



COLORADO
Division of Water Resources
Department of Natural Resources

March 3, 2021

Mr. Dan Mathes, P.E.
Deere & Ault Consultants Inc.
600 S. Airport Road, Building A, Suite 205
Longmont, CO 80503

**Re: Evans #2 Pit Stonewall Springs Quarry Substitute Water Supply Plan
DRMS File No. M-2000-041
SE ¼ Section 35, SW ¼ Section 36, T20S, R63W, 6th P.M., and
NW ¼ Section 1, NE ¼ Section 2, T21S, R63W, 6th P.M.
Water Division 2, Water District 14
SWSP ID 2709, WDID 1407802**

Approval Period: April 1, 2021 through March 31, 2022

Contact Information: (303) 651-1468; dan.mathes@deereault.com

Dear Mr. Mathes:

We have reviewed your February 3, 2021 letter requesting a renewal of the substitute water supply plan ("SWSP") previously approved for a sand and gravel pit, formerly owned by Stonewall Springs Quarry, LLC/Morley Companies and now owned by Triview Metropolitan District ("Triview" or "Applicant"). The required renewal fee of \$257.00 has been received and given receipt no. 10009348.

The Evans #2 Pit has been divided into separately owned areas both operating under DRMS Permit No. M-2000-041. Triview/Stonewall Springs' portion of the Evans #2 Pit (the subject of this SWSP) consists of Phase I-Parcel 4 of the mine site as shown on the attached Figure 1. Lagged depletions from previous operations at the site and from current operations at Phase I-Parcels 1-3 and Phase II-Parcel 5 are covered under a separate SWSP for the Pueblo East Pit at Evans #2 (SWSP ID 5732), submitted by Fremont Paving & Redi-Mix, Inc.

SWSP OPERATION

This pit did not exist, and no groundwater was exposed, prior to January 1, 1981. This plan proposes to replace depletions to the Arkansas River that will result from remediation activities including site reclamation work and replacing depletions associated with evaporation from exposed water surface areas. Mining at the site was discontinued several years previously in the Phase 1- Phase 4 area of the mine site. Projected uses and consumption for the period of this SWSP are shown in the attached Tables 1 and 2. Up to 8.38 acre-feet will be lost through evaporation from 2.43 acres of exposed groundwater in



the dewatering trench. The 2.43 acres was verified by a drone survey of the exposed groundwater surface conducted in March 2019.

In accordance with the letter dated April 30, 2010 from the Colorado Division of Reclamation, Mining, and Safety (“DRMS”), all sand and gravel mining operators must comply with the requirements of the Colorado Reclamation Act and the Mineral Rules and Regulations for the protection of water resources. The April 30, 2010 letter from DRMS requires that you provide information to DRMS to demonstrate you can replace long term injurious stream depletions that result from mining related exposure of groundwater. A reservoir liner, constructed to prevent the infiltration of tributary groundwater, was most recently inspected by our staff on July 10, 2019. The testing plan and leak test were found to be adequate. All water inflows and outflows for this site must be accounted for on at least a monthly basis, by the 10th of the month following the accounting. According to the *Acceptance of Financial Warranty* letter written by DRMS on November 25, 2019 (available from the DRMS website at the following link: <https://dnrweblink.state.co.us/drms/0/doc/1292174/Page1.aspx?searchid=0ea88c20-a655-4cd5-a308-608d23fc0a65>), Fremont Paving currently holds a bond in the amount of \$1,955,780 for reclamation at the site.

DEPLETIONS

Well permit no. 54064-F (WDID 1406561) was obtained to expose water in this pit. Depletions under this plan consist of evaporation from 2.43 acres of exposed groundwater within Phase I-Parcel 4 of the mine site. The total of 2.43 acres of exposed groundwater will result in evaporative losses of 8.38 acre-feet (see attached Table 1) under this SWSP.

A Glover analysis was used to create unit response function (“URF”) in order to determine the lagged depletions to the Arkansas River using the following parameters:

- Transmissivity - 100,000 gallons/day/foot
- Storage Coefficient - 0.20
- Distance to the Stream - 2,090 feet
- Distance to No-Flow Boundary - 5,460 feet

The resulting URF shown below was calculated by wrapping the last 5% of depletions into the first 16 months.

Month	1	2	3	4	5	6	7	8	9	10	11	12
Fraction of Pumping	0.150	0.252	0.138	0.086	0.069	0.055	0.048	0.041	0.033	0.029	0.024	0.021
Month	13	14	15	16	17	18	19	20	21	22	23	24
Fraction of Pumping	0.017	0.014	0.012	0.011								

Based on the lagging described above and as shown in Tables 1-4, attached, lagged stream depletions occurring during this SWSP plan year were determined to total 8.39 acre-feet.

