

**UPPER YAMPA WATER CONSERVANCY DISTRICT
BOARD OF DIRECTORS MEETING
WEDNESDAY, FEBRUARY 12, 2020 (1:30 PM)
MOUNTAIN VALLEY BANK COMMUNITY ROOM
2220 CURVE PLAZA, STEAMBOAT SPRINGS, CO**

- 1) Establishment of Quorum and Call to Order;
- 2) Consent Agenda;
- 3) Approval of Agenda for Meeting; action item
- 4) Public Input and Comment;
- 5) Approval of Contracts action item(s)
 - i. Yamcolo Irrigators Association
 - ii. Yamcolo Individual Irrigators
 - iii. Stillwater Ditch Amendment to Assignment of Stock and Water Delivery Agreement
 - iv. Stillwater Ditch Carriage Contract

- 6) Amended and Restated Resolution Establishing a Process for the Grant of Allotment Contracts for Yamcolo Reservoir Water for Irrigation and Stock Water Purposes from the Individual Irrigator Pool action item
- 7) Election of Officers (Tabled Item from 01/15/20) action item
- 8) Update on the CDPHE Water Quality Standards Setting action item
- 9) CPW Stagecoach Electrical Upgrades action item
- 10) Executive Session under CRS § 24-6-402(4)(e) for Instructions to Negotiators for Water Contract Pricing. Mere presence or participation of an attorney at an executive session of the local politic body is not sufficient to satisfy the requirements of this subsection (4).

- 11) Directors Reports;
- 12) Next Meeting Agenda;
- 13) Adjournment.

CONSENT AGENDA





BOARD COMMUNICATION FORM

From: Karina Craig, AC

Date: February 12, 2020

Item: Engagement of Services for the Auditing of Financial Statements

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

In compliance with Colorado Revised Statutes, Local Government Audit Law [Section 29-1-601, et seq., C.R.S], the Upper Yampa Water Conservancy District (District) conducts an annual audit of its financial statements. This annual audit is completed in accordance with generally accepted auditing standards, by a qualified auditor.

The District has contracted with Catterson & Company, P.C., a local firm for these audit services for a number of years. Audits in past years have been smooth and no significant problems were reported. In the *Auditor's Communication with Governance* for 2018 (the most recent audited year), the auditor proposed *no* adjustments to the financial books.

Some members of the District's Board of Directors requested that the District engage services from a new auditor every few years. This is generally recognized as a good practice. The topic of selecting a new auditor was discussed at board meetings in 2019 and there was general agreement among the members of the Board of Directors that the District should hire a new auditor.

II. Summary and Alternatives:

A Request for Proposals (RFP) was developed in December 2019. The RFP was published and distributed, as follows:

- Steamboat Pilot – hard copy and electronic distribution.
- The District's website.
- The Colorado Government Finance Officers Association (CGFOA).
- The Government Audit Quality Center (AICPA).
- Accounting firms within a geographical radius of some 200 miles.
- Accounting firms that have audited other local governments within our local area, from Craig to Oak Creek.



Nine proposals were received by the District. They were reviewed and assessed by District management and staff, with special focus on the following criteria:

- Proposed services and overall approach.
- Composition of the proposed auditing team.
- Experience and number of governmental audits performed annually.
- Requirement of multi-year commitment, or lack thereof.
- Additional services offered.
- Ability to meet the District's timelines.
- Cost.

All applicants were qualified and experienced in local government auditing. Some required a three-year commitment, while others didn't. Proposed teams varied from one to two staff accountants or partners. Additional services offered included consultancy through the calendar year, on minor issues, at no additional cost. The proposed audit timelines varied. The estimated costs ranged from the \$5,000 to over \$23,000.

Mayberry & Company LLC of Englewood, CO, fit all the criteria best, including: being highly experienced in local governmental auditing, outlining a clear and efficient process, composition of their team allowing variance in future years, meeting the District's timelines, not requiring a multiyear commitment, and offering a reasonable cost.

We have contacted Mayberry & Company and engaged their services. An initial meeting with our new auditor will be scheduled to take place in February of 2020.

III. Staff Recommendation:

Members of the District Board of Directors are invited to participate in the initial meeting with the selected auditor and any other part of the audit process.

IV. Legal Issues: None

V. Consistency with Board Goals and Policies: Goal 3.

Attachments:

Attachment 1: Proposal from Mayberry & Company LLC.

**UPPER YAMPA WATER CONSERVANCY DISTRICT
REQUEST FOR PROPOSAL**

**AUDIT SERVICES
December 31, 2019**

OFFERED BY:

**MAYBERRY & COMPANY LLC
8310 South Valley Highway, Suite 300
Englewood, Colorado 80112
(303) 993-2199
Fax (720) 633-9763
E-mail tpmayberry@hmcpas.biz**

**CONTACT PERSON:
Tim Mayberry, CPA
Principal**

**Andrew Lehr
Manager**

**DATE
December 19, 2019**

**UPPER YAMPA WATER CONSERVANCY DISTRICT
PROPOSAL
AUDIT SERVICES 2019**

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Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

December 6, 2019

Upper Yampa Water Conservancy District
Attn: Karina Ruegg- Craig, CA and Kevin McBride GM

Dear Ms. Ruegg-Craig and Mr. McBride,

We are pleased to respond to your inquiry for auditing services for the District for the year ended December 31, 2019. We base our proposal on our knowledge of your District from the information you have provided, and similar District's, and our general knowledge of other local government audits in the state.

UNDERSTANDING OF THE WORK TO BE PERFORMED

Mayberry & Company, LLC will audit the financial statements for the year ending December 31, 2019. This audit will be done in accordance with auditing standards generally accepted in the United States of America. While it is not currently anticipated, Single Audits would be conducted in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), as necessitated.

The financial statements of the District are the responsibility of the District's management. It is our responsibility to express an opinion on the financial statements based on our audit.

All our audit procedures will comply with the legal requirements of the Colorado statutes for audits of local governmental units. Our audit will be in accordance with generally accepted auditing standards and will include tests of the accounting records and other such auditing procedures as we consider necessary to express an opinion on the financial statements.

We do not contemplate a detailed audit of all transactions nor do we expect that we will necessarily discover fraud, should any exist. We will, however, inform you of any finding that appears unusual or abnormal. As a normal part of the auditing process, we will review the internal accounting structure, as well as review your overall financial operation.

