall be
31 conclusive upon the parties.

32 PUBLIC USE OF RESERVOIRS

33 33. The United States reserves the right to plan, construct,
34 operate, and maintain public recreation and fish and wildlife facilities

1 in connection with or adjacent to the reservoir areas and to permit
2 boating, fishing, hunting, picnicking, camping, and all other public
3 recreation or correlative uses of the reservoir areas, and to transfer
4 the recreation use, administration, and further development thereof to
5 other Federal, State, or local governmental agencies upon such terms and
6 conditions as will best promote their development and operation in the
7 public interest in accordance with Section 8 of the Act of Congress
8 approved April 11, 1956 (70 Stat. 105). Public use of the reservoir
9 areas as provided herein, or as provided in said Section 8 shall be
10 consistent with the primary purposes of the project and shall not impair
11 the rights of the Contractor as defined herein.

12 DISPOSITION OF MISCELLANEOUS REVENUES

13 34. All revenues derived from the rental or sale of land,
14 interests in land, or other property acquired for project purposes shall
15 belong to the United States and not be credited to the Contractor except
16 lands, if any, acquired by the Contractor and conveyed to the United
17 States without cost. Excepted from the provisions of this article are
18 such items of movable property purchased for or transferred to the
19 Contractor as provided in Article 2(a)(3).

20 NOTICES

21 35. Any notice, demand, or request authorized or required by
22 this contract shall be deemed to have been given on behalf of the Contractor,
23 when mailed, postage prepaid, or delivered to the Regional Director,
24 Upper Colorado Region, Bureau of Reclamation, 125 South State Street,
25 P.O. Box 11568, Salt Lake City, Utah 84147, and on behalf of the United
26 States when mailed, postage prepaid, or delivered to the President, Tri-
27 County Water Conservancy District, 601 No. Park Ave., Box 716, Montrose,
28 Colorado 81401. The designation of the addressee or the address may be
29 changed by notice given in the same manner as provided in this article
30 for other notices.

1 REMEDIES UNDER CONTRACT NOT EXCLUSIVE - WAIVERS

2 36. Nothing contained in this contract shall be construed as
3 in any manner abridging, limiting, or depriving the United States or the
4 Contractor of any means of enforcing any remedy, either at law or in
5 equity, for the breach of any of the provisions hereof which it would
6 otherwise have. Any waiver at any time by either party to this contract
7 of its rights with respect to a default, or any matter arising in
8 connection with this contract, shall not be deemed to be a waiver with
9 respect to any subsequent default or matter.

10 APPROVAL OF CONTRACTS BY THE UNITED STATES

11 37. No contract made by the Contractor affecting the project
12 works, or relating to the delivery or distribution of water except con-
13 tracts of the usual labor, equipment, supplies, and service in connection
14 with the operation and maintenance by the Contractor of the said works,
15 shall be valid until approved by the Contracting Officer.

16 CHANGES IN CONTRACTOR'S ORGANIZATION

17 38. While this contract is in effect, no change shall be made
18 in the Contractor's organization, by inclusion or exclusion of lands, by
19 dissolution, consolidation, merger, or otherwise, except upon the Con-
20 tracting Officer's written consent.

21 CONTINGENT ON APPROPRIATIONS OR ALLOTMENT OF FUNDS

22 39. The expenditure or advance of any money or the performance
23 of any work by the United States hereunder, which may require appropria-
24 tion of money by the Congress or the allotment of funds shall be contin-
25 gent upon such appropriation or allotment being made. The failure of
26 the Congress to appropriate funds or the absence of any allotment of
27 funds shall not relieve the Contractor from any obligations under this
28 contract. No liability shall accrue to the United States in case such
29 funds are not appropriated or allotted.

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CONFIRMATION OF CONTRACT

40. The execution of this contract shall be authorized or ratified by the qualified electors of the Tri-County Water Conservancy District at an election held for that purpose. The Contractor, after the election and upon the execution of this contract, shall promptly secure a final decree of the proper court of the State of Colorado approving and confirming the contract and decreeing and adjudging it and the apportionment of the benefits made thereunder to be lawful, valid, and binding on the Contractor. The Contractor shall furnish to the United States a certified copy of such decree and of all pertinent supporting records.

ASSIGNMENT LIMITED - SUCCESSORS AND ASSIGNS OBLIGATED

41. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any part or interest therein shall be valid until approved by the Contracting Officer.

EQUAL OPPORTUNITY

42. a. During the performance of this contract the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective

1 bargaining, agreement or other contract or understanding,
2 a notice to be provided by the Contracting Officer,
3 advising the labor union or workers' representative of
4 the Contractor's commitments under this Equal Opportunity
5 clause, and shall post copies of the notice in conspicuous
6 places available to employees and applicants for employment.

7 (4) The Contractor will comply with all provisions
8 of Executive Order No. 11246 of September 24, 1965, as
9 amended, and of the rules, regulations, and relevant
10 orders of the Secretary of Labor.