REPLACEMENT

During April 2021 through March 2022, fully consumable replacement credits from the Arkansas Groundwater Users Association (“AGUA”) available pursuant to a 1-year lease (April 1, 2021 - March 31, 2022), will be provided to cover mining depletions. The credits will be generated through the delivery of fully consumable water available to AGUA from the Board of Water Works of Pueblo, from the City of Aurora, or others, to AGUA’s Excelsior Recharge Ponds located immediately west of Chico Creek. The lease provides that AGUA will deliver up to 8.39 acre-feet to the Arkansas River by means of recharge ponds on the Excelsior Ditch. The attached Table 2 shows the proposed monthly replacement schedule for the 2021 - 2022 plan year. Projected post plan depletions are 1.72 acre-feet, with 0.02 acre-feet of that accruing in April 2023 through June 2024. These depletions will be replaced by Triview through a lease with AGUC through March 2024 as needed. The long term plan for the site consists of removing additional materials from the bottom of the reservoir and completing the construction of inlet and outlet works necessary to allow the pit to operate as a storage reservoir. Once in operation as a storage reservoir, the administration of the pit will be pursuant to the decrees in Case No. 16CW3093 (storage water rights) and 16CW3094 (plan for augmentation).

CONDITIONS OF APPROVAL

This SWSP is hereby approved pursuant to Section 37-90-137(11), C.R.S., subject to the following conditions:

1. The current SWSP shall be valid April 1, 2021 through March 31, 2022, unless otherwise revoked or superseded by decree. If this SWSP will not be made absolute by a water court action by the plan’s expiration date, a renewal request must be submitted to this office and the Division 2 office (please copy Bethany Arnold at Bethany.Arnold@state.co.us) with the statutory fee (currently \$257) no later than January 2, 2022.
2. According to the renewal request, the long term plan for the site is to construct reservoir liners adequate to prevent the infiltration of tributary groundwater. Fremont Paving currently holds a bond in the amount of \$1,955,780.00 for reclamation at the site.
3. Active mining or dust control shall not occur at the site under this SWSP. Should the operator desire to resume mining or provide water for dust control at the site, a new SWSP must be obtained.
4. The mined cell must be maintained in a de-watered state to the extent that the exposed water surface area does not exceed a total of 2.43 acres including all ponds, collection areas, dewatering trenches, and return trenches. If the actual water surface exposure exceeds 2.43 acres, the additional evaporative depletion must be accounted for and replaced under a new SWSP obtained by the Applicant.

5. The consumption associated with this mining operation is limited to evaporation not to exceed a total of 8.38 acre-feet in lagged depletions during the 2021 - 2022 plan year.
6. AGUA/Triview agree to replace out-of-priority depletions to senior surface water rights in Colorado and depletions to usable Stateline flows occurring after the expiration date of the plan (March 31, 2022) that are caused by diversions of ground water during the life of the SWSP.
7. Releases of water by AGUA pursuant to this plan shall be coordinated with the Division Engineer and the Augmentation Coordinator and shall equal or exceed the depletions to be replaced on a monthly basis.
8. The applicant shall provide accounting of water in this plan on a monthly basis, including excavated area, area of actual ground water exposure, pumping, stream depletions and replacement water deliveries. The accounting must be submitted to the Division Engineer via the online submittal tool. Accounting must be submitted within 10 days after the end of the month for which the accounting applies. Accounting and reporting procedures are subject to approval and modification by the Division Engineer.
9. The approval of this SWSP does not relieve the Applicant and/or landowner of the requirement to obtain a Water Court decree approving a permanent plan for augmentation or mitigation to ensure the permanent replacement of all depletions, including long-term evaporation losses and lagged depletions after gravel mining operations have ceased. If reclamation of the mine site will produce a permanent water surface exposing ground water to evaporation, an application for a plan for augmentation must be filed with the Division 2 Water Court at least three (3) years prior to the completion of mining to include, but not be limited to, long-term evaporation losses and lagged depletions. If a lined pond results after reclamation, replacement of lagged depletions shall continue until there is no longer an effect on stream flow. Granting of this SWSP does not imply approval by this office of any such court application(s).
10. Dewatering at this site will produce delayed depletions to the stream system. As long as the pit is continuously dewatered, the water returned to the stream system should be adequate to offset the depletions attributable to the dewatering operation. Once dewatering at the site ceases, the delayed depletions must be addressed. Accordingly, dewatering is required to continue during the term of this approval. At least three years prior to completion of dewatering, a plan must be submitted that specifies how the post pumping dewatering depletions (including refilling of the pit) will be replaced, in time, place and amount. If dewatering of the site is discontinued, the pit would fill and cause additional depletions to the stream system due to increased evaporation.