MANAGEMENT LETTER

After our audit field work is complete, we will prepare a draft "management letter" to be submitted to management. The philosophy of this letter is to address policy issues and pertinent findings and offer some suggestions on how the financial operations can be improved. The tone of this communication will be positive with emphasis on proposed changes. We will work with management to determine a proposed course of action that is agreeable to all parties and will incorporate those thoughts into the final letter. Smaller concerns will either be discussed verbally or through internal management memos. We generally discuss issues with finance staff as they are discovered and will broaden the communication depending on the nature of the item.

COMMITMENT TO PERFORM THE AUDIT

Because of the extensive amount of governmental audits performed by the firm, we are aware of the unique time constraints related to audit submission and, accordingly, the audit would be performed to meet the time schedule of the District's and the requirements of the State Auditor's Office.

BACKGROUND AND QUALIFICATIONS

Mayberry & Company, LLC is a Colorado CPA firm with offices in Englewood, Colorado. Auditing comprises 95 percent of our practice and of this amount; the majority is for governmental and not-for-profit entities.

We are a solid, well-respected professional firm. We have both large regional CPA firm experience, as well as smaller firm experience which together provide an optimum combination of firm expertise with local firm personalized service.

Mayberry & Company, LLC strives to provide a senior management contact with our clients. Major portions of the audit will be performed by the partners of the firm. This unique audit approach allows us to place the best, most experienced people in the field where the problems and issues arise. These philosophies allow us to provide the best quality audit and maintain reasonable prices due to improved efficiencies.

Our firm concentrates in audits of governmental clients; we have become very knowledgeable and have developed software approaches that benefit the audit process. We have assisted audit clients in the areas of accounting and system design, budgetary questions, forecasts, TABOR implications, data processing feasibility studies, and software specification. We also help our clients stay up-to-date with recent payroll tax law changes and regulations. Because of our background, we can also provide valuable consultation on general day-to-day operational problems that local governments encounter.

Mayberry & Company, LLC is the best qualified firm because of the experience and qualifications of its staff members. All of our supervisory staff have significant audit experience with governmental entities. The number of governments audited per year is generally from twenty to thirty per individual. Firm members have had governmental clients receive the GFOA and the ASBO awards for financial reporting. Many of the firm's governmental clients have Single Audits and staff members have had extensive experience with the Single Audit, if one is required.

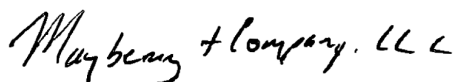
FIRM AND IRREVOCABLE OFFER

We are proposing all-inclusive fees for the December 31, 2019 audit of \$4,950 These fees represent a firm and an irrevocable offer.

CONCLUDING COMMENTS

Thank you for considering Mayberry & Company, LLC as the independent auditors for the District. If you have any questions regarding this proposal, we would be glad to discuss them with you.

Sincerely,

A handwritten signature in black ink that reads "Mayberry & Company, LLC". The signature is written in a cursive, flowing style.

Mayberry & Company, LLC

DETAILED PROPOSAL

Independence

Mayberry & Company, LLC is independent of the Upper Yampa Water Conservancy District as defined under the requirements of the AICPA and GAO.

License to Practice in the State of Colorado

The firm of Mayberry & Company, LLC and all key assigned staff listed in this proposal are licensed to practice public accounting in the State of Colorado and all licenses are currently active.

Firm Qualifications and Experience

We are a solid, well-respected professional firm. We have regional CPA firm experience, which provides an optimum combination of firm expertise with local firm personalized service.

Mayberry & Company, LLC provides ongoing partner and senior management contact with our clients. Major portions of the audit will be performed by a principal of the firm. This audit approach allows us to place the best, most experienced people in the field where the problems and issues arise. Our audits are staffed primarily with well-seasoned auditors with several years of experience. This philosophy allows us to provide the best quality audit while maintaining reasonable prices due to improved efficiencies.

The audit will be managed by a principal with over twenty-five years of audit experience with governmental entities. We have assisted clients with both the review and preparation of Basic Financial Reports and have assisted in the review of those reports for the GFOA. Many of the firm's governmental clients have required Single Audits, and accordingly we have had extensive experience with in that area.

We would anticipate that the following audit team would be utilized for the District's audit:

<u>Professional Position</u>	<u>Staff Number</u>
Principal	1
Audit Manager	1

Additional staff would be available as support personnel if needed, but in our experience would not be necessary. While somewhat time consuming, we find that the interactive discussion with staff as part of the development of our understanding of the District's operations assists in improving the overall communication and working relationship between both parties.

The audit will not be done as a joint venture of public accounting firms.

Peer Review

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. You can find a copy of the Peer Review as Appendix C.

Partner, Supervisory and Staff Qualifications and Experience

We anticipate there will be two members of our government audit staff who will be employed in this audit, with over thirty years of combined experience conducting and managing governmental audits. We anticipate the firm's principal and senior auditor will conduct the majority of the fieldwork, with additional support as needed. The individuals that will participate in the District's audit are:

Timothy Mayberry, Principal
Drew Lehr, Audit Manger

The firm's belief is that governmental audits are a complex specialized industry and cannot be staffed primarily with entry level auditors. Accordingly, it is anticipated that the audit principal will be onsite during the majority of audit fieldwork. We have experienced minimal turnover of staff. However, if staff turnover occurs, that position will be replaced with similarly qualified staff.

All licensed professional staff have met the continuing professional education requirements of eighty hours every two years with twenty-four hours in governmental accounting and auditing standards.

The quality of the above staff will be assured due to the involvement of the principals of the firm and the emphasis on the need to always have experienced staff on site due to the specialized industry needs of governmental auditing.

See the resume section for further information on the audit team.

Prior engagements with Upper Yampa Water Conservancy District

Within the last five years the firm has not performed audits for the District.

