

Exhibit A

Scope of Work

WATER ACTIVITY NAME -

Clear Creek County Water Bank-High Attitude Storage

GRANT RECIPIENT -

Clear Creek County

FUNDING SOURCE -

Basin Account - \$52,000

BACKGROUND

Clear Creek County has conditional water rights decreed and pending for 9 reservoir sites located throughout the County that will be used in the County's Basinwide Plan for Augmentation which is currently pending in Case No. 05CW302. The purpose of the conditional water rights is to secure priorities for water storage that can cover both future and existing water uses in accordance with State water law and satisfy increasing demands for water to support economic growth.

To date, Clear Creek County has met the standards for initiating conditional water rights and the next step is to refine the evaluation process and prioritize the conditional water rights for development with the most cost-effective alternatives to move forward. Technical and legal data will be developed to sort and prioritize these storage sites in order of maximum beneficial use, maximum need in the basin, ease of development, and optimum time schedule.

All storage projects are located in the County and could be considered high altitude storage. An area map showing the County's location within the basin is included with this application. These reservoirs would be available to all water users in the County on a cooperative basis. Development of these high altitude water storage sites will provide opportunities to store senior water rights and to preserve the ability of the State of Colorado to capture its snowmelt under junior water rights and hold it for demands in the mountains. Water storage under the junior water rights will develop additional water supplies that benefit the South Platte Basin as a whole through retiming of return flows.

The County is also in negotiations with municipalities located in the lower Clear Creek basin to utilize its pending Basin wide Augmentation Plan to improve water quality throughout the basin. Water stored in these reservoirs can be utilized to provide augmentation water within the County and terms are being negotiated to address the lower basin water quality concerns. The proposed work will also allow the Clear Creek County Water Bank to provide wet water for its augmentation plan, and allow the State of Colorado to administer the Upper Clear Creek drainage in a more orderly manner that maximizes beneficial use and reduce contentious water rights and water quality issues.

SUMMARY OF TASKS

The scope of work will be centered around collecting and analyzing additional engineering information regarding the proposed reservoirs. A matrix analysis based on the factors shown in Table 1 will be used as a comparison tool to rank each site. This ranking system will allow the County to develop a planned approach in the development of the reservoirs based on geographic need within the County, environmental issues, water administration issues, construction costs, and geologic hazards.

Funding in the amount of \$52,000 is requested to develop more detailed data for each site. The specific tasks to be performed include:

1. Data searches for existing studies such as USGS information that could provide better information on issues that will need to be addressed.
2. Additional field visits to identify technical constraints. Clear Creek County was one of the early centers for mining in Colorado so there is a considerable amount of geologic data available, although it was targeted more toward mineral extraction. Some of this data will be recompiled to address water development. Additional data will also need to be collected for final decision making, which is outside the scope of this application.
3. Developing more detailed cost data for construction of the dams and infrastructure to operate them. There may be opportunities to integrate these structures into the operation of existing infrastructure. This will require better site information on geologic and topographic conditions for accurate quantity estimates and a uniform cost schedule that will result in a comparative cost estimate per acre-foot.
4. Legal issues concerning the Platte River Recovery Implementation Program developed by the States of Colorado, Nebraska, and Wyoming and the U.S. Department of the Interior, and other environmental compliance will also be considered.
5. Site access can be a limiting factor in some situations and may result in much higher development costs. Clear Creek County includes a considerable amount of high elevation Federal lands where some of the proposed reservoirs may be located. These require additional coordination and permitting prior to approval. These issues will also be identified in this phase of study.

The deliverables will be a preliminary engineering analyses of 9 proposed reservoir sites that will outline and discuss the findings for the items listed above in a matrix and report format. A ranking system will be developed that prioritizes the list of sites using multiple criteria and various weighting scales to emphasize different aspects of the project sites. The ranking system will provide guidance to the County for further studies that may be necessary and input as a master plan for moving forward. This work may also be used toward due diligence requirements in the development of the conditional water rights.

