



COLORADO
Division of Water Resources
Department of Natural Resources

September 16, 2025

John Shuler, P.H.

BBA Water Consultants, Inc.

333 West Hampden Avenue, Suite 1050

Englewood, CO 80110

RE: Deep Cut LLC Substitute Water Supply Plan for the 22 West Pit

DRMS Permit No. M-2017-032

Section 21, Township 23S, Range 56W, Sixth P.M.

Water Division 2, Water District 17

SWSP ID 5992, WDID 1707867

Approval Period 1: August 1, 2025 through July 31, 2026

Approval Period 2: August 1, 2026 through July 31, 2027

Contact Information for John Shuler: 303-806-8952; jshuler@bbawater.com

Dear John Shuler:

We have received your letter dated May 30, 2025 requesting a substitute water supply plan ("SWSP") in accordance with section 37-90-137(11), C.R.S., for a sand and gravel pit known as the 22 West Pit, owned by Deep Cut, LLC ("Deep Cut" or "Applicant"), for the 2026 and 2027 plan years. The mine is permitted with the Colorado Division of Reclamation, Mining, and Safety ("DRMS") under Permit No. M-2017-032. The required \$257 renewal fee has been paid for and given receipt no. 10043063.

Background

The 22 West Pit is located on the western portion of an existing mine known as the Rocky Ford East Pit (M-1977-560). The Rocky Ford East Pit was previously operated by Valco, Inc. ("Valco") under a combined SWSP with the Lamar East Pit and the Canon



City East Pit. The Rocky Ford East Pit was later separated from the combined plan because of changes in the water supply.

Valco both sold the 22 West Parcel, consisting of the portion of the property lying west of County Road 22 (now known as the “22 West Pit”, M-2017-032), and transferred two shares of the Rocky Ford Ditch to Deep Cut. Valco retained the portion of the Rocky Ford East Pit lying east of County Road 22, and will continue replacing evaporative depletions from that portion of the property under SWSP ID 0115.

Well Permit No. 84755-F (WDID 1706635) was issued for the 22 West Pit for exposure of groundwater, water removed with the mined material, and dust suppression.

SWSP Operation

Deep Cut plans to continue mining in the northern portion of the 22 West Parcel under DRMS Permit No. M-2017-032. The 22 West Pit includes Ponds 1 and 2, with a total exposed groundwater surface area of approximately 27.2 acres based on aerial imagery dated November 18, 2023. Pursuant to the June 2, 2016 letter from DRMS, 17.4 acres of the currently exposed groundwater is considered to have been exposed prior to January 1, 1981 as a result of open mining of sand and gravel (“pre-1981” area). The remaining 9.8 acres (27.2 acres - 17.4 acres) in the northern portion of the 22 West Pit was exposed after December 31, 1980 (“post-1980”). Deep Cut will limit the exposed post-1980 water surface area to no more than 12.5 acres during the period of this SWSP.

Lagged depletions will be replaced using Rocky Ford Ditch shares acquired with the property from the previous owner, Valco, and fully consumable water provided from Lake Meredith through an agreement with the City of Aurora (“Aurora”).

Depletions will occur from water removed with the mined material, dust control, and evaporation from the post-1980 water surface acreage of Ponds 1 and 2 (see Figure 1). The obligations previously incurred by Valco are incorporated into this SWSP, and

are shown in Table 2 together with the projected new exposed surface area.

The final reclamation plan for the site includes a 29.32-acre lake. All sand and gravel mining operators must comply with the requirements of the Colorado Land Reclamation Act for the Extraction of Construction Materials and the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials for the protection of water resources. DRMS requires that the operator provide information to DRMS to demonstrate the replacement of long term injurious stream depletions that result from mining related exposure of groundwater. In accordance with said requirements, the Applicant has dedicated the water rights detailed in Table 1 below to ensure the long-term replacement of evaporative depletions resulting from exposure of up to 15 acres of post-1980 groundwater (15 acres \times 3.85 acre-feet/acre = 57.75 acre-feet of evaporative depletions).

Table 1: Dedicated Water Rights

Source	# of Shares	Est. Yield (ac-ft/share)	Yield (ac-ft)
Rocky Ford Ditch Company Shares	2	12.86	25.72
Catlin Canal Company Shares	15	1.54	23.10
Twin Lakes Reservoir and Canal Company Shares	17.45	0.70	12.22
Total	NA	NA	61.04

For the purposes of this SWSP, this letter will be accepted for the dedication of the shares; however, if the State Engineer determines that a different affidavit or dedication process is necessary to assure proper dedication of the shares, additional information may be required prior to future SWSP approvals.

Depletions

Deep Cut commenced active mining at the 22 West Pit location in 2018. The previously incurred lagged depletions were calculated by re-establishing the centroid

for Ponds 1 and 2 and lagging the depletions using the same methodology from previous Rocky Ford Pit SWSPs. Unlagged depletions as a result of evaporation and mining activities occurring during this plan period are calculated to total **49.71** acre-feet for the first year, and **99.43** acre-feet for the entire two-year period.

Dust control is fully consumptive and estimated to require **1.0** acre-foot of water per plan year. The maximum amount of water removed with the mined product, assuming 20,000 tons of product removed, is **0.59** acre-feet annually. The current estimated surface area of groundwater exposed after 1980 is identified as 9.8 acres. During the period of this SWSP, additional groundwater may be exposed, therefore evaporative depletions were estimated using a maximum exposed groundwater surface area of 12.5 acres. Evaporative depletions were estimated using the same net evaporation rate as previous Rocky Ford East Pit SWSPs (3.85 feet/acre/year) and total **48.13** acre-feet annually. Depletions from operations occurring during this plan period were lagged to the Arkansas River using the IDS-AWAS model, which uses the Glover method, with the parameters as given below in Table 3a below.

Table 3a: Glover Analysis parameters

Distance from river	3,520 ft
Distance from alluvial boundary	7,670 ft
Transmissivity	71,000 gpd/ft
Specific yield	0.2

The AWAS model was utilized to develop a unit response function (URF) to estimate monthly lagged depletions to the river based on past and projected operations. Once the URFs showed that 95% of the depletions had impacted the river, the remaining depletions were redistributed over the previous months and adjusted to 100%. The URFs are shown in Table 3b below.