Similar Engagements with Other Governmental Entities

The firm audited as of and for the year ended December 31, 2018, over 20 cities, towns, and special District's:

1) Engagement Client: Chaffee County Fire Protection District

Engagement in charge: Tim Mayberry/Drew Lehr
Scope of Work: Basic Financial Statement Audit
Date: 2014 - Present
Total Staff Hours: 40
Name and Number of Client Contact:
Kira Jones, (719) 395-6545

2) Engagement Client: Upper Blue Sanitation District

Engagement in charge: Tim Mayberry/Drew Lehr
Scope of Work: Basic Financial Statement Audit
Date: 2006 - Present
Total Staff Hours: 60
Name and Number of Client Contact:
Marjorie Covey, (970) 453-2723

3) Engagement Client: Western Colorado Regional Dispatch Center

Engagement in charge: Tim Mayberry/Drew Lehr
 Scope of Work: Basic Financial Statement Audit
 Date: 2016 - Present
 Total Staff Hours: 60
 Name and Number of Client Contact:
 Shani Wittenberg, Finance Director, (970) 240-1462

Specific Audit Approach

We provide a variety of audit fieldwork options to meet the client’s needs. Some of our clients provide significant base information to us prior to fieldwork through the client portal discussed below. This minimizes the disruptions at the client and allows us to focus on key questions and concerns when we are out in the field. Other clients do not have the time to provide significant information in advance and prefer to have the information laid out when we arrive. While this leads to more time onsite, we still attempt to minimize the disruption of day-to-day operations as much as possible. We will work with the District to determine your preferred approach and will customize an audit process that will work for everyone.

Overall, rather than having you make your audit information fit our mold, by requiring specific forms of information or that data be presented in a certain manner, we attempt to utilize your information in the manner in which it is already being used internally. We believe having a flexible audit process, and flexible auditors, goes a long way to ease what can be a stressful endeavor.

The four key processes listed below are used in the completion of all of our audits. For the District’s audit, all of the key procedures will be performed by either a firm principal or audit manager. Some of the areas may be expanded depending upon the nature of the client.

(P) Partner (S)Manger/Staff (A) Administrative

	<u>P</u>	<u>S</u>	<u>A</u>
1) <u>AUDIT PLANNING</u>			
- Entrance conferences	X	X	
- Documentation of control systems		X	
- Walk through of systems		X	
- Identification of audit risks	X	X	
- State compliance requirements	X	X	
- Writing of audit plan modification	X	X	
2) <u>AUDIT EXECUTION</u>			
- Performance of control procedures		X	
- Grant and statutory testing	X	X	
- Verification procedures	X	X	
- Final analytical review	X	X	
- Conclusions on account balances	X	X	
- Clearing of prior audit comments	X		X
3) <u>AUDIT EVALUATION</u>			
- Evaluation of audit plan and review	X	X	
- Drafting of comments	X	X	
- Preliminary exit conferences	X	X	

4) AUDIT REPORTING

- Financial statement preparation		X	
- Financial statement review	X	X	X
- Formal exit conferences	X	X	
- Finalizing of audit comments	X	X	
- Presentation to Board	X	X	

Sampling for attributes and variables would be used in the engagement based upon to the size and complexity of the District's accounting system. The actual size of the samples would depend upon the anticipated error in the universe reviewed and will be adjusted accordingly if errors are found. Judgment sampling would be used when appropriate or in the case of risk assessment procedures. Normal sample sizes would include a minimum of 40 items.

The firm has developed specialized computer templates for both work papers and the audit report. These templates have been developed over a number of years based on our extensive audit practice, and are utilized in substantiating the client's activity using a consistent methodology, and help in reducing the time for some procedures. The firm audit software is ProSystem fx Engagement, which is a paperless system. We also use NetClient Portal for secure document transfer to help you send documentation we need and to ease the burden on your staff when we arrive on site.

The analytical review procedures for the District will be performed by the computer templates mentioned in the previous paragraph. These analyses have been built specifically for governmental entities. These tools plus the experience of the assigned personnel makes analytical procedures very effective.

Control procedures documentation will be done primarily in a narrative form but may be supplemented by questionnaires or flow charts where deemed more beneficial. District policy and procedure manuals will be utilized to ease the burden on District's staff, but will be tested and verified by audit personnel. As additional risk assessment procedures must now be performed, this area will be a primary focus of our preliminary fieldwork.

Audit adjustments, if any, are generally provided at the conclusion of fieldwork in summary form, but generally have already been discussed with client personnel as they were developed. Additional adjustments may be discovered as part of the financial statement review process. We find that the current discussion of issues as they are discovered is beneficial and helps to eliminate any surprises and minimize the time required to further explain these items as part of a formal exit conference. Management recommendations can take many forms, with formality of the presentation dependent on the complexity or seriousness of the recommendation.

Internal control weaknesses and system exceptions will be reported based upon professional judgment and could be reported as oral communication, control comment in the management letter or a reportable condition in the auditors' opinion. All exceptions as discovered will be discussed with District's management and agreement will be made as to the cause, effect and recommendation to correct the problem.

Laws and regulations that will be tested will be taken from guidance given in the General and Specific requirements given in the OMB Compliance Supplement, if applicable, as well as those contained in Colorado statutes.

Identification of Anticipated Potential Audit Problems

Potential problems include: dissemination and approval of electronic information, compliance with grant requirements, collection and reporting of GASB information, and the evaluation and risk of fraudulent transactions and reporting.

If any problems arise during the audit process, our approach to resolution will be discussed and agreed upon with District's management. The firm has continual contact with the entities it serves. Issues and questions are discussed and resolved on a current and continuing basis.

When any special assistance is required from District, the firm responds with the appropriate research and resources.

The firm strives to limit additional fee billings related to unanticipated problems that are encountered. There are few things that are discovered that have not been encountered during previous engagements. Due to our experience, it is rare that additional services are billed as part of the audit process. We have provided consulting services or specific focused audit services outside the scope of the financial statement audit, but those fees are contracted outside the audit process. We generally find that periodic communications that occur throughout the year, which are provided as part of the audit fee, benefit both parties in resolving issues as they occur, and go a long way in making the audit process as smooth as possible.

APPENDIX A

RESUMES

Timothy P. Mayberry

Education: Bachelor of Science in Business Administration and Accounting, University of Northern Colorado, Greeley, Colorado

Current Responsibilities: Principal in the public accounting firm of Mayberry & Company, LLC.

Other Related Training/Education: Certified Public Accountant in the State of Colorado. Member of the American Institute of Certified Public Accountants and the Colorado Society of CPA's. Has completed continuing education courses in governmental and not-for-profit accounting and auditing, and tax return preparation.

Professional Experience: Mr. Mayberry has over twenty-five years of experience with local public accounting firms providing audit and consulting services to governmental and not-for-profit clients.

He has assisted clients in software selection and implementation, and computer system efficiency.

He would function as audit principal. He has many years' experience in all aspects of the audit function, including Single Audits. In addition, he has tax return experience with individual and commercial entities.

Andrew Lehr

Education: Masters – Professional Accounting - Colorado State University - Global
Bachelor of Science in Accounting - Montana State University

Current Responsibilities: Audit Manager with the public accounting firm of Mayberry & Company, LLC.