Applegate Group, Inc. will perform the analyses. Paul Zilis (Vranesh and Raisch, LLP) will be on the project team as he provides on-going outside consultation to Clear Creek County; however his time is not included in the scope or budget.

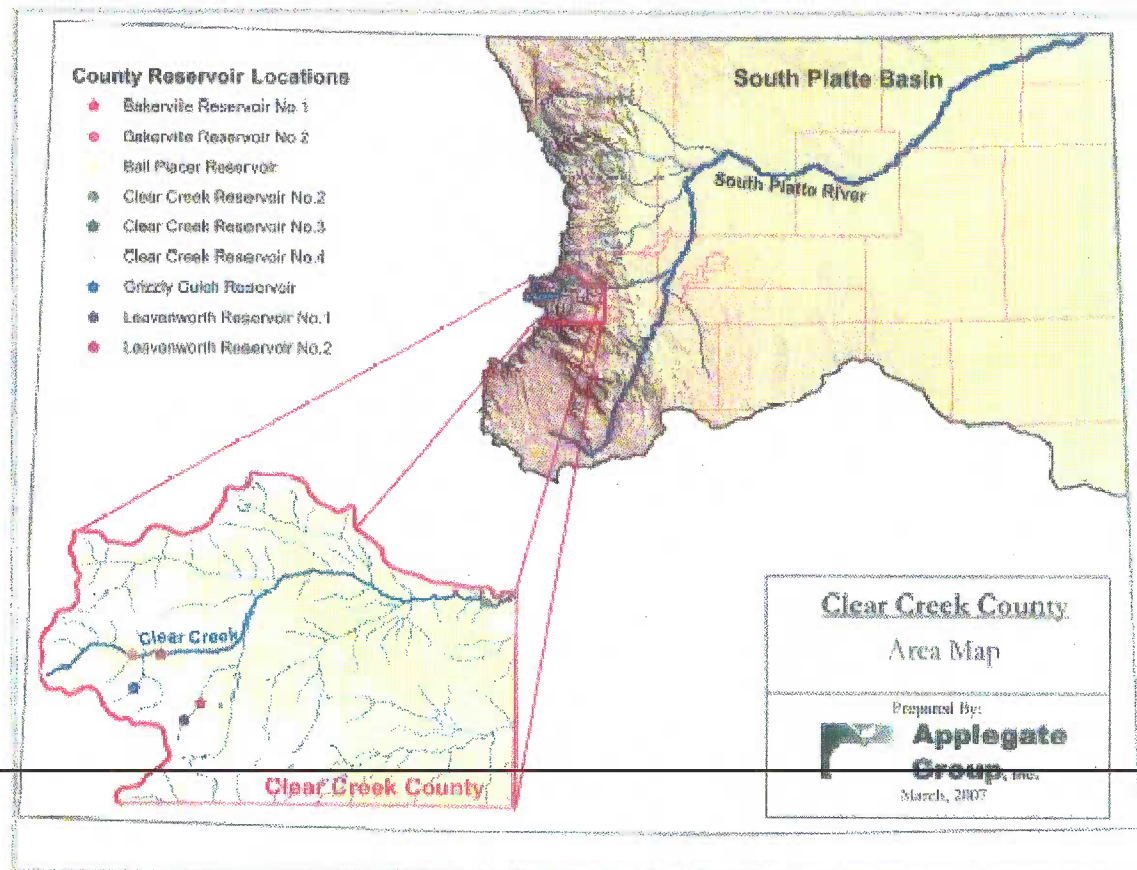


Figure 1 – Location Map of Potential Storage Sites

Table 1 - Screening Criteria

Clear Creek County Water Bank - Conditionally Decreed Sites

Site	Stream	Estimated Storage (AF)	Cost per AF	Land Owner	Elevation	Environmental Risks	Geologic Hazards	Permitting Process	Filing Status	County & Joint Applicants	Engineering Hurdles or Potential Issues
1 Leavenworth No. 1	Leavenworth Creek	156									
2 Leavenworth No. 2	Leavenworth Creek	161									
3 Reservoir No. 2 (Lower Johnson Gulch)	Johnson Gulch	36									
4 Reservoir No. 3	feeds Clear Creek	65									
5 Reservoir No. 4	feeds Clear Creek	55									
6 Ball Placer Reservoir	feeds West Fork Clear Creek	110									
7 Bakerville Reservoir No. 1	Clear Creek	70									
8 Bakerville Reservoir No. 2	Clear Creek	80									
9 Grizzly Gulch	Grizzly Gulch	400									

BUDGET and SCHEDULE

APPLEGATE GROUP, INC.

Project Engineers	Rates
Mike Applegate	\$225/hr
Kallie Bauer	\$115/hr
Lisa Farmer (Project Manager)	\$90/hr
Michael Peel	\$85/hr

Project Tasks	Scheduled Timeframe	Task Amount	Blendid Billing Rate	Level of Effort
Meetings	Thru project duration	\$ 6,000	\$ 125.56	Two team meetings involving Mike, Kallie, Lisa and Clear Creek County at 30% and 60% to monitor budget and schedule. Internal meetings, and status update calls and memos, as necessary.
Research to fill out Matrix*				
Site Visits	6 weeks	\$ 9,000	\$ 120.97	Based on 3 days to identify technical constraints at the 9 sites. Mike and Kallie at one day each and Lisa all three. Includes travel costs.
Investigate Land Ownership	2 weeks	\$ 500	\$ 90.00	Search of County records. Identify constraints regarding Federally owned land.
Environmental Risks	6 weeks	\$ 4,500	\$ 94.87	Data searches for existing studies. Research legal issues regarding compliance with DOI, etc.
Geologic Hazards	6 weeks	\$ 3,000	\$ 95.93	Data searches for existing studies, recompile existing mining information.