Table 3b: Unit Response Function (URF)

Month	Factor	Month	Factor	Month	Factor	Month	Factor
1	0.98%	13	2.61%	25	1.25%	37	0.61%
2	8.54%	14	2.45%	26	1.18%	38	0.57%
3	10.35%	15	2.30%	27	1.10%	39	0.54%
4	8.24%	16	2.16%	28	1.04%	40	0.50%
5	6.48%	17	2.04%	29	0.98%	41	0.47%
6	5.29%	18	1.91%	30	0.92%	42	0.45%
7	4.50%	19	1.80%	31	0.87%	43	0.42%
8	3.95%	20	1.69%	32	0.82%	44	0.40%
9	3.56%	21	1.60%	33	0.77%	45	0.37%
10	3.25%	22	1.50%	34	0.72%	46	0.35%
11	3.00%	23	1.41%	35	0.68%	47	0.33%
12	2.79%	24	1.32%	36	0.64%	48	0.30%

Projected annual depletions for the period of August 2025 to July 2027 are as follows:

- Maximum Post-1980 exposure: **12.5 acres**
- Net evaporation loss rate: **3.85 ft/yr**
- Evaporation loss: **48.13 AF/yr**
- Water removed with mined material: **0.59 AF/yr**
- Dust Control: **1.00 AF/yr**
- Total Unlagged Depletions: **49.71 AF**

Estimated unlagged depletions for the approval period August 2025 - July 2027

Year	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Total
2025-2026	6.63	4.94	3.50	2.06	1.58	1.58	1.82	2.78	4.46	5.91	7.11	7.35	49.71
2026-2027	6.63	4.94	3.50	2.06	1.58	1.58	1.82	2.78	4.46	5.91	7.11	7.35	49.71

Estimated lagged depletions for the approval period August 2025 - July 2027

Year	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Total
2025-2026	3.53	3.81	3.92	3.83	3.60	3.34	3.14	3.01	3.00	3.17	3.48	3.87	41.70
2026-2027	4.22	4.44	4.45	4.29	4.00	3.70	3.47	3.31	3.29	3.44	3.74	4.11	46.46

Replacements

Deep Cut will utilize a combination of leased water and historical consumptive use credits to make replacements to the river. A Water Trade Agreement with the City of Aurora dated February 26, 2018 was obtained to provide 35 acre-feet of replacement supplies during this SWSP approval period (agreement attached). This lease was initially valid until December 31, 2023, and automatically renews for up to two additional five-year periods (through December 31, 2028, and December 31, 2033) unless terminated by either party. Chris Tomky of Deep Cut is the owner of 17.45 shares of Twin Lakes Reservoir and Canal Company, including Twin Lakes Reservoir storage associated with those shares (approximately 19.25 acre-feet of associated storage). The agreement allows Chris Tomky to trade his Twin Lake shares for 35 acre-feet of Aurora's fully consumable water stored in the Colorado Canal System and released from Meredith Reservoir.

Valco owned 2 shares in the Rocky Ford Ditch, which were transferred to Deep Cut. During the irrigation season, the historically irrigated lands will be dried up and the historical consumptive use associated with the Rocky Ford Ditch shares will be utilized for replacement of depletions associated with the 22 West Pit. The historical

consumptive use of the shares was quantified by WRC Engineering, Inc. in a letter dated October 10, 1995, provided in support of a SWSP request for the Rocky Ford East Pit, as having a net annual yield of 25.72 acre-feet/year based on the irrigation of 16.5 acres of crops. Return flow obligations associated with the use of the shares will be replaced using the water obtained from Aurora. During the irrigation season, these shares may result in consumptive use credits in excess of what Deep Cut requires for replacement purposes at the 22 West Pit. Valco may, with approval from Deep Cut and the Division Engineer, use a portion of those shares as part of its SWSP replacement requirement.

Transit loss will be assessed on deliveries of replacement water to the location where depletions from the 22 West Pit impact the river.

Conditions of Approval

I hereby approve the proposed SWSP in accordance with section 37-90-137(11), C.R.S., subject to the following conditions:

1. This SWSP shall be valid for the period of August 1, 2025 through July 31, 2027, unless otherwise revoked or superseded by decree. If this SWSP will not be made absolute by a water court action by the SWSP 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 per gravel pit) by **June 1, 2027**.
2. No more than 12.5 acres of groundwater may be exposed at the 22 West Pit (in addition to the 17.4 acres of pre-1981 area) without first obtaining a new SWSP. Documentation of pond sizes may be required by the Division Engineer in the form of an aerial photo evaluation or survey by a Professional Land Surveyor during the term of this SWSP.
3. The annual amount of water consumed for dust control purposes and lost with the mined product during this plan period is limited to 1.59 acre-feet per year.

This Applicant must first obtain written approval from this office and a new well permit before exceeding this amount.

4. Approval of this SWSP is for the purposes stated herein. Additional uses will be allowed only if a new SWSP is approved for those additional uses.
5. Replacement water shall be made available to cover all out-of-priority depletions in time, place, and amount and shall be made available under the direction and/or approval of the Water Commissioner. The release of replacement water may be aggregated at the discretion of the Division Engineer and/or Water Commissioner. The Water Commissioner and/or the Division Engineer shall determine the rate and timing of any aggregated release. The Applicant will deliver its Rocky Ford Ditch shares directly to the Arkansas River using the City of Aurora's augmentation station. The City of Aurora will include the delivery of the Applicant's Rocky Ford Ditch shares in its water accounting for this augmentation station.
6. The Applicant must replace all out-of-priority depletions resulting from operation under this SWSP, including those lagged depletions and return flow obligations that occur to the stream after the expiration date of this SWSP.
7. The replacement water, which is the subject of this SWSP, cannot be sold or leased to any other entity during the term of this SWSP without prior approval of the Division Engineer.
8. Subject to approval by the Division Engineer, the Applicant may lease or purchase additional replacement water from the sources approved in this SWSP. In addition, the Applicant must also provide a copy of a lease/purchase agreement to the State Engineer's Office and the Division Engineer for use of such additional replacement water.
9. Conveyance loss for delivery of augmentation water is subject to assessment and modification as determined by the Division Engineer.