Professional Experience: Mr. Lehr has spent the three years auditing governmental entities and non-profit organizations under the supervision of Mr. Mayberry. During that time, Mr. Lehr has participated in over thirty audits. Governmental audit engagements include counties, cities, towns and school districts. He takes pride in being accessible to clients for questions or concerns not only during fieldwork, but throughout the year. Mr. Lehr has over 4 years accounting experience in the private sector, covering all aspects of the accounting cycle.



System Review Report

To the Owners
Mayberry & Company, LLC
dba Holscher, Mayberry & Company
and the Peer Review Board of the Colorado Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Mayberry & Company, LLC dba Holscher, Mayberry & Company in effect for the year ended November 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Engagements selected for review included an engagement performed under *Government Auditing Standards* including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Mayberry & Company, LLC dba Holscher, Mayberry & Company in effect for the year ended November 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Mayberry & Company, LLC dba Holscher, Mayberry & Company has received a peer review rating of *pass*.

Anderson + Whitney, P.C.

May 31, 2018

APPROVAL OF CONTRACTS



BOARD COMMUNICATION FORM

February 12, 2020 Board Meeting

(Not Privileged)

From: Robert G. Weiss, Legal Counsel

Date: February 5, 2020

Item: Yamcolo/Stagecoach contracting update

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information: This District Negotiating Committee is engaged in contracting discussions with a number of parties for Stagecoach and Yamcolo contracts. This is an update on matters which are not privileged and confidential attorney-client communications or protected from disclosure as instructions to negotiators.

A. Yamcolo Irrigators Association (YIA) Amendment. This Amendment makes a number of changes to the YIA agreement, including the pricing provisions which would fix until 2041 the price of YIA water starting in 2020 at \$13/AF and increasing annually by CPI subject to certain side board limitations. Most of the proposed amended provisions have been previously discussed by the Board in depth and have been accepted by YIA. The Board approved an earlier draft of this Amendment at the January 15, 2020 meeting and agreed to reimburse YIA for attorney's fees it incurs in the review of the Amendment up to \$2000. Since then negotiations between the Negotiating Committee and YIA representatives have continued. The most recent draft Amendment is attached. The discussions since January 15, 2020 have focused on the 445 AF of water that YIA is entitled to annually take down the Stillwater Ditch, 350AF of which may be applied to irrigate lands of certain YIA members within the Colorado Basin. The draft Amendment approved by the Board on January 15, 2020 made the right of YIA to export this water subordinate to the District's 4000 AF export limit. Based on the staff recommendation and with the concurrence of the Negotiating Committee this provision has been removed. Under the District's existing and potential contracts with YIA and the Individual Irrigators, including the 500 AF for Toponas municipal demand, which the District has reserved, total exports to the Colorado drainage could in theory total 4,350AF which would exceed the 4000 export limit. Therefore, if YIA is excluded, the difference will need to be absorbed by the Individual Irrigators. That is staff recommendation since the reality is that the maximum Ditch delivery to the Colorado basin is some significant number less than 4,000. If this Amendment is approved by YIA and the District the annual repricing of YIA water based on O, M & A will not be necessary through 2041.

B. 2005 Stillwater Ditch Agreement Amendment. The negotiations to reacquire the Stillwater Ditch with its former shareholders have been suspended for at least 4 or 5 years. The District has agreed to reimburse the attorney's fees of the former shareholders up to \$11,000. The attached Amendment suspends annual repricing to the former shareholders based on O, M & A which was set to start this year under the existing agreement and instead establishes a 2020 fixed fee of \$0.74 per share fee (total in 2020 of \$8,186.25) adjusted annually by CPI (using the same CPI adjustment formula as the other contracts) through 2041.

C. Carriage Contract. Individual Irrigators and YIA members who wish to use the Stillwater Ditch will need to have a carriage contract with the District. The contract will run through 2041 on a take or pay basis. The 2020 starting price would be \$1.84 per acre foot annually of water the irrigator has under contract. This would adjust by CPI as modified by side boards. Credit against fee would be given to shareholders who have "capacity" in the original 36.3 cfs in the Ditch under the 2005 Stillwater Agreement to the extent that capacity used to deliver their water.

D. Yamcolo Individual Irrigators (3500 AF Yamcolo water). The current draft form of non-renewable allotment contract for the Individual Irrigators for a term beginning 2020 irrigation season through 2041 is attached. The only change from version approved by the Board on 1-15-2020 is to delete subordination of 350AF which may be applied to irrigate lands of certain YIA members within the Colorado Basin to District's 4000 AF export limit to make Individual Irrigator contracts consistent with YIA. Water price is \$11 AF with sideboard CPI adjustment. Water subject to District's 2030 off-ramp of 500 AF is \$10 AF. District has agreed to reimburse their attorney fees up to \$2000. The Resolution adopted by the Board in January and revised at this meeting describes the process for re-contracting the 3500 AF of individual Irrigator water.

II. Summary and Alternatives: See above

III. Staff Recommendation:

MOTION: Approve proposed contracts and amendments in current form and authorize General Manger and Counsel to make non-material changes in consultation with the Negotiating Committee prior to finalizing with counter-parties.

IV. Legal Issues: As described above.

V. Consistency with Board Goals and Policies: N/A

VI. Fiscal Impact: Various

Attachments: 2005 Stillwater Ditch Amendment
YIA amendment
Carriage Contract Form
Individual Irrigator Contact Form



AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT (the “Amendment”) is made and entered into effective the _____ day of _____, 2020 (“Effective Date”), between THE UPPER YAMPA WATER CONSERVANCY DISTRICT, a Colorado water ~~conservation~~conservancy district (“District”) and the YAMCOLO IRRIGATORS ASSOCIATION, INC., a Colorado nonprofit corporation (the “Irrigators Association”).