11 (5) The Contractor will furnish all information and
12 reports required by said amended Executive Order and by
13 the rules, regulations, and orders of the Secretary of
14 Labor, or pursuant thereto, and will permit access to its
15 books, records, and accounts by the Contracting Officer
16 and the Secretary of Labor for purposes of investigation
17 to ascertain compliance with such rules, regulations, and
18 orders.

19 (6) In the event of the Contractor's noncompliance
20 with the Equal Opportunity clause of this contract or
21 with any of the said rules, regulations, or orders, this
22 contract may be cancelled, terminated, or suspended, in
23 whole or in part, and the Contractor may be declared in-
24 eligible for further Government contracts in accordance
25 with procedures authorized in said amended Executive
26 Order, and such other sanctions may be imposed and reme-
27 dies invoked as provided in said Executive Order, or by
28 rule, regulation, or order of the Secretary of Labor, or
29 as otherwise provided by law.

30 (7) The Contractor will include the provisions of
31 paragraphs (i) through (7) in every subcontract or
32 purchase order unless exempted by rules, regulations, or
33 orders of the Secretary of Labor issued pursuant to Sec-
34 tion 204 of said amended Executive Order, so that such
35 provisions will be binding upon each subcontractor or
36 vendor. The Contractor will take such action with
37 respect to any subcontract or purchase order as the
38 Contracting Officer may direct as a means of enforcing
39 such provisions, including sanctions for noncompliance;
40 Provided, however, That in the event the Contractor
41 becomes involved in, or is threatened with, litigation
42 with a subcontractor or vendor as a result of such
43 direction by the Contracting Officer, the Contractor may
44 request the United States to enter into such litigation
45 to protect the interests of the United States.

1 agreement or understanding for a commission, percentage, brokerage, or
2 contingent fee, excepting bona fide employees or bona fide established
3 commercial or selling agencies maintained by the Contractor for the
4 purpose of securing business. For breach or violation of this warranty,
5 the Government shall have the right to annul this contract without
6 liability or its discretion to add to the contract repayment obligation
7 or consideration the full amount of such commission, percentage, bro-
8 kerage, or contingent fee.

9 OFFICIALS NOT TO BENEFIT

10 46. a. No Member of or Delegate to Congress or Resident
11 Commissioner shall be admitted to any share or part of this contract or
12 to any benefit that may arise herefrom. This restriction shall not be
13 construed to extend to this contract if made with a corporation or
14 company for its general benefit.

15 b. No official of the Contractor shall receive any
16 benefit that may arise by reason of this contract other than as a land-
17 owner within the project and in the same manner as other landowners
18 within the project.

19 IN WITNESS WHEREOF, the parties hereto have signed their names
20 the day and year first above written.

THE UNITED STATES OF AMERICA

By /s/ David L. Crandall
Regional Director
Upper Colorado Region

TRI-COUNTY WATER CONSERVANCY DISTRICT

ATTEST:

/s/ Floyd Beach
Secretary

By /s/ Harold Westesen
President

(SEAL)

Appendix J

GUNNISON RIVER BASIN MAP



Appendix K

CITY OF MONTROSE

WATER RATE SUMMARY

Residential Rates

Water

The city provides water and sewer services for all city residents and businesses. Monthly water rates are based on usage.

Base Charge	\$18.09
1,000 gallons or less	\$21.03
1,001 - 2,000 gallons	\$23.98
2,001 - 3,000 gallons	\$26.92
3,001 - 4,000 gallons	\$29.86
4,001 - 5,000 gallons	\$32.81
5,001 - 6,000 gallons	\$35.75
6,001 gallons and over	\$35.75 + \$2.95/1,000 additional gallons

Sewer

The residential sewer rate is \$21.75 per month.

Sanitation

Trash collection services are available to all city residents. The residential garbage rate is \$14.40 per month with one pick-up per week for a 90-gallon container. A second container is available for an additional \$10.50 per month with a minimum 8-month contract.

Non-Residential Rates

The City of Montrose provides water and sewer services for Non-Residential accounts. Rates are based on usage.

Water

Meter Size (inches)	Amount
5/8	\$32.01
3/4	\$42.09
1	\$65.02
1 1/2	\$120.97
2	\$229.52
3	\$534.99
4	\$831.50
Volume charge per 1000 gallons	\$1.74

Landscape

Base Rate	\$18.09
Volume charge per 1000 gallons	\$2.95

Sewer

Base Rate	\$16.41
Volume charge per 1000 gallons	\$2.08

Sanitation

Monthly charges are calculated by multiplying the per gallon rate (\$0.022) by the formula: (Rate)*((Gallons)*(Pick-ups per week)*52)÷12)