10. The Applicant must provide adequate accounting (including, but not limited to diversions, depletions, and river calls) on a monthly basis. The accounting must be submitted to the Division Engineer via the online submittal tool. Submission access was established under the previous SWSP approval, please contact Kassidy Davis at kassidy.davis@state.co.us with any questions related to accounting submission under this SWSP approval. 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. **NOTE:** Monthly accounting, even during the winter non-irrigation season, is required.
11. The Applicant shall perform an inspection and provide verification that the 16.5 acres of land associated with the 2 shares in the Rocky Ford Ditch changed for replacement purposes in this SWSP has been removed from irrigation during the term of this SWSP. All parcels of dried up land are subject to administration pursuant to the Administration of Parcels Claimed for Augmentation Credit Agreement signed by the Colorado State Engineer and Kansas Chief Engineer in September of 2005. Final verification of dry up must be in the form of an affidavit signed by an individual having personal knowledge of the dry up for the entire 2025, 2026, and 2027 irrigation seasons for each parcel of historically irrigated land. An affidavit was provided on November 30, 2023 verifying dry up for the 2023 irrigation season, and on December 11, 2024 verifying the dry up for the 2024 irrigation season. **Affidavits must be provided to the Division Engineer by December 15, 2025 for 2025 irrigation season dry up, December 15, 2026 for 2026 irrigation season dry up, and by December 15, 2027 for 2027 irrigation season dry up, such that the final determination of augmentation credits for the irrigation season can be made along with mapping showing any revisions to the dry up acreage.**

12. The approval of this SWSP does not relieve the applicant and/or landowner of the requirement to ensure the permanent replacement of all depletions, including long-term evaporation losses and lagged depletions after the gravel mining operations have ceased. If reclamation of the mine site will produce a permanent water surface exposing groundwater to evaporation, an application for 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 the ponds will be backfilled, or 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).
13. 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 may need to obtain and present to this office an alternate source of replacement water.
14. In accordance with amendments to section 25-8-202(7), C.R.S. and “Senate Bill 89-181 Rules” adopted on February 4, 1992, the State Engineer shall determine whether or not the substitute supply is of a quality to meet the requirements of use to which the senior appropriation receiving the substituted supply has normally been put. As such, water quality data or analysis may be requested at any time to determine if the water quality is appropriate for the requirements of use of the senior appropriator.
15. 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 this SWSP. This decision shall not bind the State Engineer to act in a similar manner in any other applications involving other SWSPs, 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.

If you have any questions, please contact Ailis Thyne (ailis.thyne@state.co.us) of the Denver office, or Brandy Cole (brandy.cole@state.co.us) in the Division 2 La Junta office at (719) 384-1000.

Sincerely,

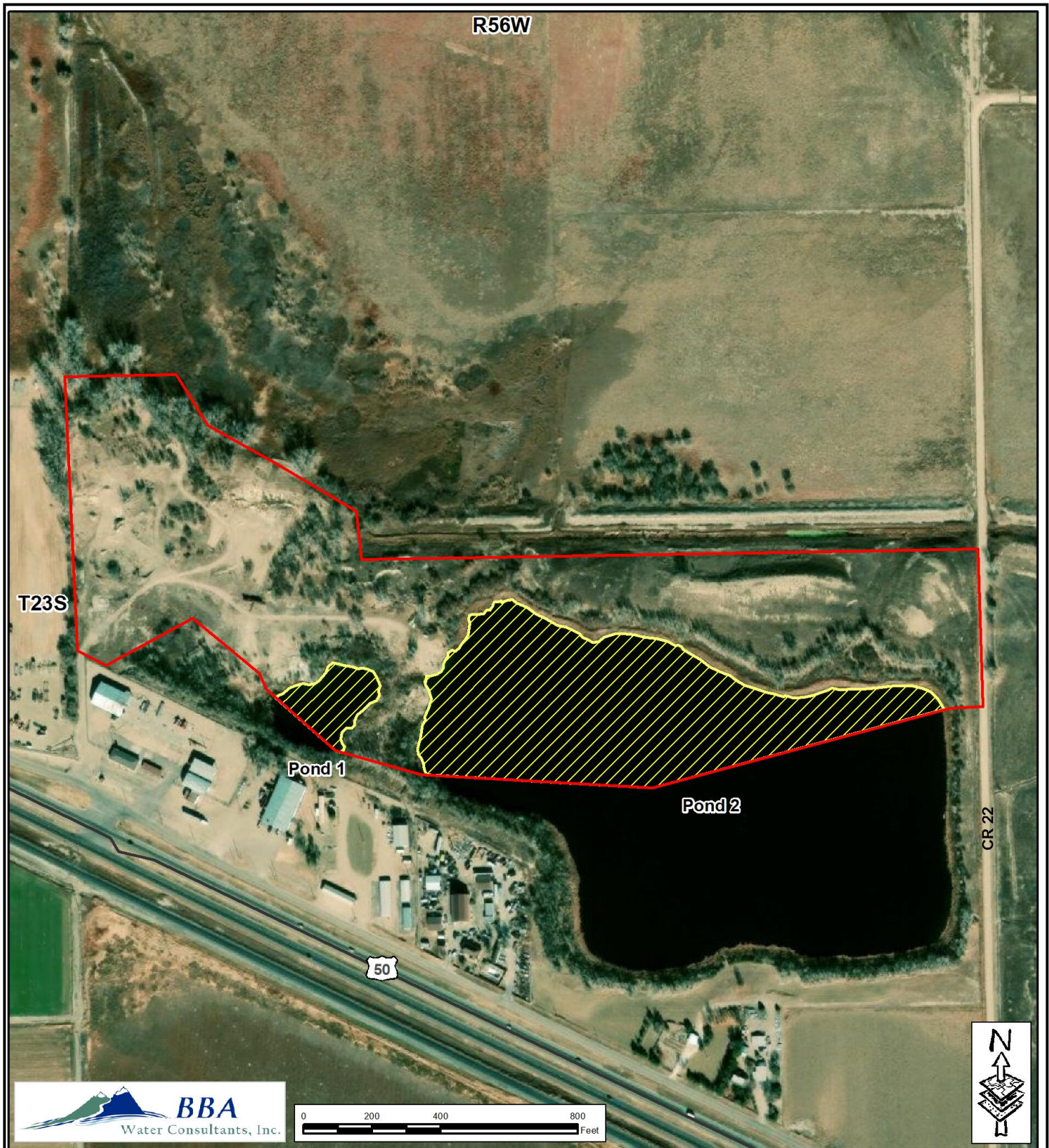


Sarah Brucker, P.E.
Deputy State Engineer

Attachments: Figure 1
 February 26, 2018 Water Trade Agreement
 August 30, 2018 Dedication Letter

cc: Division 2 SWSP Staff
 Brandy Cole, East Regional Team Leader
 Division of Reclamation, Mining and Safety
 Marshall F. Brown, Utility Enterprise of the City of Aurora

kea: Deep Cut 2025-27



Legend

- Post-1980 Water Surface Area (Approx.)
- DRMS Permit Boundary

Aerial Photo: 11/18/2023 Maxar
Data Source: WRC, CDSS, CDOT, USGS, BLM

Figure 1 Deep Cut, LLC 22 West Pit

Date: 4/21/2025 | Job No: 1707.00



Table 1
Deep Cut, LLC
22 West Pit
SWSP Projected Annual Depletions and Replacements (August 2025 - July 2027)