11. In accordance with amendments to Section 25-8-202-(7), C.R.S. and “Senate Bill 89-181 Rules and Regulations” adopted on February 4, 1992, the State Engineer shall determine whether or not the substitute supply is of a quality to meet requirements of use to senior appropriators. As such, water quality data or analysis may be requested at any time to determine if the water quality is appropriate for downstream water users.
12. The State Engineer may revoke this SWSP or add additional restrictions to its operation if at any time the State Engineer determines that injury to other vested water rights has occurred or will occur as a result of the operation of this SWSP. Should this SWSP expire without renewal or be revoked prior to adjudication of a permanent plan for augmentation, all use of water under this SWSP must cease immediately and the Applicant shall obtain and present to this office an alternate source of replacement water.
13. The decision of the State Engineer shall have no precedential or evidentiary force, shall not create any presumptions, shift the burden of proof, or serve as a defense in any pending water court case or any other legal action that may be initiated concerning the SWSP. This decision shall not bind the State Engineer to act in a similar manner in any other applications involving other SWSP or in any proposed renewal of this SWSP, and shall not imply concurrence with any findings of fact or conclusions of law contained herein, or with the engineering methodologies used by the Applicant.

Should you have any questions, please contact Melissa van der Poel of this office or Joseph Regur, in our Division 2 office in Pueblo at (719) 542-3368.

Sincerely,



Jeff Deatherage, P.E.
Chief of Water Supply

Enclosures: Figure 1
 Tables 1-4
 February 12, 2021 *Water Lease Agreement*

cc: Division 2 SWSP Staff
 Joseph Regur, Augmentation Engineer
 Steve Stratman, District 14/15 Water Commissioner
 Doug Hollister, North Regional Team Leader, Districts 10,14,15
 Division of Reclamation, Mining and Safety



0 600 1,200 Feet

R63W

35

36

PHASE I - PARCEL 4

T20S

T21S

2

1

DEERE & AULT
A SCHNABEL ENGINEERING COMPANY

EVANS #2 PIT LOCATION
2021-2022 SWSP REQUEST

FIGURE NO.

1

JOB NO: DA212014.00

SCALE: 1 inch=602 feet

Table 1
EVANS #2 PIT - OPERATIONAL AND EVAPORATIVE LOSSES
Stonewall Springs Quarry, LLC.
2021-2022 Plan Year

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Plan Year 2021	brings Reservo Aggregate Production (tons)	Water Lost With Mined Aggregate (acre-feet)	Water Used for Dust Control (acre-feet)	Water Used for Construction of Slurry Wall (acre-feet)	Total Operational Losses (acre-feet)	Percent of Annual Evaporation	Gross Pond Evaporation (inches)	Average Precipitation (inches)	Effective Precipitation 70% (inches)	Net Pond Evaporation (inches)	Net Pond Evaporation (acre-feet/acre)	Net Pond Evaporation 2.43 acres (acre-feet)
Month												
April-21	0	0.00	0.00	0.00	0.00	9.0%	4.52	1.26	0.88	3.64	0.30	0.74
May-21	0	0.00	0.00	0.00	0.00	12.0%	6.02	1.37	0.96	5.07	0.42	1.03
June-21	0	0.00	0.00	0.00	0.00	14.5%	7.28	1.65	1.16	6.12	0.51	1.24
July-21	0	0.00	0.00	0.00	0.00	15.0%	7.53	2.38	1.67	5.86	0.49	1.19
August-21	0	0.00	0.00	0.00	0.00	13.5%	6.78	1.34	0.94	5.84	0.49	1.18
September-21	0	0.00	0.00	0.00	0.00	10.0%	5.02	0.87	0.61	4.41	0.37	0.89
October-21	0	0.00	0.00	0.00	0.00	7.0%	3.51	0.44	0.31	3.21	0.27	0.65
November-21	0	0.00	0.00	0.00	0.00	4.0%	2.01	0.40	0.28	1.73	0.14	0.35
December-21	0	0.00	0.00	0.00	0.00	3.0%	1.51	0.40	0.28	1.23	0.10	0.25
January-22	0	0.00	0.00	0.00	0.00	3.0%	1.51	0.32	0.22	1.28	0.11	0.26
February-22	0	0.00	0.00	0.00	0.00	3.5%	1.76	0.72	0.50	1.25	0.10	0.25
March-22	0	0.00	0.00	0.00	0.00	5.5%	2.76	1.46	1.02	1.74	0.14	0.35
Total	0.00	0.00	0.00	0.00	0.00	100.0%	50.20	12.61	8.83	41.37	3.45	8.38