RECITALS

WHEREAS, the District and the Irrigators Association entered into an agreement dated January 9, 1981, providing for the storage by the District in Yamcolo Reservoir prior to July 15th of each calendar year of 3,000 acre feet of water for release to the Irrigators Association for irrigation uses upon request between May 15th and November 1st of each year (the “Agreement”); and

WHEREAS, after the first 30 years of the Agreement, the annual purchase price of the water allocated to the Irrigators Association is required to be determined as set forth in paragraph 3.2 of the Agreement; and

WHEREAS, effective April 14, 2011, the District and the Irrigators Association entered into an Arbitration Settlement and Agreement which established the purchase price of the water allocated to the Irrigators Association under the Agreement for calendar years 2011 and 2012; and

WHEREAS, effective April 1, 2013, the District and the Irrigators Association entered into a Second Arbitration Settlement and Agreement which established the purchase price of the water allocated to the Irrigators Association under the Agreement for calendar years 2013 and 2014 and 2015; and

WHEREAS, effective May 1, 2016, the District and the Irrigators Association entered into a Third Arbitration Settlement and Agreement which established the purchase price of the water allocated to the Irrigators Association under the Agreement for calendar year 2016;

WHEREAS, by e-mail dated March 31, 2017, the Irrigators Association accepted the revised purchase price offered by the District for the water allocated to the Irrigators Association under the Agreement for calendar year 2017;

WHEREAS, effective April 1, 2018, the District and the Irrigators Association entered into a Fifth Arbitration Settlement and Agreement which established the purchase price of the water allocated to the Irrigators Association under the Agreement for calendar year 2018;

WHEREAS, by e-mail dated March 28, 2019, the Irrigators Association accepted the revised purchase price offered by the District for the water allocated to the Irrigators Association under the Agreement for calendar year 2019;

WHEREAS, the parties have negotiated in good faith and now desire to establish a purchase price for the water allocated to the Irrigators Association hereunder for the calendar years 2020 through 2041, and also desire to make certain other permanent changes and amendments to the Agreement as set forth in this Amendment; and

WHEREAS, the parties acknowledge that the District opposes the export of stream and reservoir water out of the Yampa River basin except as stated in and authorized by the Agreement, as amended by this Amendment.

NOW, THEREFORE, in consideration of the foregoing recitals and the promises and agreements of the parties as hereinafter set forth, the parties agree as follows:

1. The purchase price for the 3,000 AF of water allocated to the Irrigators Association for 2020 is set at \$13.00 per acre foot.

2. The annual price per acre foot for the water stored in Yamcolo Reservoir and allocated and available for release to the Irrigators Association for calendar years 2021 through 2041 shall be an amount equal to the greater of (i) the price per acre foot charged to the Irrigators Association for water stored in Yamcolo Reservoir and allocated to the Irrigators Association for the prior calendar year, or (ii) the product obtained by multiplying the price per acre foot charged to the Irrigators Association for water stored in Yamcolo Reservoir and allocated to the Irrigators Association for the prior calendar year by a fraction the denominator of which is the Consumer Price Index for All Urban Consumers ("CPI-U"), Denver-Aurora-Lakewood Metropolitan Area, "All Items" (1982 – 84 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor (the "CPI") for the semi-annual period ending December 31 of the year prior to the prior year and the numerator of which is the CPI for the semi-annual period ending December 31 of the prior year. However, notwithstanding the foregoing, the following rules shall apply and supersede the price as determined above for any calendar year from 2021 through 2041:

(a) If the CPI-U increase for the preceding calendar year was 1.5% or less, then apply a 1.5% increase; but

(b) If the CPI-U increase for the preceding calendar year was more than 1.5% but not more than 4%, then decrease such actual CPI-U increase by 0.5% and apply such adjusted increase; but

(c) If the CPI-U increase for the preceding calendar year was more than 4%, then divide the amount by which such increase exceeds 4% by 2, and add the result to 4% and apply such adjusted increase, but

(d) In no event shall the adjusted percentage increase be less than 1.5% nor more than six percent (6%).

In the event the Bureau of Labor Statistics discontinues publication of the CPI in the format existing as of the Effective Date then the District shall select a reasonably comparable

price index, which index shall be substituted for the CPI in this paragraph. If the base year used in computing the CPI is changed, the adjustment to the purchase price shall be changed accordingly, so that all increases in the CPI are taken into account, notwithstanding any such change in the base year.

A chart demonstrating the operation of this Paragraph 2 is attached as Exhibit A to this Agreement for illustrative purposes. If there is any inconsistency between the chart and the text of this Amendment the text of the Amendment shall be controlling. .

3. The parties agree that Paragraphs 1 and 2 of this Amendment are for the purpose of resolving the purchase price for the water allocated to the Irrigators Association for years 2020 through 2041 only under the Agreement, as amended hereby, and shall not apply to determination of the purchase price in 2042 and subsequent years, nor in anyway prejudice the rights of either party under the Agreement as amended hereby, including the rights of the parties to determine the purchase price of the water allocated to the Irrigators Association for 2042 and all years thereafter in accordance with the provisions of Paragraph 3.2 of the Agreement, as amended hereby.

4. Paragraph B of the Recitals to the Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

“B. The storage capacity in Yamcolo Reservoir described below in excess of the approximately 1,000 AF of conservation pool shall be allocated to the pools described below (collectively the "Pools") effective upon adoption by the Board of Directors of the District (the "Board") of a confirming Resolution, and shall remain in effect indefinitely except as from time to time amended by Resolution of the Board:

(1) Municipal and/or Industrial use, augmentation use, other non-agricultural uses including (but not limited to) recreational and piscatorial and instream flow uses, and/or other lawful use by a Municipal or Industrial or other non-agricultural customer, for up to 1,500 AF, including up to 500 AF which is re-allocated to this Pool from the Individual Contract Pool as described in subsection B(4) below, which re-allocated 500 AF may also be used for irrigation and stock water uses (such 1,500 AF, in all, being herein referred to as the “Original Municipal Pool”);

(2) Municipal and/or Industrial use, augmentation use, other non-agricultural uses including (but not limited to) recreational and piscatorial and instream flow uses, and/or other lawful use by a Municipal or Industrial or other non-agricultural customer, for up to 3,500 AF, such Pool to consist of storage water (a) recontracted for any or all such uses after termination of any Individual Irrigator Contract (as defined below) to the extent the agricultural user and District do not renew such Individual Irrigator Contract, and (b) available to be contracted for such uses as confirmed by Resolution of the Board pursuant to Section 8.1(b) below to the extent of storage water previously allocated to the 3,500 AF Individual Contract Pool but which is not under contract for irrigation and stock watering uses (this Pool being herein referred to as the “Enlarged Municipal Pool”);