Annual Replacement Credits Summary (acre-feet)

Fully Consumable Supply from Aurora	35.00
Rocky Ford Ditch Credits	25.72
Total Credits	60.72

Annual Depletions Summary

Site	Well Permit	Max Total Exposure (acres)	Pre-1981 Exposure (acres)	Max Post-1980 Exposure (acres)	Net Evaporation Loss Rate (ft/yr)	Evaporation Loss (af/yr)	Water Removed with Mined Material (af/yr)	Dust Control (af/yr)	Total Unlagged Depletions (af)
-	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
22 West Pit	84755-F	12.50	0.00	12.50	3.85	48.13	0.59	1.00	49.71

Notes:

[1] State gravel pit well permit number.

[2] Total maximum exposed groundwater surface area for the SWSP period.

[3] Pre-1981 exposed groundwater surface area.

[4] Maximum post-1980 exposed groundwater surface area, [2] - [3].

[5] Net evaporation rate equals gross evaporation from NOAA Technical Report NWS 33 less a 0.72 ft effective precipitation reduction.

[6] Evaporation loss, [4] * [5].

[7] Water removed with material mined below the ground water table assumed 20,000 tons per year and 4% water depletion by weight.

[8] Dust control uses are assumed 100% consumptive.

[9] Total Depletions equal to [6] + [7] + [8].

Table 2
Deep Cut, LLC
22 West Pit
Depletion Lagging Factors for SWSP Operations

22 West Pit			
Month	Factor	Month	Factor
1	0.98%	26	1.18%
2	8.54%	27	1.10%
3	10.35%	28	1.04%
4	8.24%	29	0.98%
5	6.48%	30	0.92%
6	5.29%	31	0.87%
7	4.50%	32	0.82%
8	3.95%	33	0.77%
9	3.56%	34	0.72%
10	3.25%	35	0.68%
11	3.00%	36	0.64%
12	2.79%	37	0.61%
13	2.61%	38	0.57%
14	2.45%	39	0.54%
15	2.30%	40	0.50%
16	2.16%	41	0.47%
17	2.04%	42	0.45%
18	1.91%	43	0.42%
19	1.80%	44	0.40%
20	1.69%	45	0.37%
21	1.60%	46	0.35%
22	1.50%	47	0.33%
23	1.41%	48	0.30%
24	1.32%	Total	100.00%
25	1.25%		

IDS-AWAS Inputs:	
Inputs	Rocky Ford
X (ft)	3,520
W (ft)	7,670
T (gpd/ft)	71,000
S	0.2

Notes:

The lagging factors were normalized to the number of months required for 95% of the depletions to affect the river.

Table 3
Deep Cut, LLC
22 West Pit
Lagged Depletions from SWSP Period Operations
(all values in acre-feet)

Month	Lagged Depletions From Operations During SWSP Period
Aug 2025	3.53
Sep 2025	3.81
Oct 2025	3.92
Nov 2025	3.83
Dec 2025	3.60
Jan 2026	3.34
Feb 2026	3.14
Mar 2026	3.01
Apr 2026	3.00
May 2026	3.17
Jun 2026	3.48
Jul 2026	3.87
Aug 2026	4.22
Sep 2026	4.44
Oct 2026	4.45
Nov 2026	4.29
Dec 2026	4.00
Jan 2027	3.70
Feb 2027	3.47
Mar 2027	3.31
Apr 2027	3.29
May 2027	3.44
Jun 2027	3.74
Jul 2027	4.11
SWSP Year 1	41.70
SWSP Year 2	46.46
Total	88.17

Note: Lagged depletions calculated based on maximum projected operations described in the SWSP, lagged using the depletion lagging factors shown in Table 2.

Table 4a
Deep Cut, LLC
22 West Pit
Projected Operations and Sample Monthly Accounting Summary
(all values in acre-feet unless otherwise indicated)