Permitting Process	6 weeks	\$ 4,000	\$ 96.71	Outline permitting processes and fees, identify time constraints, preliminary coordination with permit agencies.
County & Joint Applicants	2 weeks	\$ 300	\$ 90.00	Identify filing conditions and status.
Hurdles or Issues	8 weeks	\$ 3,000	\$ 99.40	Identify physical, technical, permitting constraints, etc. Identify further studies that may be necessary for final design.
Quantities	8 weeks	\$ 7,800	\$ 85.00	Utilize satellite imagery to develop better site information on topographic conditions for accurate quantity estimates. Includes costs for printing and copies.
Cost Estimate	4 weeks	\$ 6,300	\$ 94.27	Develop more detailed cost data for construction of dams and infrastructure to operate them.
Rank Sites*	4 weeks	\$ 3,300	\$ 90.00	Plan an approach to development of the reservoirs.
Report	4 weeks	\$ 4,300	\$ 99.86	Summarize research findings and discuss ranking tool and results.
TOTAL	58 weeks	\$ 52,000		

*Milestones

Notes:

Individual task timeframes may overlap. Overall project schedule estimated to take 6 months. Included in each task amount is 3% for materials (printing, copies, supplies, etc.), 6% for miscellaneous (travel, lodging, meals, mileage, etc.), and 10% for general project management. These other direct costs total approximately \$8,200.

Costs for miscellaneous must be reimbursed based on actual expenditures NOT a percentage of invoice.

PAYMENT

Payment will be made based on actual expenditures and invoicing by the water activity sponsor. The request for payment must include a description of the work accomplished by major task, and estimate of the percent completion for individual tasks and the entire water activity in relation to the percentage of budget spent, identification of any major issues and proposed or implemented corrective actions. The last 5 percent of the entire water activity budget will be withheld until final project/water activity documentation is completed.

All products, data and information developed as a result of this grant must be provided to CWCB in hard copy and electronic format as part of the project documentation.