Appendix L

CITY OF MONTROSE

HISTORIC AND PROJECTED WATER DEMANDS

Year	Annual Demand (MG)	Annual Demand (ac-ft)	Avg Day Demand MGD	With Conservation
1972	1,003	3,077	2.75	
1973	990	3,037	2.71	
1974	1,260	3,866	3.45	
1975	1,183	3,630	3.24	
1976	1,265	3,881	3.46	
1977	1,229	3,770	3.37	
1978	1,372	4,210	3.76	
1979	1,443	4,430	3.95	
1980	1,657	5,085	4.54	
1981	1,140	3,498	3.12	
1982	900	2,763	2.47	
1983	825	2,531	2.26	
1984	848	2,602	2.32	
1985	952	2,922	2.61	
1986	861	2,642	2.36	
1987	923	2,831	2.53	
1988	1,010	3,101	2.77	
1989	1,027	3,152	2.81	
1990	881	2,702	2.41	
1991	955	2,930	2.62	
1992	962	2,952	2.64	
1993	1,020	3,130	2.79	
1994	1,109	3,404	3.04	
1995	958	2,939	2.62	
1996	956	2,933	2.62	
1997	909	2,791	2.49	
1998	1,066	3,272	2.92	
1999	990	3,038	2.71	
2000	1,161	3,563	3.18	
2001	1,147	3,519	3.14	
2002	1,189	3,649	3.26	
2003	1,278	3,921	3.50	
2004	1,273	3,907	3.49	
2005	1,248	3,831	3.42	

2006	1,261	3,872	3.46	
2007	1,282	3,934	3.51	
2008	1,309	4,017	3.59	
2009	1,239	3,803	3.39	
2010	1,247	3,827	3.42	
2011	1,289	3,956	3.53	
2012	1,374	4,217	3.76	
2013	1,114	3,419	3.05	
2014	1,125	3,453	3.08	
2015	1,131	3,471	3.10	
2016	1,449	4,447	3.97	4447.42
2017	1,478	4,537	4.05	4083.57
2018	1,508	4,629	4.13	4166.01
2019	1,539	4,722	4.22	4250.01
2020	1,569	4,817	4.30	4335.04
2021	1,601	4,913	4.39	4421.63
2022	1,633	5,011	4.47	4509.78
2023	1,665	5,111	4.56	4599.48
2024	1,698	5,212	4.65	4690.73
2025	1,732	5,315	4.74	4783.55
2026	1,766	5,420	4.84	4877.91
2027	1,800	5,525	4.93	4972.11
2028	1,849	5,675	5.07	5107.09
2029	1,899	5,828	5.20	5245.01
2030	1,950	5,985	5.34	5386.56
2031	2,002	6,146	5.49	5531.22
2032	2,056	6,310	5.63	5679.00
2033	2,111	6,478	5.78	5830.40
2034	2,167	6,650	5.94	5985.43
2035	2,224	6,827	6.09	6144.09
2036	2,283	7,007	6.26	6306.39
2037	2,343	7,192	6.42	6472.65
2038	2,393	7,345	6.56	6610.23
2039	2,444	7,501	6.70	6750.74
2040	2,496	7,660	6.84	6893.85
2041	2,549	7,822	6.98	7039.55
2042	2,602	7,986	7.13	7187.84
2043	2,657	8,155	7.28	7339.24
2044	2,713	8,326	7.43	7493.24
2045	2,770	8,500	7.59	7650.34

2046	2,828	8,678	7.75	7810.56
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Appendix M