(3) Irrigation and stock watering uses only for the 3,000 AF allocated to the Irrigators Association pursuant to the Agreement, including up to 445 AF of storage water currently allocated by the Irrigators Association to certain of its members Vail Hatt, Lawrence Ricca & Sons, and Five Pine LLC (collectively, (hereinafter referred to as the "Hatt YIA Stillwater Ditch Allocation"), 350 AF out of such 445 AF (out of the 3,000 AF to the Irrigators Association) being available for export into the Colorado River Basin through the Stillwater Ditch (sometimes herein called the "Stillwater Ditch" or the "Ditch") for such irrigation and stock watering purposes, ~~but such right of export of such 350 AF portion of the Hatt Allocation shall be subordinate to the export of not more than 4,000 AF of water by the District into the Colorado River Basin under the Decree in Case No. 95CW79 in Water Division 6, State of Colorado (the "Export Limit"), and such right of export of such 350 AF portion of the Hatt Allocation shall fully abate to the extent necessary to prevent the District from violating the Export Limit (such 3,000 AF allocated to the Irrigators Association is herein referred to as the "YIA Pool"); the rate of flow of the entire Hatt. The rate of flow of the entire YIA Stillwater Ditch~~ Allocation down the Stillwater Ditch shall be as determined by the District or subsequent owner of the Ditch but may not exceed 4.5 cfs; ~~the. The~~ right of export of such 350 AF of the Hatt YIA Stillwater Ditch Allocation may be transferred ~~by Vail Hatt to and~~ among other members of the Irrigation Association, and further subsequently transferred among such members, but only upon in each instance the written transfer of such export right signed by the transferor, the transferee, and the Irrigators Association (~~any such transfer being referred to herein as a "Hatt Export Transfer" and~~ the right to export such 350 AF into the Colorado River basin being referred to herein as the "Hatt YIA Stillwater Ditch Export Right").

(4) Municipal and Industrial and Domestic and Irrigation and Commercial and Stock Watering and Snowmaking and Firefighting and Recreational and Piscatorial and Augmentation and Instream Flow uses, including any beneficial uses permitted under water rights decrees of the District and including delivery to and use within the Colorado River Basin and including re-use and successive uses of return flows to extinction for any lawful beneficial use, directly or by exchange, for 3,500 AF (the "Individual Contract Pool"). Such Individual Contract Pool was formerly 4,000 AF allocated to Colorado Ute Electric Association and later allocated to individual irrigators primarily using deliveries through the Stillwater Ditch, but has now been reduced to not more than 3,500 AF by the re-allocation of the Reallocated 500 AF to the Original Municipal Pool as described in Subparagraph B(1) above. The District intends to enter into individual contracts for allotment of storage water out of this Individual Contract Pool. Individual contracts may be made to agricultural users and, if so, will be limited to irrigation and/or stock water uses and for terms ending no later than November of 2041 ("Individual Irrigator Contracts"). ~~One or more of such Individual Irrigator Contracts, for up to 500 AF, may have an "off ramp" permitting the District to terminate such contracts early on November 1, 2030, by written notice given prior to such date. Any part of such 500 AF additional which may become available to the District in 2030 (the "Additional 500 AF"), and any of the initial offered~~ Any of the 3,500 AF Individual Contract Pool which is not taken up by Individual Irrigator contracts or is included in terminated ~~or,~~ cancelled or reduced Individual Irrigator contracts may be reallocated by Resolution of the Board and

recontracted by the District for non-agricultural uses and shall then become a part of the Enlarged Municipal Pool described in ~~Suparagraph~~Subparagraph B(2) above; the Individual Contract Pool may be increased by any relinquishments of allotted water from the YIA Pool pursuant to Subparagraph 8.1(a) below; and

(5) Any Lawful Purpose Permitted by District Water Decrees, directly or by exchange, for all water stored in Yamcolo Reservoir under the Yamcolo Reservoir Second Enlargement (the “Enlargement Pool”), or stored under any Yamcolo Reservoir re-fill decree (the “Refill Pool”).” The Enlargement Pool and the Refill Pool are collectively referred to herein as the “Junior Priority Pool.”

5. In Paragraph C of the Recitals to the Agreement, change “agricultural” to “irrigation and stock watering.”

6. The first sentence of Paragraph 1.2 of the Agreement is deleted and the following is inserted in lieu thereof: “The individual irrigators shall give at least twenty four (24) hours advance notice to the Yamcolo Administrator specifying the date(s), time and rate of flow in cubic feet per second (~~efsc.f.s~~) of water requested to be released, and the Yamcolo Administrator shall use reasonable diligence to accomplish such request within such 24 hours, but such time to accomplish such request may be extended by such Administrator as reasonably necessary or appropriate to accommodate administration, directives, or policies of the District, Division Engineer or Water Commissioner or due to operating emergencies or other water cause or factor not fully in the control of the District.”

7. Paragraph 1.3 of the Agreement is hereby deleted in its entirety and the following inserted in lieu thereof:

“1.3a The Irrigators Association acknowledges that the District acquired 100% of the shares of the Stillwater Ditch and Reservoirs Company (the “Ditch Company”) in 2005 and simultaneously entered into that certain Assignment of Stock and Water Delivery Agreement recorded at Reception No. 621890 of the Routt County records (the “Ditch Agreement”) with the former shareholders of the Ditch Company (together with their successors and assigns the “Original Users”), which among other things committed the District to operate the Stillwater Ditch in a manner to permit the Ditch Users to use up to 36.3 ~~efsc.f.s~~ of the capacity of the Stillwater Ditch (the “First Priority Capacity”) for delivery of certain water storage or direct flows as described in Paragraphs 4 and 5 of the Ditch Agreement. Such Ditch Agreement may be amended or changed in the future whereby the First Priority Capacity of the Stillwater Ditch may be reduced, or may be terminated by mutual agreement of the Original Users or their successors, and the District, in the event the District transfers ownership of the Ditch to a subsequent owner. Accordingly, the YIA Pool stored water, separately from the ~~Hatt~~YIA Stillwater Ditch Allocation, may be delivered into and through the Stillwater Ditch, but such delivery is subject to perpetual restrictions, whether or not the Ditch is owned by the District, as follows: (i) the YIA Pool stored water flow, other than the ~~Hatt~~YIA Stillwater Ditch Allocation, delivered into and down

the Stillwater Ditch must be contained entirely within the First Priority Capacity of the Ditch, but such stored water cannot encroach upon the water flowing in the First Priority Capacity unless such Capacity is not then being fully used by the Original Users; (ii) the YIA Pool stored water, other than the HattYIA Stillwater Ditch Allocation, cannot encroach upon the capacity of the Ditch above the First Priority Capacity or the HattYIA Stillwater Ditch Allocation capacity, such further capacity being reserved by the District for other water deliveries; (iii) all other YIA Pool stored water delivered into the Stillwater Ditch, excluding the HattYIA Stillwater Ditch Allocation, must be applied solely on lands where all return flows go to the Yampa River basin; and (iv) members of the Irrigators Association claiming such right to deliver Yamcolo storage water down the Ditch shall comply with Subparagraph 1.3b below.