Notes:

- | | |
|---|---|
| <p>(1) No mining or dust control use</p> <p>(2) 4% of produced aggregate production is assumed to be water, converted to acre-feet.</p> <p>(3) No mining or dust control use</p> <p>(4) No use, linear certified June 2019.</p> <p>(5) Equal sum of Columns (2), (3) & (4).</p> <p>(6) Based SEO information for elevations below 6,500 feet.</p> | <p>(7) Equals 50.2 inches from NWS 33, Map 3, times Column (6).</p> <p>(8) Based on climate data from Pueblo Memorial AP weather station (1981-2010).</p> <p>(9) Equals Column (8) times 70%.</p> <p>(10) Equals Column (7) minus Column (9).</p> <p>(11) Equals Column (10) divided by 12.</p> <p>(12) Equals Pond Surface Area times Column (11).</p> |
|---|---|

Table 2
LAGGED DEPLETIONS AND PROPOSED REPLACEMENTS
Stonewall Springs Quarry, LLC.
2021-2022 Plan Year

	(1)	(2)	(3)	(4)	(5)	(6)
Plan Year	Stonewall Springs Reservoir	Total	Total	Lagged	AGUA	Excess
2021	Evaporative	Operational	Losses from	Stream	Replacement	or
Month	Losses	Losses	Evans #2 Pit	Depletions	Credits	(Shortage)
	(acre-feet)	(acre-feet)	(acre-feet)	(acre-feet)	(acre-feet)	(acre-feet)
April-21	0.74	0.00	0.74	0.51	0.51	0.00
May-21	1.03	0.00	1.03	0.64	0.64	0.00
June-21	1.24	0.00	1.24	0.78	0.78	0.00
July-21	1.19	0.00	1.19	0.89	0.89	0.00
August-21	1.18	0.00	1.18	0.95	0.95	0.00
September-21	0.89	0.00	0.89	0.94	0.94	0.00
October-21	0.65	0.00	0.65	0.86	0.86	0.00
November-21	0.35	0.00	0.35	0.74	0.74	0.00
December-21	0.25	0.00	0.25	0.61	0.61	0.00
January-22	0.26	0.00	0.26	0.53	0.53	0.00
February-22	0.25	0.00	0.25	0.48	0.48	0.00
March-22	0.35	0.00	0.35	0.45	0.45	0.00
Total	8.38	0.00	8.38	8.38	8.38	0.00

Notes:

- (1) Equals Column (7), Table 1.
- (2) Equals Column (4), Table 2.
- (3) Equals Column (1) plus Column (2).
- (4) Based on URF using Glover Calculations (T=100,000; s=0.2; X=2090; W=5460).
- (5) Fully consumable credits from AGUA
- (6) Equals Column (4) plus Column (5)

Table 3a
WATER ACCOUNTING MEASUREMENT DATA
Evans #2 Pit - Stonewall Springs Quarry
Pueblo, CO
April 1, 2021 to March 31, 2022

Stonewall Springs Reservoir C																
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
Plan Year	Exposed	Date of	Method of	Amount of	End of Month	Pumping for	Date of	Evans #2	Meter	Other EOM	Other	Percent	Other	Pumping	Lagged	AGUA
2021	Water Surface	Determination	Measurement	Aggregate	Dust Control	Dust Control	Reading	Pit	Multiplier	Use	Meter	Utilized for	Monthly	for Pit	Stream	Replacement
Month	Area			Production	Meter Reading	Dust Control		Meter Reading		Meter Reading	Multiplier	this Use	Use	Other Use	Depletions	Provided
	(acres)			(tons)	(gallons)	(gallons)		(gallons)		(acre-feet)		(%)	(acre-feet)	(acre-feet)	(acre-feet)	(acre-feet)
March-21	2.43	March-19	Drone/CAD			0		33926000		0						
April-21	2.43					0			1	0.0001	0%	0.00	-104.12	0.51	0.51	
May-21	2.43					0			1	0.0001	0%	0.00	0.00	0.64	0.64	
June-21	2.43					0			1	0.0001	0%	0.00	0.00	0.78	0.78	
July-21	2.43					0			1	0.0001	0%	0.00	0.00	0.89	0.89	
August-21	2.43					0			1	0.0001	0%	0.00	0.00	0.95	0.95	
September-21	2.43					0			1	0.0001	0%	0.00	0.00	0.94	0.94	
October-21	2.43					0			1	0.0001	0%	0.00	0.00	0.86	0.86	
November-21	2.43					0			1	0.0001	0%	0.00	0.00	0.74	0.74	
December-21	2.43					0			1	0.0001	0%	0.00	0.00	0.61	0.61	
January-22	2.43					0			1	0.0001	0%	0.00	0.00	0.53	0.53	
February-22	2.43					0			1	0.0001	0%	0.00	0.00	0.48	0.48	
March-22	2.43					0			1	0.0001	0%	0.00	0.00	0.45	0.45	