Month	22 West Pit Operations			Depletions					Replacement Requirement		Rocky Ford Ditch CU Credit	Additional Replacement Supply	Release of Aurora Replacement Water						Net Impact to the River
	Production (tons)	Dust Control Uses (gal)	Exposed Water Surface (ac)	Water Removed in Mined Material	Dust Control	Net Evaporative Depletions	Total Unlagged Depletions	Total Lagged Depletions	% Call During Month	Replacement Requirement			Remaining Replacement Requirement	Transit Loss Requirement	Required Release	Leased Water	Transit Loss % Assessed on Release	Transit Loss Volume Assessed on Release	
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]	[18]	[19]
August 25	1,667	27,154	12.50	0.05	0.08	6.50	6.63	-3.53	100%	3.53	8.17		0.00	0.00	0.00	0.00	2.00%	0.00	4.64
September 25	1,667	27,154	12.50	0.05	0.08	4.81	4.94	-3.81	100%	3.81	3.46		0.35	0.01	0.35	0.35	2.00%	0.01	0.00
October 25	1,667	27,154	12.50	0.05	0.08	3.37	3.50	-3.92	100%	3.92	-0.70		4.62	0.09	4.71	4.71	2.00%	0.09	0.00
November 25	1,667	27,154	12.50	0.05	0.08	1.93	2.06	-3.83	100%	3.83	-1.13		4.96	0.10	5.06	5.06	2.00%	0.10	0.00
December 25	1,667	27,154	12.50	0.05	0.08	1.44	1.58	-3.60	100%	3.60	-1.08		4.68	0.10	4.78	4.78	2.00%	0.10	0.00
January 26	1,667	27,154	12.50	0.05	0.08	1.44	1.58	-3.34	100%	3.34	-1.00		4.34	0.09	4.43	4.43	2.00%	0.09	0.00
February 26	1,667	27,154	12.50	0.05	0.08	1.68	1.82	-3.14	100%	3.14	-0.93		4.07	0.08	4.15	4.15	2.00%	0.08	0.00
March 26	1,667	27,154	12.50	0.05	0.08	2.65	2.78	-3.01	100%	3.01	-0.82		3.83	0.08	3.91	3.91	2.00%	0.08	0.00
April 26	1,667	27,154	12.50	0.05	0.08	4.33	4.46	-3.00	100%	3.00	-0.10		3.10	0.06	3.17	3.17	2.00%	0.06	0.00
May 26	1,667	27,154	12.50	0.05	0.08	5.78	5.91	-3.17	100%	3.17	2.58		0.59	0.01	0.61	0.61	2.00%	0.01	0.00
June 26	1,667	27,154	12.50	0.05	0.08	6.98	7.11	-3.48	100%	3.48	7.47		0.00	0.00	0.00	0.00	2.00%	0.00	3.99
July 26	1,667	27,154	12.50	0.05	0.08	7.22	7.35	-3.87	100%	3.87	9.80		0.00	0.00	0.00	0.00	2.00%	0.00	5.93
August 26	1,667	27,154	12.50	0.05	0.08	6.50	6.63	-4.22	100%	4.22	8.17		0.00	0.00	0.00	0.00	2.00%	0.00	3.95
September 26	1,667	27,154	12.50	0.05	0.08	4.81	4.94	-4.44	100%	4.44	3.46		0.98	0.02	1.00	1.00	2.00%	0.02	0.00
October 26	1,667	27,154	12.50	0.05	0.08	3.37	3.50	-4.45	100%	4.45	-0.70		5.15	0.11	5.26	5.26	2.00%	0.11	0.00
November 26	1,667	27,154	12.50	0.05	0.08	1.93	2.06	-4.29	100%	4.29	-1.13		5.42	0.11	5.53	5.53	2.00%	0.11	0.00
December 26	1,667	27,154	12.50	0.05	0.08	1.44	1.58	-4.00	100%	4.00	-1.08		5.08	0.10	5.19	5.19	2.00%	0.10	0.00
January 27	1,667	27,154	12.50	0.05	0.08	1.44	1.58	-3.70	100%	3.70	-1.00		4.70	0.10	4.80	4.80	2.00%	0.10	0.00
February 27	1,667	27,154	12.50	0.05	0.08	1.68	1.82	-3.47	100%	3.47	-0.93		4.40	0.09	4.49	4.49	2.00%	0.09	0.00
March 27	1,667	27,154	12.50	0.05	0.08	2.65	2.78	-3.31	100%	3.31	-0.82		4.13	0.08	4.22	4.22	2.00%	0.08	0.00
April 27	1,667	27,154	12.50	0.05	0.08	4.33	4.46	-3.29	100%	3.29	-0.10		3.39	0.07	3.46	3.46	2.00%	0.07	0.00
May 27	1,667	27,154	12.50	0.05	0.08	5.78	5.91	-3.44	100%	3.44	2.58		0.86	0.02	0.88	0.88	2.00%	0.02	0.00
June 27	1,667	27,154	12.50	0.05	0.08	6.98	7.11	-3.74	100%	3.74	7.47		0.00	0.00	0.00	0.00	2.00%	0.00	3.73
July 27	1,667	27,154	12.50	0.05	0.08	7.22	7.35	-4.11	100%	4.11	9.80		0.00	0.00	0.00	0.00	2.00%	0.00	5.69
Year 1 Total	20,000	325,851	-	0.59	1.00	48.13	49.71	-41.70	-	41.70	25.72		30.54	0.62	31.17	-	-	0.62	14.56
Year 2 Total	20,000	325,851	-	0.59	1.00	48.13	49.71	-46.46	-	46.46	25.72		34.12	0.70	34.81	-	-	0.70	13.37

Notes:

- [1] Total sand and gravel production in tons.
- [2] Total dust control water uses in gallons. Dust control water uses considered 100% consumptive.
- [3] Total maximum exposed groundwater surface area in the pit.
- [4] Water removed in mined material. Equal to 4% water by weight of material produced.
- [5] Total dust control water uses in acre-feet. Equal to [2] / 325851. Dust control water uses considered 100% consumptive.
- [6] Required evaporative replacement based exposed water surface area. Equals exposed water surface area x 3.85 ft x monthly % 3.85 feet = annual net evaporation rate at the site
- [7] Total unlagged depletions requiring replacement. Equals [4] + [5] + [6].
- [8] Total lagged depletion to the Arkansas River. Lagging method described in the SWSP renewal request.
- [9] Percent days of call during the month.
- [10] Replacement requirement equal to -[8] * [9].
- [11] Consumptive use credit from 2 Rocky Ford Ditch shares. Negative values indicate non-irrigation season net return flow obligations.
- [12] *Additional Replacement Supply not applicable to this SWSP period.*
- [13] Remaining replacement requirement after accounting for credit/obligation from Rocky Ford Ditch shares and other replacement supply (not applicable for this SWSP period).
- [14] Transit loss requirement for reservoir release to meet the remaining replacement requirement.
- [15] Required release equals [13] + [14].
- [16] Scheduled release of leased water for 22 West Pit. Released water includes 35 acre-feet per year through agreement with Aurora.
- [17] Transit loss percent assessed on reservoir release during month.
- [18] Transit loss volume of water assessed on reservoir release during month.
- [19] Net impact to the river equals [8] + [11] + [12] + [16] - [18].

Table 4b
Deep Cut, LLC
22 West Pit
Sample Daily Accounting Summary
August 2025
(all values in acre-feet unless specified otherwise)

Day of Month	Call Information for Depletions to Arkansas River			Daily Unlagged Net Depletion	Daily Lagged Out-of-Priority Net Depletion	Rocky Ford Ditch Credits				Additional Replacement Credit	Aurora Replacement Water		Net Impact to the River
	Admin No.	Call Location	Call on the River?			CU Credit	CU Credit Used	Excess CU Credit	RF Obligation		Total Release	After Transit Loss	
-	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
1	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
2	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
3	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
4	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
5	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
6	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
7	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
8	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
9	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
10	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
11	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
12	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
13	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
14	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
15	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
16	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
17	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
18	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
19	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
20	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
21	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
22	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
23	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
24	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
25	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
26	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
27	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
28	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
29	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
30	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
31	Admin No.	Call Location	Yes	0.21	-0.11	0.26	0.11	0.15	0.00		0.00	0.00	0.15
Total	-	-	-	6.63	-3.53	8.17	3.53	4.64	0.00		0.00	0.00	4.64

Notes:

[1], [2], [3] Call information gathered from CDSS for accounting month.