CITY OF MONTROSE

POPULATION DATA AND PROJECTIONS

Year	DOLA Estimated		DOLA Growth		Comp Plan		Water Population	Equivalent Water Taps	Water MD (MG)	Water ADI (MGD)	Annual Use (MG)	Annual Use (ac-ft)
	Montrose County	Percent Growth	Montrose Population	City of Montrose	City of Montrose	City of Montrose						
1900	4,535		1,217	1,217								
1910	10,291		3,254	3,254								
1920	11,852		3,581	3,581								
1930	11,742		3,566	3,566								
1940	15,418		4,764	4,764								
1950	15,220		4,964	4,964								
1960	18,286		5,044	5,044								
1970	18,366		6,496	6,496								
1980	24,352		8,722	8,722								
1990	24,423		8,854	8,854								
2000	33,671		12,344	12,344								
2001	34,601	2.8%	12,685	13,493								
2002	35,435	2.4%	12,991	14,153								
2003	36,116	1.9%	13,241	14,746								
2004	36,933	2.3%	13,541	15,351								
2005	37,880	2.6%	13,888	16,070								
2006	38,903	2.7%	14,263	16,486								
2007	39,757	2.2%	14,576	16,938								
2008	40,923	2.9%	15,003	17,559	16,457	8,229		7.23	3.44	1,257	3,857	
2009	42,282	3.3%	15,501	18,288	16,736	8,368		7.38148	3.51	1,283	3,938	
2010	43,875	3.8%	16,085	19,149	17,018	8,509		7.53376	3.59	1,309	4,019	
2011	45,672	4.1%	16,744	20,129	17,306	8,653		7.68928	3.66	1,336	4,102	
2012	47,495	4.0%	17,412	21,133	17,598	8,799	1.69%	7.84696	3.74	1,364	4,186	
2013	49,140	3.5%	18,015	22,048	17,896	8,948		8.00788	3.81	1,392	4,272	
2014	50,605	3.0%	18,552	22,870	18,198	9,099		8.17096	3.89	1,420	4,359	
2015	51,861	2.5%	19,012	23,580	18,506	9,253		8.33728	3.97	1,449	4,447	
2016	53,138	2.5%	19,480	24,306	18,818	9,409		8.50576	4.05	1,478	4,537	
2017	54,525	2.6%	19,988	25,099	19,136	9,568		8.67748	4.13	1,508	4,629	
2018	56,005	2.7%	20,531	25,951	19,460	9,730		8.85244	4.22	1,539	4,722	
2019	57,587	2.8%	21,111	26,867	19,788	9,894		9.02956	4.30	1,569	4,817	
2020	59,063	2.6%	21,652	27,728	20,122	10,061		9.20992	4.39	1,601	4,913	
2021	60,648	2.7%	22,233	28,658	20,462	10,231		9.39352	4.47	1,633	5,011	
2022	62,247	2.6%	22,819	29,602	20,808	10,404		9.58036	4.56	1,665	5,111	
2023	63,818	2.5%	23,395	30,536	21,160	10,580		9.77044	4.65	1,698	5,212	
2024	65,395	2.5%	23,973	31,479	21,518	10,759		9.96376	4.74	1,732	5,315	
2025	66,972	2.4%	24,551	32,428	21,882	10,941		10.16032	4.84	1,766	5,420	
2026	68,549	2.4%	25,129	33,382	22,245	11,123		10.35652	4.93	1,800	5,525	
2027	70,117	2.3%	25,704	34,336	22,766	11,383		10.63768	5.07	1,849	5,675	
2028	71,678	2.2%	26,276	35,292	23,298	11,649		10.92496	5.20	1,899	5,828	
2029	73,232	2.2%	26,846	36,248	23,844	11,922		11.2198	5.34	1,950	5,985	
2030	74,693	2.0%	27,382	37,152	24,402	12,201	2.34%	11.52112	5.49	2,002	6,146	
2031	76,038	1.8%	27,875	37,988	24,972	12,486		11.82892	5.63	2,056	6,310	
2032	77,274	1.6%	28,328	38,760	25,556	12,778		12.14428	5.78	2,111	6,478	
2033	78,399	1.5%	28,740	39,465	26,154	13,077		12.4672	5.94	2,167	6,650	
2034	79,410	1.3%	29,111	40,101	26,766	13,383		12.79768	6.09	2,224	6,827	
2035	80,404	1.3%	29,475	40,728	27,392	13,696		13.13572	6.26	2,283	7,007	
2036				41,365	28,033	14,017		13.48204	6.42	2,343	7,192	
2037				42,012	28,564	14,282		13.7686	6.56	2,393	7,345	
2038				42,669	29,106	14,553		14.06128	6.70	2,444	7,501	
2039				43,337	29,658	14,829		14.35936	6.84	2,496	7,660	
2040				44,015	30,220	15,110	1.89%	14.66284	6.98	2,549	7,822	
2041				44,704	30,792	15,396		14.97172	7.13	2,602	7,986	
2042				45,403	31,376	15,688		15.28708	7.28	2,657	8,155	
2043				46,113	31,970	15,985		15.60784	7.43	2,713	8,326	
2044				46,835	32,576	16,288		15.93508	7.59	2,770	8,500	
2045				47,568	33,194	16,597		16.2688	7.75	2,828	8,678	
2046				48,312	33,821	16,911		16.60756	7.91	2,887	8,859	

Appendix N

2016 WATER CONSERVATION PLAN

PUBLIC COMMENTS

Section: Introduction

Comment: *"From the start, it is unclear whether this plan is written for the operations run by the City of Montrose government or if it is for the entire city and its residents and businesses, etc."*

Response: Agree. The Water Conservation Plan is intended to guide City of Montrose operations and to encourage Montrose citizen water conservation. This has been clarified with the addition of "citywide".

Comment: *"Spell out what HB 10-1051"*

Response: Agree. HB 10-1051 has been included in the appendices.

Comment: *"Add definition of phreatophytes and use examples".*

Response: Agree. A brief definition has been added and examples provided.

Section: 1.0

Comment: *"Existing water system should include explanation of what water is available and how much".*

Response: Agree. This information is provided in the appendix.

Comment: *"Consider adding "History" to the title as this is what this section is about".*

Response: Agree. The document has been revised as recommended.

Comment: *"Suggest you rework the last paragraph of "source water". Most of what is printed was taken verbatim from Project 7 website. That doesn't make it necessarily accurate. The true source of the majority of the water that is not from the Uncompahgre River is from the Gunnison River. The Gunnison River is diverted through the Gunnison Tunnel below Crystal Dam and empties into the South Canal. Blue Mesa and Crystal Reservoirs are merely storage sites for the water of the Gunnison River. They are not the true source".*

Response: Agree. This paragraph has been reworded to more accurately describe the source waters.

Comment: *"Need to describe what MGD is".*

Response: Agree. MGD has been clarified to mean Million Gallons per Day.

Comment: *"Use of term "Authority". No explanation of what this is. Should have been added to the term "Project 7".*

Response: Agree. "Authority" has been replaced with "Project 7".