Notes:

s Reservoir Company Measured as part of liner leak test, 2.43 acres.

(2) ENTER: Date of water surface area measurement/determination.

(3) ENTER: Method used for water surface area measurement/determination.

(4) ENTER: Amount of aggregate production in tons.

(5) ENTER: End of month meter reading on metered use for dust control

(6) Calculated monthly metered dust control (current meter minus last months reading)

(7) ENTER: Date of meter readings.

(8) ENTER: End of Month meter reading.

(9) Meter multiplier

(10) ENTER: other water usage meter reading - none.

(11) Meter multiplier

(12) Percent of water utilized with remainder to river.

(13) Total other water for pit

(14) Total pumping for Pit other (8) in AF plus (13)

(15) Lagged stream depletions from Table 3b (9).

(16) ENTER: AGUA replacement provided.

Table 3b
WATER ACCOUNTING FORM
Evans #2 Pit - Stonewall Springs Quarry
Pueblo, CO
April 1, 2021 to March 31, 2022

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Plan Year 2015 Month	Net Pond Evaporation Rate (acre-feet/acre)	Exposed Water Surface Area (acres)	Net Pond Evaporation (acre-feet)	Amount of Aggregate Production (tons)	Water Lost With Mined Aggregate (acre-feet)	Water Used for Dust Control (acre-feet)	Water for Other Used (acre-feet)	Evaporation & Operational Losses (acre-feet)	Lagged Stream Depletions (acre-feet)	AGUA Replacement Credit (acre-feet)	Excess / (Shortage) (acre-feet)
April-21	0.303	2.43	0.74	0	0.00	0.0000	0.00	0.74	0.51	0.51	0.00
May-21	0.422	2.43	1.03	0	0.00	0.0000	0.00	1.03	0.64	0.64	0.00
June-21	0.510	2.43	1.24	0	0.00	0.0000	0.00	1.24	0.78	0.78	0.00
July-21	0.489	2.43	1.19	0	0.00	0.0000	0.00	1.19	0.89	0.89	0.00
August-21	0.487	2.43	1.18	0	0.00	0.0000	0.00	1.18	0.95	0.95	0.00
September-21	0.368	2.43	0.89	0	0.00	0.0000	0.00	0.89	0.94	0.94	0.00
October-21	0.267	2.43	0.65	0	0.00	0.0000	0.00	0.65	0.86	0.86	0.00
November-21	0.144	2.43	0.35	0	0.00	0.0000	0.00	0.35	0.74	0.74	0.00
December-21	0.102	2.43	0.25	0	0.00	0.0000	0.00	0.25	0.61	0.61	0.00
January-22	0.107	2.43	0.26	0	0.00	0.0000	0.00	0.26	0.53	0.53	0.00
February-22	0.104	2.43	0.25	0	0.00	0.0000	0.00	0.25	0.48	0.48	0.00
March-22	0.145	2.43	0.35	0	0.00	0.0000	0.00	0.35	0.45	0.45	0.00
Total	3.448	-----	8.38	0	0.00	0.0000	0.0000	8.38	8.38	8.38	0.00

Notes:

- | | |
|--|---|
| (1) Net pond evaporation rate from SWSP. | (7) Table 3a, Column (12) [No Other Uses] |
| (2) Exposed water surface area from Table 3a. | (8) Column (3) plus Column (5) plus Column (6) plus Column (7). |
| (3) Column (1) times Column (2) | (9) Stream depletions Table 4 AIVAS results. |
| (4) Table 3a, Column (4) | (10) Replacements provided by AGUA from Table 3a. |
| (5) Column (4) times 2000 times 4% divided by 62.4 divided by 43,560. | (11) Excess or Shortage of replacement credits, Column (10) minus Column (9). |
| (6) (EOM meter reading minus EOM meter reading from prior month)/525,951 | |