- 1.3b The owner or owners of the HattYIA Stillwater Ditch Allocation, including the owner or owners of the HattYIA Stillwater Ditch Export Right, shall each be required to negotiate and obtain individual carriage contracts from the District or its successor Ditch owner in which each such claimant shall identify the part of the HattYIA Stillwater Ditch Allocation owned by such owner, and its original YIA member holding such allocation, and if such claimant claims part of the HattYIA Stillwater Ditch Export Right, also identify all subsequent assignees of such HattYIA Stillwater Ditch Export right, through whom such claimant claims either the right to capacity within the First Priority Capacity or right to capacity within the HattYIA Stillwater Ditch Allocation capacity, as applicable, and the amount of the Ditch flow capacity claimed to be usable by such claimant. The claimant shall provide such documentation as the District or the Ditch owner shall request to substantiate its claim and the Irrigators Association acknowledges that it is necessary for the District or the Ditch owner at all times to have full detailed knowledge of all users of the First Priority Capacity and the HattYIA Stillwater Ditch Allocation capacity of the Ditch, and the allocation of such capacities, for regulatory and cost billing purposes. ~~Each carriage contract will specify the laterals to which YIA Pool stored water can be delivered and will prohibit delivery through laterals further down ditch from the specified laterals without the prior consent of the District or the Ditch owner, to protect the District or the Ditch owner against demands to enlarge sections of the Ditch due to secondary transfers among holders of carriage contracts. Carriage contracts will not allow "space in ditch" assignment, except with the prior written consent of the District or Ditch owner. So long as the District owns the Ditch, it is anticipated that the Board of the District will consider adoption of "Catlin Bylaws" for the Ditch Company, which if adopted will require notice of any such proposed "down ditch" transfer and a hearing before the District Board of Directors on the request, with opportunity for other interested parties to appear and participate. The Board may create conditions to any approval of an assignment to other laterals. Any overall assignment or sub-lease of a carriage contract will require the prior written consent of the District or the Ditch owner. The terms and provisions in Ditch carriage contract forms shall be as determined by the District in its sole discretion.~~ The Irrigators Association waives and agrees that it has no right, privilege, or

entitlement to review or approve ~~or comment on or object to~~ future Stillwater Ditch policies ~~or Catlin, Bylaws as may be adopted by the District or the Ditch owner, including bylaw revisions or,~~ pricing ~~or,~~ assessment rules, or other rules and regulations adopted by the District or Ditch owner (in all, the “Stillwater Ditch Terms”), including (but not limited to) pricing or assessments or management or repairs or maintenance, as may be adopted by the District or the Ditch owner or changed from time to time in the sole discretion of the District or Ditch owner, ~~including separate O, M & R cost share by direct flow/Gardner Park/Ramshorn/Stillwater Reservoir users, even though a portion of YIA Pool water storage is or may be then delivered using Stillwater Ditch into the Yampa drainage or Colorado River drainage. The District has no obligation to YIA to inform YIA of any changes, amendments, adoptions, terminations, or revocations of any such Stillwater Ditch Terms.~~ YIA is not a third party beneficiary of the Stillwater Ditch or the Stillwater Ditch Terms or the Ditch Agreement or any amendments thereto.

1.3c In any calendar year when insufficient water is stored in Yamcolo Reservoir by July 15, for any reason, to supply the Pools described in Paragraph B of the Recitals above, as measured at time of peak annual storage, the water allocated to such Pools shall abate as follows:

(i) First, the Junior Priority Pool shall abate entirely.

(ii) Next, the Original Municipal Pool, the Enlarged Municipal Pool, the YIA Pool, and the Individual Contract Pool will all abate proportionally.

(iii) Then any uncontracted amount of water in the Individual Contract Pool, ~~and any uncontracted part of the Additional 500 AF,~~ will further abate up to the amount of remaining unreplaced abatements under Subparagraph (ii) above but such further abatement shall be applied in the following order or priority: first, to Original Municipal Pool contracts up to the amount that it will suffer no reduction, then, second, to water contracted out of the Enlarged Municipal Pool for non-agricultural purposes up to the amount that it will suffer no reduction, then, third, to the contracted water out of the Individual Contract Pool, proportionally among such Individual Contract Pool allottees, up to the amount that it will suffer no reduction.

(iv) If after application of Subparagraph (iii) above, there remains unreplaced abatements to contracts within the Original Municipal Pool and/or Enlarged Municipal Pool (including contracted portions of the ~~Additional 500 AF~~ Individual Contract Pool for non-agricultural uses) under Subparagraph (ii) above, then all of the contracted Individual Irrigator Contract allotments for irrigation and/or stockwater uses from the Individual Contract Pool ~~(including any of the Additional 500 AF storage water contracted that year for irrigation and/or stock water uses within the District)~~ will further abate collectively and proportionally among such Individual Contract Pool ~~and contracted Additional 500 AF~~ allottees

only in a collective amount sufficient to make up and replace all remaining unsatisfied replacements for abatements applied to all storage water then allocated, first, to Original Municipal Pool contracts and, second, contracted out of the Enlarged Municipal Pool ~~and the Additional 500 AF for non-agricultural purposes,~~ until all of such non-agricultural allotment contracts in Yamcolo Reservoir that year are fully filled and have full yield or until all sources of replacement under this Subparagraph (iv) are exhausted.

(v) If after application of Subparagraph (iv) above, there remains unreplaced abatements to the Original Municipal Pool contracts, then all of the contracted Enlarged Municipal Pool ~~(including contracted portions of the Additional 500 AF for non-agricultural uses)~~ will further abate collectively and proportionally among such Pool in a collective amount sufficient to make up and replace all remaining unsatisfied replacements for abatements applied to all storage water then allocated, ~~first,~~ to Original Municipal contracts ~~and, second, contracted out of the Additional 500 AF for non-agricultural purposes,~~ until all allotment contracts in Yamcolo Reservoir that year for the Original Municipal Pool ~~and the Additional 500 AF for non-agricultural purposes~~ are fully filled and have full yield or until all sources of replacement under this Subparagraph (v) are exhausted.