Comment: *“The use of the term “transmission lines” sound like electricity, not water.”*

Response: Agree. “Water” has been added to clarify the reference to transmission lines.

Comment: *“Clarify whether any of the water is used for agricultural purposes, and if so how much”.*

Response: Agree. Language has been added to clarify the known uses of potable water distributed.

Section 1.2 Water Supply Reliability

Comment: *“Explain what the Gunnison River Basin is. Explain Upper vs. Lower. Add map showing Basin”.*

Response: Agree. Although this explanation could become extensive, a brief description and map have been added.

Comment: *“Need explanation of what the “Statewide Water Supply Initiative” is. What makes this the defining bottom line as to whether Montrose will have enough water in the future”?*

Response: Agree. A brief explanation of the SWSI has been added. The SWSI is not the “defining bottom line as to whether Montrose will have enough water in the future”.

Comment: *“Statement “The City has rights to raw water supplies...” What right are you citing? Would these “rights” change if there were several years of drought or if the demand were to suddenly increase”?*

Response: This statement refers to legal water rights identified in several contracts and agreements. Revisions to these water rights (volume/flow reductions or increases) would require formal legal action and would not be solely triggered by environmental conditions or demand increases.

Comment: *“What are “excess raw water supplies”? Who decides and how that they are excess? How are excesses stored for the “potential drought reserves”?*

Response: The supplies you reference exceed current and projected demand. When demand equals supply, there will no longer be an excess of water. The “excess” is maintained administratively through legal contracts and agreements to provide raw water supplies as Montrose grows.

Section 1.3 Supply Side Limitations and Future Needs

Comment: *“Any information in this section having to do with Future Needs should not be addressed under Section 1.0 (“Existing”)”.*

Response: Disagree. This portion of the Water Conservation Plan follows Colorado Water Conservation Board requirements. In large part, this portion of the document requires the City of Montrose to discuss the

ability of existing assets to support future needs. As such, references to future needs in this section are appropriate.

Comment: *“Explain what revenue and non-revenue potable water is”.*

Response: Agree. A brief explanation has been added.

Comment: *“Cite what source you are using to determine that population and water demand growth and wastewater amounts are not going to increase/decline in the future”.*

Response: The document does not state or infer that population and water demand growth and wastewater amounts are not going to increase/decline in the future. Project growth rates identified in the 2009 City of Montrose Water Master Plan are referenced.

Comment: *“Explain the difference between what the “Water Master Plan” is vs. the “Water Conservation Plan”.*

Response: Agree. A brief functional definition for the Water Master Plan has been added.

Comment: *“Delete paragraph on right to water beyond 2050 and excess raw water. This duplicates first paragraph”.*

Response: Disagree. Although language is duplicated, this document follows Colorado Water Conservation Board formatting guidance.

Comment: *“What is the distribution system maintenance plan”? Who wrote it and date?*

Response: These plans are numerous (waterline flushing, water valve exercising, fire hydrant flushing, water valve and fire hydrant replacements, etc.) and not all are detailed in writing. Public Works will begin formalizing Standard Operating Procedures for these and other practices as we begin a department-wide self-assessment in 2016.

Comment: *“Paragraph describing valves and zones does not appear to have any connection to limitations”.*

Response: Disagree. The most frequent water distribution system failures (limitations) are related to valves and pumps. This paragraph identifies methods used to detect and troubleshoot such failures.

Profile of Water Demands

2.1 Demographics

Comment: *“The document breaks down the two main users as residential and commercial and then says there are three categories: residential, non-residential, and landscape. This makes no sense. Need to correct and clarify”.*

Response: Agree. Language has been added to identify residential and non-residential (commercial and industrial) users and residential, non-residential, and landscape customer billing categories.

2.3 Past and Current Demand Management and Impacts

Comment: *“Water Distribution System Master Planning; This section should be listed first since it has to do with planning. Everything else is secondary”.*

Response: Agree. The document has been revised according to the recommended sequencing.

Comment: *“Irrigation Scheduling states city has 200 acres of parks, including 243 acres of turf grass. Numbers do not make sense”.*

Response: Agree. This typographical error has been fixed.

Comment: *“Correct the grammar where 243 acres is spelled out”.*

Response: Agree. This typographical error has been fixed.

Comment: *“Maintenance scheduling – no connection to water demands or impacts. Does not belong in this section”.*

Response: Disagree. Practices identified in this paragraph significantly impact demand.

Comment: *“This entire section talks about what the City of Montrose is doing with the properties it owns. What about what has/is being done with properties that are not owned by the City”?*

Response: City of Montrose staff has limited/no jurisdiction regarding use of water on private property. The City encourages water conservation through education and only intercedes when local, state, or federal rules and regulations are violated.

Comment: *“Is the act of maintenance actually conserving water”?*

Response: Yes. Routine maintenance ensures system efficiency, which results in conservation. For example, exercising water valves to ensure broken waterlines can be isolated quickly prevents excessive water loss during such events.

Comment: *“Facility Upgrades; Define whether these are city owned facilities or not”.*

Response: This is defined in the first sentence.