[4], [5] Unlagged depletions and lagged out-of-priority depletions equal to monthly amount in Table 5a, distributed evenly on a daily basis.

[6] Daily CU credit from Rocky Ford Ditch shares.

[7] Rocky Ford Ditch credit used is equal to the minimum of the CU credit measured and the lagged out of priority depletions on a monthly basis, distributed daily.

[8] Excess CU credit is equal to [6] - [7].

[9] Return flow requirement attributable to the Rocky Ford Ditch credits. Equal to the monthly amount in Table 5a, distributed evenly on a daily basis.

[10] Additional replacement credit. Column not applicable for this SWSE period.

[11] Daily release of leased water during the month. Includes Deep Cut's 35 acre-feet from Aurora.

[12] Daily delivery of leased water to 22 West Pit during the month after transit loss.

Transit Loss on Lease Water: 2.00%

[13] Net impact to the river.



ATTACHMENT A

Water Trade Agreement

This Agreement ("Agreement") is made this 26th day of February, 2018, by and between the City of Aurora, Colorado, a Colorado municipal corporation of the counties of Adams, Arapahoe, and Douglas, acting by and through its Utility Enterprise ("Aurora") whose address is 15151 East Alameda Avenue, Suite 3600, Aurora, Colorado 80012, and Chris Tomky, whose address is 20330 County Rd CC, Rocky Ford, CO 81067. Aurora and Chris Tomky are each referred to herein as a "Party" and together as the "Parties".

Witnesseth

WHEREAS, Aurora has multiple sources of Arkansas River Basin fully consumable water stored in the Colorado Canal System, including in Meredith Reservoir; and,

WHEREAS, to make its water stored in the Colorado Canal System and Meredith Reservoir available to its residents and customers, Aurora must first exchange this water upstream on the Arkansas River to Twin Lakes Reservoir when said exchange is in priority and there is sufficient exchange potential, for subsequent transport through the Otero Pump Station to the South Platte River Basin; and,

WHEREAS, Chris Tomky is a private individual who has ownership of seventeen and forty-five hundredths (17.45) shares of Twin Lakes Reservoir and Canal Company, including Twin Lakes Reservoir storage associated with those shares (all seventeen and forty-five hundredths (17.45) shares and approximately nineteen and one-quarter acre-feet of associated storage hereinafter collectively referred to as the "Twin Lake Shares"); and,

WHEREAS, Chris Tomky has a need for a water supply in the lower Arkansas River Basin and desires use of Aurora's fully consumable water stored in the Colorado Canal System, released from Meredith Reservoir; and,

WHEREAS, the Parties wish to trade use of each other's water rights for a period of time, with Aurora having use of the Twin Lakes Shares and Chris Tomky having use of thirty-five (35) acre-feet of Aurora's fully consumable water available in Meredith Reservoir (all thirty-five (35) acre-feet is hereinafter referred to as the "Meredith Reservoir Water"); and,

WHEREAS, this Agreement will be of mutual benefit and convenience to each of the Parties, and,

NOW THEREFORE, for and in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Agreement

1. **Term of Agreement.** This Agreement shall commence on the date it is signed by all the Parties ("Effective Date") and continue until December 31, 2023, automatically renewing for up to two (2) additional five (5) year periods ("Term"), unless terminated by either Party pursuant to Paragraph 13, below.
2. **Amount.** Each calendar year of the Term, Aurora will deliver to Chris Tomky, the Meredith Reservoir Water for his full use and control, to be traded for Aurora's full use and control of the Twin Lakes Shares for the duration of the Term, subject to the terms of this Agreement.
3. **Delivery Point and Transfer of Control.**
 - a. **Meredith Reservoir Water.** The Parties mutually agree that for each calendar year of the Term, Aurora will deliver the Meredith Reservoir Water to Chris Tomky for his full use and control at the Outlet of Meredith Reservoir ("Delivery Point"). Times and amounts of deliveries will be as directed by Chris Tomky or his agent, limited by the terms of this Agreement and the normal operational constraints of the Colorado Canal System. Meredith Reservoir Water agreed to be delivered pursuant to Paragraph 2, above, shall not be carried over to the next calendar year.
 - b. **Twin Lakes Shares.** The Parties mutually agree that Chris Tomky will transfer full use and control of the Twin Lakes Shares to Aurora, for the duration of the Term, pursuant to paragraph 2, above, and execute any required documents effecting said transfer. Said fully-executed transfer shall be considered the time and place of delivery for the Twin Lakes Shares ("Delivery Point").
4. **Use of the Subject Water.** Each Party shall have the right to fully use the water that is the subject of this Agreement, provided such use is consistent with the terms of this Agreement and all applicable laws, rules and regulations. Chris Tomky shall have the right to use and reuse to extinction the Meredith Reservoir Water delivered under this Agreement, including without limitation, replacement and exchange purposes, in connection with any substitute water supply plan approved by the Colorado State Engineer's Office, augmentation and exchange purposes in accordance with any augmentation plan or appropriative right of exchange decreed by the Colorado Water Court, and any other lawful exchanges. Each Party shall be solely responsible for any administrative or judicial approvals necessary for use of the water that is the subject of this Agreement.
5. **Consideration.** This Agreement is for a trade of use of water rights between the Parties that will provide a mutual and valuable benefit to each of the Parties.
6. **No Transfer of Water Rights or Facilities.** The Parties agree that no portion of this Agreement should be construed or interpreted as a transfer of title or a transfer of ownership of any water right or any facility for the supply, storage, treatment and distribution of water that is owned by either Party.

7. **Payment of Assessments.** Aurora will continue to timely pay all assessments and fees associated with the Meredith Reservoir Water during the Term. Chris Tomky will continue to pay all assessments and fees associated with the Twin Lake Shares during the Term.

8. **Transit Losses.** Each Party assumes all responsibility for transit losses associated with carriage of the water from the Delivery Point to the place of use.

9. **Water Use Accounting.** For each calendar year of the Term and for accounting purposes only, Aurora will add the Twin Lakes Shares to the shares it owns in the Twin Lakes Reservoir and Canal Company. For each calendar year of the Term, Aurora will provide reporting and accounting for the Meredith Reservoir Water delivered to the Delivery Point. All other accounting or reporting required by the Colorado State Engineer, the Division 2 Engineer, or any other lawful authority concerning the water that is the subject of this Agreement, including proof of the usability of the Meredith Reservoir Water and conveyance to the Delivery Point will be the responsibility of the Party owning the water right.