Table 4
LAGGED DEPLETIONS AND PROPOSED REPLACEMENTS
Evans #2 Pit - Stonewall Springs Quarry
April 1, 2021 to March 31, 2022

AWAS Input/Output (2020-2021)		Stonewall Springs Reservoir Company												
Diversions/Recharge (ac-ft)		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		0.37	0.37	0.51	1.06	1.48	1.79	1.71	1.70	1.29	0.94	0.50	0.36	
2016		0.37	0.37	0.51	1.06	1.48	1.79	1.71	1.70	1.29	0.94	0.50	0.36	12.08
2017		0.37	0.37	0.51	1.06	1.48	1.79	1.71	1.70	1.29	0.94	0.50	0.36	12.08
2018		0.37	0.37	0.51	0.74	1.03	1.24	1.19	1.18	0.89	0.65	0.35	0.25	8.38
2019		0.26	0.25	0.35	0.74	1.03	1.24	1.19	1.18	0.89	0.65	0.35	0.25	8.38
2020		0.26	0.25	0.35	0.74	1.03	1.24	1.19	1.18	0.89	0.65	0.35	0.25	8.38
2021		0.26	0.25	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49.29
2022														
2023														
Depletions/Accretions (ac-ft)		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		0.71	0.66	0.64	0.72	0.91	1.12	1.29	1.36	1.35	1.24	1.07	0.88	
2016		0.760	0.690	0.660	0.730	0.920	1.130	1.290	1.360	1.350	1.240	1.070	0.880	12.080
2017		0.760	0.690	0.660	0.730	0.920	1.130	1.290	1.360	1.350	1.240	1.070	0.880	12.080
2018		0.760	0.690	0.660	0.690	0.770	0.890	0.980	1.020	0.990	0.900	0.770	0.640	9.140
2019		0.540	0.490	0.460	0.510	0.640	0.790	0.890	0.950	0.940	0.860	0.740	0.610	8.390
2020		0.530	0.480	0.450	0.510	0.640	0.780	0.890	0.950	0.940	0.860	0.740	0.610	8.380
2021		0.530	0.480	0.450	0.400	0.300	0.240	0.200	0.160	0.120	0.090	0.070	0.050	1.700
2022		0.030	0.020	0.020	0.010	0.010	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.090
2023		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
2024														
Plan Year Replacement		0.530	0.480	0.450	0.510	0.640	0.780	0.890	0.950	0.940	0.860	0.740	0.610	8.380
Post-Shutdown Replacements - Yr 1		0.030	0.020	0.020	0.400	0.300	0.240	0.200	0.160	0.120	0.090	0.070	0.050	1.700
Post-Shutdown Depletions - Yr 2		0.000	0.000	0.000	0.010	0.010	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.020
														1.720

WATER LEASE AGREEMENT

This Water Lease Agreement is made and entered into this 12th day of February, 2021, by and between Lessor, Triview Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (hereinafter "Triview"), whose address is 16055 Old Forest Point, Monument, Colorado 80132; and Lessee, Arkansas Groundwater Users Association, and/or assigns (hereinafter "AGUA"), whose address is P.O. Box 11446, Pueblo, Colorado 81001.

WITNESSETH:

WHEREAS, this Agreement pertains to a lease of certain of the 3,333 total shares in the Excelsior Irrigating Company (hereinafter the "Excelsior Shares").

WHEREAS, AGUA owns 1,792 of the Excelsior Shares or a 53.765 percent interest (the "AGUA Shares") and Triview owns 1,341 of the Excelsior Shares or a 40.234 percent interest (the "Triview Shares").

WHEREAS, AGUA is a water users association in the Arkansas River basin whose organizational purpose is to obtain and provide augmentation water for its members to allow them to pump ground water considered tributary to the Arkansas River.

WHEREAS, AGUA's member wells operate under an annually approved replacement plan approved by the State Engineer.

WHEREAS, in Case Number 04CW62, District Court, Water Division 2 (hereinafter "Change Case"), the parties hereto, or their predecessors in interest, adjudicated a change in use of all the water associated with the Excelsior Shares to include augmentation uses. The purpose of the Change Case was to allow AGUA to use the Excelsior Ditch Water as an augmentation supply in its replacement plans.

