

Garfield County Administration Building Office of the County Manager 108 8th Street, Suite 101 Glenwood Springs, CO 81601 (970) 945-5004

November 7, 2019

Linda J. Bassi Chief, Stream and Lake Protection Section 1313 Sherman Street, Room 721 Denver CO 80203

Via email: <u>linda.bassi@state.co.us</u>

Re: Proposed Lease to CWCB

Dear Ms. Bassi:

On behalf of the Board of County Commissioners, I am writing to offer to the Colorado Water Conservation Board (CWCB) a proposed lease by the Board of County Commissioners of Garfield County (County) of 350 Acre Feet of water the County acquired in Ruedi Reservoir. The County acquired 400 AF of Ruedi Reservoir water in a perpetual contract with the United States Bureau of Reclamation in 2013 (Contract No. 199D650074). Our consultant, Loyal E Leavenworth, has provided you with a copy of this contract.

The contract allows for municipal uses, including "piscatorial uses including delivery of water to supplement streamflow" The contract defines the service to include all of Garfield County and "the 15-Mile Reach of the Colorado River."

The lease agreement would be subject to mutual approval and would incorporate the following terms:

- The term of the lease would be five (5) years.
- The lease would be subject to annual appropriation by the CWCB; basically, the CWCB would annually determine whether it desires to exercise the lease and use the water each year.
- The quantity leased would be 350 AF.
- The lease price would be \$40/AF in the first year, \$45/AF in the second year, and the price would escalate in years 3 through 5 by two per cent from the preceding calendar year.

• The final lease will be subject to approval by the Bureau of Reclamation as required by the County's contract, which the County will pursue at its cost and expense. Based on our discussions with the Bureau, we are optimistic approval can be obtained.

The proposed lease price is designed to reflect the annual cost for operation and maintenance it incurs under its contract with the Bureau and a small return on the capital investment made by the County in acquiring the Ruedi contract, for which it paid almost a half a million dollars.

Our consultant, Mr. Leavenworth, will appear at your Board meetings at which this will be considered to answer any questions you may have.

Very Truly Yours,

Kevin Batchelder

Garfield County Manager

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Cc: Board of County Commissioners
Tari Williams, Esq., County Attorney
Loyal E Leavenworth