10. **Water Quality.** The Parties make no guaranty or warranty regarding the quality of the water that is the subject of this Agreement, including the presence or absence of any particular water quality constituent.

11. **Parties to Obtain Any Necessary Permission.** The Parties agree that it will be their sole obligation and risk to obtain any necessary permission for the withdrawal, diversion, carriage, exchange, storage or use of the water that is the subject of this Agreement after the water is delivered to the Delivery Point. Each Party agrees that it will cooperate with the other Party in its efforts to obtain any required quantification, permissions or approvals to the extent those efforts are consistent with this Agreement, and so long as those efforts do not result in any significant expense to the Party. However, the Parties may not change in any way, in any decree, permit, license, agreement or element of or related to the water rights and other rights that are part of and comprise the sources of the water that is the subject of this Agreement. Each Party specifically recognizes and agrees that it must follow all applicable statutes, rules, regulations, and lawful administrative orders regarding its transportation and use of the water after it is delivered to the Delivery Point.

12. **Right of First Refusal.** During the Term, Chris Tomky grants Aurora a right of first refusal for purchase of the Twin Lake Shares. Aurora's right of first refusal applies to any written agreement for purchase or purchase of associated storage right on any number or portion of the Twin Lakes Shares, but does not apply to transfers to or among persons or entities related to Chris Tomky. To exercise its right of first refusal, within forty-five days after receipt by Aurora of a bona fide fully-executed purchase contract, Aurora must provide written notice to Chris Tomky of its intent to purchase together with a non-refundable cash earnest money deposit equal to the cash earnest money specified in the purchase contract. Aurora's election to purchase shall be subject to no contingencies except title, which contingency shall be deemed waived unless Aurora provides Chris Tomky with a notice of termination of its rights pursuant to this paragraph within 10 days of receipt of Aurora's written notice of intent to purchase. Closing on the purchase shall occur on a mutually acceptable day following Aurora's notice of exercise. If closing occurs later than the day specified in the purchase contract, or more than 60 days following Aurora's notice of exercise of

right of first refusal, whichever is later, the purchase price shall be increased to include interest at a rate of 7% per annum calculated from the date closing would have occurred under the purchase contract.

13. Termination.

- a. Either Party may terminate this Agreement by written Notice to the other Party, pursuant to Paragraph 16, below, by December 31st of the last year of the current Term prior to automatic renewal.
- b. If for any reason the sources of water for the Twin Lakes Shares or Meredith Reservoir Water are unavailable for delivery to the Delivery Point by Chris Tomky or Aurora, respectively, or unavailable for use as contemplated under this Agreement, including but not limited to either Party's inability to obtain any necessary permission as provided for in Paragraph 4, above, this Agreement will terminate with no further duties owing from either Party to the other.

14. Governmental Immunity. Notwithstanding any provisions of this Agreement to the contrary, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of the monetary limitations on liability or any of the immunities, rights, benefits or protections provided to Aurora under the Colorado Governmental Immunity Act, § 24-10-101, et seq. C.R.S., as amended or as may be amended. The Parties hereto understand and agree that liability for claims for injuries to persons or property arising out of the alleged negligence of Aurora, its officials and employees is controlled or limited by said Act, as amended or as may be amended. Any provision of this Agreement, whether or not incorporated herein by reference, shall not be interpreted to control, limit or otherwise modify so as to limit any liability protection of Aurora pursuant to the above cited laws.

15. Sole Obligation of Utility Enterprise.

a. This Agreement shall never constitute a general obligation or other indebtedness of the City of Aurora ("City"), or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City.

b. In the event of a default by Aurora's Utility Enterprise of any of its obligations under this Agreement, Chris Tomky shall have no recourse for any amounts owed to him against any funds or revenues of the City except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of the Water System, and deposited in the Water Enterprise Fund as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System, and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Agreement shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City.

16. Notice. Any and all notices, demands or the communications desired or required hereunder ("Notice", collectively, "Notices") shall be given in writing and delivered personally or sent by registered or certified mail, return receipt requested, postage pre-paid or by fax addressed as follows:

To Aurora: City of Aurora
15151 East Alameda Avenue, Suite 3600
Aurora, CO 80012
Attn: Director

With copy to: City of Aurora
15151 East Alameda Parkway, Suite 5300
Aurora, CO 80012-1555
Attn: City Attorney

To Chris Tomky: Chris Tomky
20330 County Rd CC
Rocky Ford, CO 81067

or to such other address as either party may designate from time to time, by written notice, to the other Party. Notice shall be effective upon receipt.

17. Miscellaneous.

(a) **No Modification.** This Agreement may be modified, amended, or changed in whole or in part only by an agreement in writing duly authorized and executed by both Parties with the same formality as this Agreement.

(b) **Non-Waiver.** Waiver of any breach of the provisions of this Agreement by either Party shall not constitute a continuing waiver of any subsequent breach of said Party of either the same or any other provision of this Agreement.

(c) **Non-Assignability.** Neither Party may assign its rights or delegate its duties under this Agreement without the prior written consent of the other Party.

(d) **No Third Party Benefits Intended.** It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights and actions relating to such enforcement, shall be strictly reserved to Chris Tomky and Aurora, and nothing contained in this Agreement shall give or allow any claim or right of action by any other or third person to such agreement. It is the express intention of Chris Tomky and Aurora that any person other than Chris Tomky or Aurora receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

(e) **Applicable Law.** This Agreement and its applications shall be construed in accordance with the laws of the State of Colorado.

(f) No Recording. Both Parties expressly agree that neither Party will record this Agreement. Both Parties expressly agree that this Agreement may be referenced, included, or otherwise incorporated in any application for permission or approval or grant of permission or approval that is required by or appropriate pursuant to Paragraph 4 of this Agreement.

(g) Execution of Additional Documents. The Parties agree to execute any further documents reasonably necessary to complete the transactions provided for or contemplated by this Agreement.

(h) Remedies. If either Party is in default the non-defaulting Party may elect to treat this Agreement as terminated. Aurora may pursue any rights or remedies which Aurora may have reason of default or breach.

(i) No Costs and Fees. In the event of litigation or other dispute resolution process arising out of this Agreement between them the Parties agree that each shall pay their own costs and expenses including attorney's fees.

(j) Paragraph Headings. The paragraph headings inserted here are for convenience and not intended to govern, limit or in any way aid in interpretation of this Agreement.