WHEREAS, the Division 2 Water Court entered a decree for storage of the historical consumptive use components of the changed Excelsior Ditch Water for purposes which include augmentation in Case No. 16CW3093 on January 21, 2020. While AGUA was a co-Applicant in Case No. 16CW3093, AGUA has not to date acquired any interest in the Stonewall Springs Reservoir Complex, as described in that application, though AGUA and Triview continue to negotiate for such storage interests.

WHEREAS, Triview's predecessor in title also obtained a plan for augmentation in Case No. 16CW3094, Water Division No. 2, utilizing the Triview Shares as a source of augmentation supply, including through its membership in AGUA, and such Case No. 16CW3094 was likewise decreed on January 21, 2020.

WHEREAS, Triview desires to lease up to the entirety of the Triview Shares, 1,341 Excelsior Shares, to AGUA for all lawful uses, including as replacement/augmentation water in AGUA's replacement plans, and under the 16CW3094 decree, and AGUA desires to enter into such a lease.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Lease: Triview hereby leases up to the entirety of the Triview Shares, 1,341 Excelsior Shares, and AGUA hereby hires and leases said Triview Shares of stock all pursuant to the terms of this Agreement.

2. Term: The term of this lease between Triview and AGUA shall commence effective April 1, 2021 and shall continue in full force and effect for a one year term through March 31, 2022. There shall be no automatic extensions of this lease or any right hereunder unless the parties enter into a written renewal or extension agreement, or new lease. Any written renewal or extension of this Water Lease Agreement shall be entered into by January 31, 2022, unless otherwise agreed by the parties.

3. Rentals: The rental payment obligation from AGUA to Triview per acre foot of consumptive use water available under the Triview Shares for the 2021-22 term shall equal the Excelsior Irrigating Ditch Company 2021 assessments for the 1,341 Excelsior Shares, including any special assessments if any, plus a premium of 10% ("Rental"). In lieu of full payment directly to Triview, AGUA shall first credit the Rental payment obligation against dues and water use fees related to Triview's membership in AGUA as follows: The Rental for the 2021-22 term year shall be credited against Triview's AGUA membership dues for AGUA's 2021 Plan Year, except as described below. Any remaining balance shall be paid to Triview upon Triview's written request for payment. Triview shall maintain all permits, licenses, consents, approvals and authorizations with regard to use of the leased water rights and pay all water assessments.

4. Use of subject water rights: The water delivered to AGUA represented by the Triview Shares may be used for all lawful irrigation and augmentation purposes, specifically including but not limited to augmentation of diversions. Notwithstanding the foregoing, AGUA shall not utilize the water rights leased herein for irrigation of cannabis or hemp, nor for the augmentation of depletions from irrigation of cannabis or hemp, without additional written consent of Triview, which consent shall be in the sole and complete discretion of Triview. AGUA shall use the Excelsior Ditch Water as intensively as is consistent with good beneficial use practices utilizing proper accounting techniques and stewardship of the water to maximize the beneficial use of the water delivered to AGUA or as may be authorized by the Division Engineer or the Water

Court, Water Division 2. AGUA shall not attempt to sell, transfer, encumber, lease, convey or otherwise dispose of all or any portion of the subject water rights approval. If AGUA, its agents, or employees responsible for discharging the obligations under this lease have not properly satisfied such obligations, Triview may declare an event of default and choose among the remedies set forth in Paragraph 5 below.

A. Use of subject water rights by Triview. The Parties agree and acknowledge that all or a portion of the subject water rights have recently been used, including during the 2020-21 Water Year, as a source of augmentation water for pumping from wells owned and controlled by Triview and augmented by AGUA under the Plan for Augmentation decreed in Case No. 16CW3094, to allow Triview's continued use of the irrigation wells on land owned by Triview and described in the 16CW3094 augmentation plan, and that a source of replacement/augmentation water under any such administratively or judicially approved augmentation plan is anticipated to be the Triview Shares. The Triview Shares subject of this Lease shall be available for use in such Triview plan for augmentation consistent with the terms and conditions of this Lease Agreement, and the Parties shall cooperate in resolving any issues which may develop in this regard. To the extent Triview may not utilize the entirety of the water attributable to the Triview Shares in its own Plan for Augmentation, AGUA shall have the right to utilize the Triview Shares for replacement or augmentation purposes in other plans controlled or administered by AGUA. It is anticipated that Triview shall pay to AGUA the same amounts, to the extent in excess of AGUA membership dues, paid by other AGUA members for water provided by AGUA under other plans for augmentation, for water actually provided to Triview by AGUA for such augmentation purposes. The Parties shall cooperate in any such administrative or judicially approved plans, and Triview shall notify AGUA as soon as practicable should it be anticipated that the Triview Shares will be unavailable for AGUA's use under this Lease Agreement for reasons beyond the control of Triview.