Comment: *“City staff provides continuous public education about water efficiency”. “I have lived here eight years. I have never seen nor heard anything having to do with water conservation from the City. The Mayor’s*

Challenge is a well-kept secret. Your charts show the year 2012 as one of the highest in water consumption. So where was the conservation? From what I have seen going on within this city by residents, there is no interest or knowledge of conservation”.

Response: Disagree. I personally present details about the National Mayor’s Water Challenge at a City Council meeting each year. Residents enjoy participating in the challenge. In fact, Montrose placed seventh (7th) in our geographic/population category a few years ago. City staff also hosts a booth at the Natural Resources Festival (formerly the Water Fest) each year. The theme for 2015 Earth Week was “Connect the Drops” and included water conservation education. The City newsletter periodically includes water conservation tips and the public access television channel runs water conservation education spots as well. 2012 was a year of significant drought and water consumption throughout our region increased. On the other hand, 2015 has been an extremely “wet” year and water consumption has declined significantly. This supports the fact that Montrose residents don’t overuse water when natural precipitation is available. Water conservation efforts included with City of Montrose operations are too numerous to list. I would be happy to discuss these with you in detail.

2.4 Demand Forecasts

Comment: *“Clarify what the “American Water Works Association” is. How do they fit into the use of the Gunnison Basin Water”?*

Response: Agree. A description of the function of this organization has been added.

Comment: *“Your population growth rate figures do not reflect the figures presented by the State of Colorado’s demographer. Clarify who and how the decline in population was determined”.*

Response: No decline in population is presented in this document. In fact, all three (3) population projection diagrams included in this document show increasing population. Although the growth rate has flattened, population continues to increase. Experience has shown that State of Colorado demography data is often inaccurate.

Comment: *“Your statistics on population growth do not match those identified in the Gunnison River Roundtable, which includes Montrose. Should not these agree? Their figures show a shortage of 25% municipal and industrial supply”.*

Response: Disagree. Population growth studies vary by source. The M&I shortage you reference is for the entire basin and based on differing population growth rates.

Comments on Plan

Comment: *“Your plan does not have a section on future availability. This is a gross oversight. Just because the city has water rights beyond 2050, that does not guarantee that the water availability will not change. You are completely ignoring this issue”.*

Response: Disagree. This plan is entirely focused on identifying and implementing water conservation opportunities to ensure responsible use of available water resources.

Comment: *“What if there is a future call from the Lower Colorado Users”?*

Response: Colorado River Compact language specifies actions in this case.

Comment: *“What if the snowpack for the Gunnison Basin becomes insufficient to fill the Aspinall Unit reservoirs”?*

Response: In this case, implementation of elements within the Water Conservation Plan becomes even more critical.

Comment: *“You need a section that addresses the big picture. Montrose is one city in the Gunnison Basin and the Basin is only one part of the Colorado River Compact. The plan needs to consider these larger issues and the impact of climate change. To ignore these is to take an insular view of water in the west”.*

Response: Disagree. Your suggestion goes well beyond the scope of this State mandate.

Comment: *“The State of Colorado is anticipating a shortfall of water by the year 2050. This will affect all of the state and Montrose is not looking down the road at this issue”.*

Response: Disagree. This plan is entirely focused on identifying and implementing water conservation opportunities to ensure responsible use of available water resources.

Comment: *“Using the past is irresponsible. Need to focus on the future and what climate change could mean for all water users, including Montrose. Less availability and more demand. Agriculture uses 90% of the state’s water. They will need more as it becomes hotter and dryer. The Gunnison Basin Roundtable determined that the state’s water trajectory is not sustainable”.*

Response: Agree. This is the focus of a Water Conservation Plan.

Appendix O

COLORADO WATER CONSERVATION BOARD COMMENTS & CONDITIONAL APPROVAL

COLORADO WATER CONSERVATION BOARD

Conservation Plan Submittal Required Plan Elements Checklist

Name of Entity: Montrose

Date Submitted: 8/15

Required Conservation Plan Elements	Completed?
1. Name and contact information	Yes_____ No_____ Comment: put in the final cover letter
2. Organizations and individuals assisting with plan development	Yes_____ No_____ Comment: put in the final cover letter
3. Quantified annual retail water delivery?	Yes_x___ No_____ Comment: Resubmit clear tables (higher resolution) for water use and distribution numbers. Can't read very well
4. Identified population served by retail water delivery?	Yes_x___ No_____ Comment: 19,000 pop. (2010 Census) section 8.0
5. Public comment period completed? (60 days or local regulation)	Yes_____ No_____ Comment: Need to fill out this section in the plan with dates, methods and any comments received
6. Signature with authority to commit resources of the submitting entity?	Yes_____ No___ Comment: put in the final cover letter
7. All required water saving measures and programs considered?	Yes_____ No_____ Comment:
I. Fixtures and appliances – toilets, urinals, showerheads, faucets, etc.?	Yes_____ No_____ Comment: There is mention of retrofitting city buildings and having all new buildings install high efficient fixture but no details are provided. Is this a current program? Or is it being ramped up? More details are needed
II. Waterwise landscapes, drought resistant vegetation, removal of phreatophytes, efficient irrigation, etc.?	Yes_____ No_____ Comment: Use of controllers and rain sensors in city parks; new developments will be targeted for low water landscape information. Does Montrose carry out irrigation audits for your parks? Do you have demonstration gardens?

