

**COLORADO WATER CONSERVATION BOARD LEASE FOR SHORT TERM
USE OF STORAGE SPACE IN CHATFIELD STORAGE REALLOCATION
PROJECT**

THIS LEASE, is made by the State of Colorado, acting through and by the Department of Natural Resources, for the benefit of Colorado Water Conservation Board (the "CWCB"), and to Central Colorado Water Conservancy District, a quasi-municipal entity, whose address is 3209 W. 28th ST., Greeley, Colorado, 80645, ("Central").

WHEREAS, CWCB and Central are both Water Providers in the Chatfield Storage Reallocation Project (the "Project"); and

WHEREAS, CWCB owns 6,167 acre-feet of storage capacity on the Project; and

WHEREAS, CWCB desires to lease to Central, and Central desires to lease from CWCB the use of 3,267 acre-feet of Project capacity ("Leased Space"); and

WHEREAS, CWCB has the authority to lease the use of the Project capacity on a short-term basis; and

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, CWCB and Central agree as follows:

1. CONSIDERATION: CWCB leases to Central the use of the 3,267 acre-feet of Project capacity, for the following consideration:

a. USE OF CENTRAL'S 1983 WATER RIGHT:

- i. YEAR 1: Central shall grant the Colorado Division of Parks and Wildlife the right to store, control, use, and release up to 1,000 acre-feet of water attributable to Central's water right decreed in Case No. 83CW184 ("Central's 1983 Water Right") in the Environmental Pool by temporary grant conveyed on the date of this Lease which temporary grant shall provide that the 1,000 acre-feet will fill as the third priority of the 1983 Water Right.
- ii. YEAR 2: Central shall grant the Colorado Division of Parks and Wildlife the right to store, control, use, and release up to 1,000 acre-feet of water attributable to Central's 1983 Water Right for Year 2 of this Lease no later than May 1, 2021 which temporary grant shall provide that the 1,000 acre-feet will fill as the third priority of the 1983 Water Right.

b. PAYMENT:

- i. YEAR 1: Central shall pay to CWCB the cost of the assessments charged by the Chatfield Reservoir Mitigation Company in December 2019 (\$60) for each acre-foot leased up to the full 3,267 acre-feet less a \$100,000 discount agreed to in exchange for Central allowing CPW to use 1,000 acre-feet of Central's 1983 Water Right. The Year 1 payment shall be \$96,020 due no later than June 15, 2020.
- ii. YEAR 2: Central shall pay to the CWCB the cost of the assessments charged by the Chatfield Reservoir Mitigation Company charged in December 2020 for each acre-foot leased up to the full 3,267 acre-feet less a \$100,000 discount agreed to in exchange for Central allowing CPW to use 1,000 acre-feet of Central's 1983 Water Right. Payment shall be due no later than May 1, 2021.
- iii. Central shall pay the amount due regardless of the amount of Leased Space Central is ultimately able to fill with water.

2. TERM: The Lease shall be for one (1) year with a one (1) year renewal option. The Lease shall begin upon the date of the last signature of this agreement and the first year shall expire May 1, 2021. This Lease shall automatically renew on May 1, 2021 unless either party cancels the Lease in accordance with the terms of this Lease before that date.

3. CARRYOVER AND RELEASES:

- a. Central shall maintain full control of releases of water stored in the Leased Space.
- b. Central shall relinquish control of releases of the Central 1983 Water Right granted to the Colorado Division of Parks and Wildlife for the Environmental Pool. Colorado Division of Parks and Wildlife shall notify Central 24 hours in advance of any release of the Central 1983 Water Right from the Environmental Pool to give Central the opportunity to beneficially use the water released, if possible.
- c. Central agrees that it shall release water from the Leased Space before it releases any water stored in the Project capacity it owns by virtue of its Water Provider Agreement.

- d. Central may carryover any water stored in the Leased Space from Year 1 to Year 2 provided that neither party cancels this Lease on or before May 1, 2021. To the extent Central's water remains in the Leased Space at the time that Denver Water purchases any of the Leased Space, Central and Denver Water will determine the extent to which Central may continue to hold the water in storage or must release the water. Any water that remains in the Leased Space on the date of termination of this lease shall be released by Central within 30 days of such termination unless otherwise agreed by the parties in writing.

4. Central shall not sublet, transfer or assign, in whole or in part, the rights granted herein; however, nothing herein shall preclude Central from allowing the Groundwater Management Subdistrict of the Central Colorado Water Conservancy District or the Well Augmentation Subdistrict of the Central Colorado Water Conservancy District from utilizing the water stored in the Leased Space.

5. COMPLIANCE: During the term of this Lease, Central shall comply with the terms and conditions hereof and the requirements of the United States Army Corps of Engineers or the Colorado Division of Water Resources in the operation, maintenance, and accounting for Chatfield Reservoir. In the event that Central fails to abide by such documents, any damage or injury resulting from such failure, directly or indirectly, shall be the sole responsibility of Central. Central shall indemnify CWCB with respect to any costs or expenses incurred by CWCB as a result of damage or injury resulting from such failure.

6. TERMINATION: CWCB may terminate this Lease upon 24 hours prior notice to Central if CWCB determines that Central has failed to comply with the terms and conditions hereof or any of Central's obligations hereunder. CWCB shall give Central notice of the alleged breach and 14 days to cure the same prior to termination. Either party may terminate this Lease at any time if CWCB sells all or part of the Leased Space to Central. If CWCB sells Leased Space to another entity, that entity shall take the space pursuant to this Agreement for the remainder of its term. CWCB shall not refund any portion of the Lease Payments to Central if the Lease is terminated by CWCB for cause or by Central for any reason.

7. MISCELLANEOUS: This Lease is subject to the laws of the State of Colorado, including but not limited to the Governmental Immunity Act, §24-10-101, et seq., C.R.S., as amended from time to time, or orders, rules and regulations, and policies, currently in existence or as amended from time to time, of CWCB. No term or condition of this Lease shall be construed or interpreted as a waiver by CWCB, either express or implied, of any of the immunities, rights, benefits or protections provided by statute. This Lease constitutes the entire agreement of the parties with respect to the subject matter hereof.

SIGNATURE PAGE FOR
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PROJECT

COLORADO WATER CONSERVATION BOARD

Rebecca Mitchell

Director, Rebecca Mitchell

6-10-20

Date

CENTRAL COLORADO WATER CONSERVANCY DISTRICT

Ralph T. Anders

Signature

Ralph T. Anders, P

Printed Name, Title

May 19, 2020

Date