B. Notwithstanding the foregoing, to the extent AGUA may desire to utilize all or a portion of the Triview shares for provision of augmentation or replacement supply, or for other lawful purposes, to non-members of AGUA, AGUA shall first provide Triview with written notice of the party seeking to utilize the Triview Shares, and the amount per acre foot such party proposes to pay AGUA for such use. Triview shall have a right of first refusal on any such transaction, and shall at its discretion be entitled to reserve the Triview Shares for its own use to the extent AGUA wishes to utilize such Triview Shares for provision of water to non-members of AGUA. In such instance, Triview shall not be compensated under this Lease for any portion of the Triview Shares not available for AGUA's use, and shall promptly refund any payments made by AGUA for such shares. Upon such refund, Triview shall have all rights to the use and disposition of water attributable to the Triview Shares in its sole and complete discretion.

5. Default: In the event of a default hereunder by either party, the non-

defaulting party shall give written notice to the defaulting party specifying the terms of the particular default and the defaulting party shall have thirty (30) days after receipt of such notice either to cure or undertake and proceed diligently to cure, such default. In the event the defaulting party shall cure the default in a timely manner, this lease shall continue in full force and effect as though no default had occurred. In the event any default is not cured in a timely manner the non-defaulting party may elect its remedies as follows:

- A. Suit for damages.
- B. Termination of this agreement at the election of the non-defaulting party.

6. Termination: This Lease shall automatically terminate at the end of the term. This Lease shall also terminate upon the election of either party to terminate same after an uncured default by the other party has occurred. Such termination shall not relieve the defaulting party from any damages it may be ultimately obligated to pay to the non-defaulting party.

7. Indemnifications: By entering this lease, Triview accepts no responsibility or liability whatsoever for any claim, demand, action or liability whatsoever asserted or arising as a result of the use of the leased water rights by AGUA.

8. Miscellaneous:

A. Complete agreement: This Lease contains the complete and entire agreement between the parties regarding the transaction contemplated herein, and supersedes all prior understandings, if any, between the parties regarding such matters.

B. Written instruments: This Lease may not be modified in any respect whatsoever, except by a further agreement in writing duly executed by both parties. Any notice, consent, waiver, approval or authorization shall be effective if signed by the party granting or making such notice, consent, waiver, approval or authorization.

C. Notices: Any notice required under the terms of this Lease shall be given in writing and shall be effective upon delivery in person or the mailing thereof to the parties at the following addresses, or at such other addresses as a party may subsequently designate for itself by notice:

Triview Metropolitan District
Attn. James McGrady
District Manager
16055 Old Forest Point, Ste. 302
Monument, Colorado 80132

jmccgrady@triviewmetro.com

With copy to:

Chris D. Cummins
Monson, Cummins & Shohet, LLC
13511 Northgate Estates Dr., Ste. 250
Colorado Springs, CO 80921
cdc@cowaterlaw.com

Arkansas Groundwater Users Association, LLC
c/o Kent Ricken, Manager
P.O. Box 11446
Pueblo, CO 81008

D. Governing law: This Lease shall be construed and enforced in accordance with the laws of the State of Colorado.

E. No liability: No officer, director, stockholder, investor in or partner or joint venturer of the parties, no disclosed or undisclosed principal of the parties, and no person or entity in any way affiliated with the parties shall have any personal liability with respect to this Lease, or the transaction contemplated hereby; nor shall the property of any such person or entity be subject to attachment, levy, execution or other judicial process.

F. Survival: The representations, covenants and warranties provided in this Lease and the rights and obligations of the parties hereunder shall survive the termination of the Lease to the extent provided in paragraph 6 hereof.

G. Recording: This Lease may be recorded by either party at that party's expense.


H. Binding Effect: This Lease shall bind and inure to the benefit of the respective heirs, executors, administrators, successors and assigns of the parties hereto.

I. Severability: The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

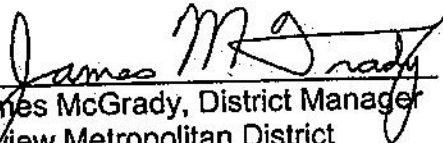
J. Waivers: No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed as of the date first written above.

ARKANSAS GROUNDWATER USERS
ASSOCIATION,

By 
Scott Brazil, President
Arkansas Groundwater Users Association

TRIVIEW METROPOLITAN DISTRICT

By 
James McGrady, District Manager
Triview Metropolitan District