Required Conservation Plan Elements	Completed?
III. Water efficient industrial and commercial processes?	Yes ___ No ___ Comment: Montrose will target top commercial users in the areas of water conserving operations, efficient landscape irrigation, and water efficient fixture retrofits. The targeting of top users is good but this sector is almost 1/3 of Montrose's demand. Seems like there could be more interventions with this sector vs. just education. More details would help with this section
IV. Water reuse systems?	Yes ___ No ___ Comment: Researching and developing graywater regulations. When will this take place and be implemented?
V. Distribution system leak ID and repair?	Yes <u>x</u> No ___ Comment: Using AMI to implement a leak detection program. What portion of the system will be surveyed annually? SEE BELOW
VI. Information, public education, audits, demos?	Yes <u>x</u> No ___ Comment: Mayor's water challenge and elementary school natural resources festival. Use of AMI to inform and educate customers.
VII. Conservation oriented rate structure and billing system?	Yes ___ No ___ Comment: Will the city conduct a rate study to determine whether an inclining block rate structure will be appropriate? Rate structure in appendices
VIII. Regulatory measures designed to encourage water conservation?	Yes <u>x</u> No ___ Comment: waste of water ordinance
IX. Incentives, rebates to encourage conservation implementation?	Yes ___ No ___ Comment: What kinds of rebates will Montrose consider once more accurate data is collected? It doesn't have to be a concrete list but a more concrete proposal would help
8. Role of water conservation plan in overall water supply planning?	Yes ___ No ___ Comment: the section in the plan describes the water master plan but does not show how conservation will fit into that master plan. Is there a role for conservation to postpone or eliminate future projects? Usually, this is where a utility describes the role in overall water resource management
9. Steps to implement, monitor, review, and revise conservation plan including time period not to exceed 7 years?	Yes ___ No ___ Comment: There really isn't an implementation schedule. Revision schedule not in plan; local adoption information isn't in plan yet. This is where you can show when you will implement your chosen programs over your planning horizon.
10. Estimates of water saved through previous conservation efforts AND water saved through plan implementation?	Yes ___ No <u>x</u> ___ Comment: See below

Plan Review Findings

Approved

Conditional Approval

Disapproval with Modifications

Plan review comments:

This plan review was completed by Kevin Reidy of the Colorado Water Conservation Board. The final review was completed and approved by Kevin Reidy. Questions about the review itself and the comments provided can be directed to Kevin. Questions about the plan review process and the statutory requirements can be directed to Kevin.

Water demands: It would be helpful to add a table with the numbers that make up the projected annual water use graph in section 8.4. The same should be done for the projected population graph. The table could display numbers in 5 year increments. Also, higher resolution graphs would be better.

The tables in section 8.2 Historical Demands are very difficult to read. Higher resolution tables would be helpful

Water Loss- Although many providers use it still and it is what you have to work with now, % of water loss is not the accepted method for water loss reporting. The use of the AWWA M36 methodology would bring more accurate assessment of the non-revenue water. Also, the 3% non-revenue reported in the plan only corresponds to 2013. 2014 =8%, 2012= 14% and 2011=16%. Will Montrose use the AWWA M36 methodology to carry out water audits to determine the various types of non-revenue water and to focus resources on the appropriate water loss categories? I recommend looking into it.

Water savings and water conservation goals: The goals outlined in the plan are good qualitative goals but are not quantitative goals. One of the statutory requirements for conservation plans is to have a measurable goal identified in the plan. Generally, conservation plans contain an estimated % reduction that the municipality hopes to achieve through implementation of the plan. This is only an estimate. You won't be held to it. As you implement and track savings you can revise it in the future. Coupled with this is usually a demand projection that goes out into the future showing demand without conservation and demand with conservation to show that savings estimate. The water conservation potential in the appendices is the pretty generic EPA model that really isn't very relevant anymore and it only shows indoor use. What about outdoor potential? In order to approve this plan the CWCB would need to have estimated water savings and a quantitative goal added into the plan.

Service agreements/contracts, etc- Montrose can leave these out of the plan if desired. Not necessary for this plan and kind of creates confusion when looking for information in the other appendices.

The plan needs more of a concrete path forward in terms of selected programs and the savings that Montrose is hoping to attain. Much of the plan rests on "when better data is available, Montrose will consider doing X". This is completely understandable but you can still put programs in the plan you want to do with the eye toward changing directions when/if you do get better data. For example, you know 1/3 of your demand is from the commercial sector. That warrants a program and once you get better data you could refine that data to more specific customers or programs. This is a plan and you can change your mind if better data comes available. There is ample data as described in the plan to lay out a bit more concrete actions.