(k) Integrated Agreement and Invalidity. This Agreement consists of the terms and conditions stated herein. No other documents related to this Agreement or generated as a result of this Agreement shall form a part of this Agreement unless it is expressly referenced and incorporated herein. This Agreement is intended as a complete integration of all understandings between the Parties, their successors and assigns concerning the substance hereof. No prior or contemporaneous addition, deletion or other amendment hereto shall have any force or affect whatsoever, unless embodied herein in writing. If any portion of this Agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction as to either Party or as to both Parties, the entire Agreement will terminate.

(l) No Party Shall Not Depend on Continued Supply from the Other Party. Each Party acknowledges that it has the sole responsibility to supply water for its future needs. Each Party further acknowledges it has the sole responsibility to replace the water supplied by the other Party hereunder when this Agreement expires or when the other Party either curtails deliveries/transfer or declines to renew the provisions hereof. Each Party certifies that it will take all reasonable steps necessary to obtain water after the other Party ceases to supply water hereunder. Each Party further agrees and covenants that it will not claim in any way that the other Party has any duty or requirement to supply water to it after the other Party ceases to supply water hereunder. Each Party further acknowledges the statutory prohibition against vesting of a right for a continued lease expressed in CRS § 31-35-201 applies in these circumstances. The acknowledgments, certifications, agreements, and covenants by each Party set forth in this Agreement shall be binding and obligatory upon successors and assigns of that Party if any are allowed pursuant to this Paragraph 17.

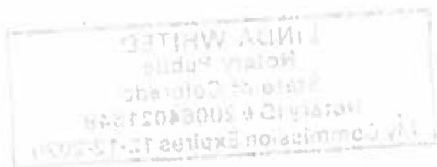
(m) Non-Business Days. If any date for any action under this Agreement falls on a Saturday, Sunday or a day that is a "holiday" as such term is defined in Rule 6 of the Colorado Rules of Civil Procedure, then the relevant date shall be extended automatically until the next business day.

(n) Commissions and Fees. Each Party shall be solely responsible for the payment of any and all real estate commissions or other commissions or fees that incurs with respect to this Agreement.

(o) No Construction against Drafter. This Agreement was drafted by Aurora with the opportunity for Chris Tomky to seek review, comment, advice, and the contribution of legal counsel. Accordingly, the Parties agree the legal doctrine of construction against the drafter will not be applied should any dispute arise concerning this Agreement.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the date first written above, being the Effective Date.

(Signatures on the following pages)



CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS
UTILITY ENTERPRISE



Marshall P. Brown, Director

2/26/18

Date

APPROVED AS TO FORM FOR AURORA:



Stephanie Neitzel, Assistant City Attorney

2/26/18

Date

18005375

ACS #

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

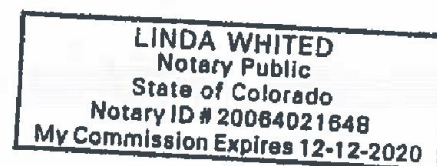
The foregoing instrument was acknowledged before me this 26 day of February 2018, by Marshall P. Brown, Director, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal: 

Notary Public

My commission expires: 12-12-2020

(SEAL)



CHRIS TOMKY

Christopher B. Tomky
Print Name

[Signature]
Signature

2/20/18
Date

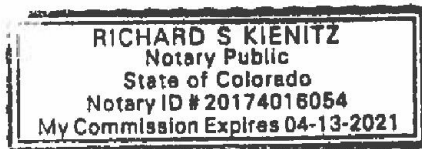
STATE OF COLORADO)
) ss
COUNTY OF OTERO)

The foregoing instrument was acknowledged before me this 20TH day of FEBRUARY, 2018, by Chris Tomky.

Witness my hand and official seal. [Signature]
Notary Public

My commission expires: 04-13-2021

(SEAL)



August 30, 2018

Caleb Foy, P.E.
Division of Water Resources
1313 Sherman St., Suite 821
Denver, CO 80203

RE: Dedication of Water Supplies to Satisfy Long-Term Augmentation Requirement
for Deep Cut, LLC's 22 West Pit (M-2017-032)

Dear Caleb:

This letter is to provide information intended to satisfy the requirements of the April 30, 2010 letter from the Division of Reclamation Mining and Safety (DRMS) and Section 16 of the General Guidelines for Substitute Water Supply Plans for Sand and Gravel Pits (Guidelines) pertaining to the long-term replacement of depletions at Deep Cut, LLC's (Deep Cut) 22 West Pit (M-2017-032). This letter supersedes the letter provided on August 23, 2018.

Section 16 of the Guidelines requires that *"If the proposed final reclamation of the mining operation, as approved in the DRMS permit, does not include backfilling or lining to eliminate all ground water exposed within the mining boundaries, sufficient replacement water must be dedicated to the plan, or financial assurance that would allow purchase of replacement water to cover the expected depletions that would occur at the site."*

Based on the net evaporation rate of 3.85 feet and the maximum exposed ground water surface area of 15 acres presented in the pending substitute water supply plan, approximately 57.75 acre-feet must be covered by the water right dedication.

For the purposes of satisfying the requirements of Section 16 of the Guidelines, Deep Cut will dedicate the following water rights for long-term replacement of evaporative depletions resulting from the exposure of ground water at the 22 West Pit:

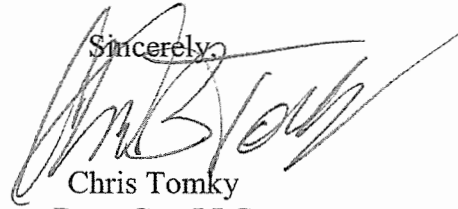
- 2 shares in the Rocky Ford Ditch Company
- 17.45 shares in the Twin Lakes Reservoir and Canal Company
- 15 shares in the Catlin Canal Company

Table 1
Deep Cut, LLC - 22 West Pit
Comparison of Long-term Evaporative Depletion and Dedicated Water Rights

Water Right	Shares	Est. Yield (af/sh)	Yield (af)
Rocky Ford Ditch Company	2	12.86	25.72
Catlin Canal Company	15	1.54	23.10
Twin Lakes Reservoir and Canal Company	17.45	0.70	12.22
Total	-	-	61.04

Evaporative Depletion	Acres	Net Evap. Rate (ft)	Total Evap. Depletion (af)
Projected Maximum from SWSP	15	3.85	57.75

As shown in Table 1 above, the dedicated water rights should be more than sufficient to cover the long-term evaporative depletions at the 22 West Pit.

Sincerely,

Chris Tomky
Deep Cut, LLC