Appendix P

COLORADO WATER CONSERVATION BOARD

FULL APPROVAL

COLORADO WATER CONSERVATION BOARD

Conservation Plan Submittal Required Plan Elements Checklist

Name of Entity: Montrose

Date Submitted: 8/15

Required Conservation Plan Elements	Completed?
11. Name and contact information	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: put in the final cover letter
12. Organizations and individuals assisting with plan development	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: put in the final cover letter
13. Quantified annual retail water delivery?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: p. 16-17
14. Identified population served by retail water delivery?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: 19,000 pop. (2010 Census) section 8.0
15. Public comment period completed? (60 days or local regulation)	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: Sept. 14-November 13, 2015. Comments received after the period were accepted and addressed
16. Signature with authority to commit resources of the submitting entity?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: put in the final cover letter
17. All required water saving measures and programs considered?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment:
X. Fixtures and appliances – toilets, urinals, showerheads, faucets, etc.?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: see rebates
XI. Waterwise landscapes, drought resistant vegetation, removal of phreatophytes, efficient irrigation, etc.?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: Use of controllers and rain sensors in city parks; new developments will be targeted for low water landscape information. In 2016 irrigation audits for parks will start

Required Conservation Plan Elements	Completed?
XII. Water efficient industrial and commercial processes?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: Montrose will target top commercial users in the areas of water conserving operations, efficient landscape irrigation, and water efficient fixture retrofits. Montrose will target this sector with rebates, irrigation programs and education. Will target the largest users
XIII. Water reuse systems?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: Researching and developing graywater regulations. Will adopt 2015 IPC and implement graywater standards in 2016
XIV. Distribution system leak ID and repair?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: Using AMI to implement a leak detection program. Montrose will also institute the M36 methodology to conduct system water audits. Replacing all meters by 2018 with AMI
XV. Information, public education, audits, demos?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: Mayor's water challenge and elementary school natural resources festival. Use of AMI to inform and educate customers.
XVI. Conservation oriented rate structure and billing system?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: The city will conduct a rate study to determine whether an inclining block rate structure will be appropriate. Rate structure in appendices
XVII. Regulatory measures designed to encourage water conservation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: waste of water ordinance
XVIII. Incentives, rebates to encourage conservation implementation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: Throughout 2016, City staff will develop a program to provide rebates for the purchase of new, high efficiency indoor water fixtures and outdoor irrigation equipment. These may include indoor fixtures such as shower heads, toilets, and washing machines, and outdoor equipment such as irrigation controllers, rain sensors, and efficient irrigation systems. The Rebate Program will be implemented in 2017 and will be evaluated for expansion in future years.
18. Role of water conservation plan in overall water supply planning?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: The water master plan is described and how demands are incorporated. The document also show how conservation is incorporated in to other plans such as the new facility upgrades and the parks plan
19. Steps to implement, monitor, review, and revise conservation plan including time period not to exceed 7 years?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: Pg33-35
20. Estimates of water saved through previous conservation efforts AND water saved through plan implementation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comment: 10% reduction by 2040 (10 by 40) or 868 af/yr

Required Conservation Plan Elements	Completed?

Plan Review Findings

Approved

Conditional Approval

Disapproval with Modifications

Plan review comments:

This plan review was completed by Kevin Reidy of the Colorado Water Conservation Board. The final review was completed and approved by Kevin Reidy. Questions about the review itself and the comments provided can be directed to Kevin. Questions about the plan review process and the statutory requirements can be directed to Kevin.

Appendix Q

WATER CONSERVATION PLAN ADOPTION

RESOLUTION 2016-11

RESOLUTION NO. 2016 - 11

**A RESOLUTION CONSENTING TO ADOPT THE FIRST CITY OF MONTROSE
WATER CONSERVATION PLAN**

WHEREAS, Water efficiency and conservation are important for the City of Montrose;
and

WHEREAS, State of Colorado House Bill 10-1051 requires entities distributing two-thousand acre-feet (2,000 Ac-Ft) or more of potable water each year to develop and administer a Water Conservation Plan approved by the Colorado Water Conservation Board (CWCB); and

WHEREAS, the City of Montrose Water Conservation Plan was completed in draft form, posted on the City of Montrose website, and public comments were requested for a period of sixty (60) days beginning September 14, 2015; and

WHEREAS, the Colorado Water Conservation Board (CWCB) has granted full approval of the City of Montrose Water Conservation Plan;

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTROSE,
COLORADO**, as follows:

The City of Montrose Water Conservation Plan was available for public inspection and comment through the City's website at <http://www.cityofmontrose.org/300/Water>;

Public comments were received and included in the final Water Conservation Plan;

The City of Montrose Water Conservation Plan was sent to the Colorado Water Conservation Board for review and comment;

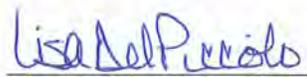
The Colorado Water Conservation Board issued full approval of the City of Montrose Water Conservation Plan on June 29, 2016;

INTRODUCED, READ, and ADOPTED this 19th day of July, 2016.

CITY OF MONTROSE, COLORADO


Rex Swanson, Mayor

ATTEST:



Lisa DelPiccolo, City Clerk