Abatements within a Pool are allocated pro rata among contract holders in that Pool.

A diagram demonstrating the operation of this Paragraph 1.3c is attached as Exhibit B to this Agreement for illustrative purposes. If there is any inconsistency between the diagram and the text of this Amendment the text of the Amendment shall be controlling.

8. The last sentence of Paragraph 3.2 of the Agreement is deleted and replaced with the following three sentences:

“The parties and the arbitrators shall conduct such arbitration expeditiously to the end that the decision of the arbitrators is rendered by July 14 of such year. Any final decision of the arbitrators which interprets and defines the components of the phrase "operation and maintenance costs" in Paragraph 3.2 hereof shall be binding on the parties for a period of 4 years, including the year in which such decision is made. It is acknowledged that the parties intend to commence negotiations regarding a possible fixed purchase price for the 3,000 AF of water allocated to the Irrigators Association for 2042 and thereafter by no later than the commencement of 2040, though neither party is obligated hereby to agree to any pricing other than as above provided in this Paragraph 3.2.”

9. Section 4 of the Agreement is amended by the addition of new Paragraphs 4.2, 4.3, and 4.4 which read as follows:

- “4.2 Subject to the administration of State of Colorado water rights and all federal, state, and local permits for the operation of Yamcolo Dam and Reservoir, the maximum allowable combined instantaneous release rate through the Yamcolo Reservoir outlet works for water stored in Yamcolo Reservoir is 220 ~~efsc.f.s~~ at any one time. The District reserves the right to limit and or amend the maximum allowable amount of water released through the outlet works from Yamcolo for any uses (including agricultural) for any reason, and the parties acknowledge that such maximum allowable release rate may be reduced by the District as Yamcolo Reservoir is drawn down or as necessary or appropriate for river administration, operational emergencies ~~or~~ circumstances beyond the control of the District. The maximum allowable combined instantaneous release rate through the Yamcolo Reservoir outlet works for water stored in Yamcolo Reservoir as determined from time to time by the District under the preceding two sentences is herein called the “Maximum Release Rate.” The release rate through the Yamcolo Reservoir outlet works for the Original Municipal Pool shall take precedence and seniority over the release rate of all other water stored in Yamcolo Reservoir, and such releases shall not be abated by the District, subject only to required governmental permit minimum release requirements and the Maximum Release Rate. In the event the instantaneous release requests between May 15 and August 1 by allottees out of the YIA Pool and Individual Contract Pool and the Enlarged Municipal Pool (including the Additional 500 AF) exceed the Maximum Release Rate, the release requests from the non-agricultural allottees of the Enlarged Municipal Pool shall abate first and prior to any abatement of releases to allottees in the YIA Pool and agricultural allottees in the Individual Contract Pool and the Additional 500 AF, and any abatement of release rates applied to such YIA Pool and agricultural allottees in the Individual Contract Pool and the Additional 500 AF shall be apportioned pro-rata among such agricultural users. Between August 1 and the following May 14, in the event continued instantaneous release requests conflict among such Pools with the Maximum Release Rate, the allottees of the Original Municipal Pool and Enlarged Municipal Pool and non-agricultural allottees in the Additional 500 AF shall have first priority and shall not be required to have releases abate; provided, however, that releases solely for environmental, recreational, or streamflow enhancement purposes and releases solely to deliver storage water for re-storage in Stagecoach Reservoir shall abate to the extent necessary to deliver through the Yamcolo Reservoir outlet works without exceeding the then-Maximum Release Rate all properly requested agricultural use storage water out of Yamcolo Reservoir for agricultural use in the Yampa River basin.
- 4.3 Except as provided in the next sentence, the point of delivery of water from the YIA Pool shall be the Yampa (Bear) River immediately below the Yamcolo Reservoir dam, and the Irrigators Association shall assume the risk of seepage, evaporation, and other delivery losses of YIA Pool releases. Some storage water out of the YIA Pool may be delivered by exchange from Coal Creek or Watson Creek or the Yampa River below the Town of Yampa, but in the event of any such use be exchange, the user shall be solely responsible to obtain any decrees or

permits for such exchange use and, insofar as the District is concerned, the “exchanged” storage water point of delivery shall be the Bear River immediately below the Yamcolo Reservoir dam. For YIA storage pool water delivered down such River to the various head gates or turn-outs or locations for exchanges of members of the Irrigators Association, such risk of losses applies, and for the ~~Ha~~YIA Stillwater Ditch Allocation of water in the YIA Pool and other YIA Pool water permitted under Section 1.3a above, ~~which is permitted~~ to be carried in the Stillwater Ditch by carriage contracts, the point of delivery is still the Yampa (Bear) River immediately below the Yamcolo Reservoir, and such contractees of water in the YIA Pool (including the ~~Ha~~YIA Stillwater Ditch Allocation) permitted to be carried in the Stillwater Ditch shall assume the risks of seepage, evaporation, and other delivery losses down the Bear River and down the Stillwater Ditch. The District has no responsibility for construction, maintenance, or repair of headgates or lateral turn-outs or exchange facilities on the Yampa (Bear) River or down the Stillwater Ditch or elsewhere as necessary or appropriate to take delivery of any of the YIA Pool water released by the District at the Yamcolo Reservoir dam.

- 4.4 There is no carry-over of storage of YIA Pool water or Individual Contract Pool agricultural water in Yamcolo Reservoir from year to year, notwithstanding Paragraph 3.1 of the Agreement. Accordingly, any of the YIA Pool remaining in storage in Yamcolo Reservoir on November 2 of any year is forfeited to the District, and the District may retain all or any part of such water in storage and/or may sell or grant and release all or any part of such water from the Reservoir for any beneficial use permitted by the water rights decrees of the District to any person or entity approved by the District, all without compensation or accounting to the Irrigators Association.”

10. Paragraph 8.1 of the Agreement is hereby deleted in its entirety and the following inserted in lieu thereof:

- “8.1~~(a)~~ The water stored in Yamcolo Reservoir in the YIA Pool and allocated and delivered to the Irrigators Association under this Agreement shall never be used outside of the Yampa River Basin or outside of the geographical limits of the District as it may exist from time to time, and shall never be used for other than irrigation of agricultural lands and for stock water, and all lands which receive benefit from such water shall be situated within the boundaries of the District and within the Yampa River Basin (except for 350 AF of the ~~Ha~~YIA Stillwater Ditch Allocation water which may be exported into the Colorado River basin under Section 1.3a above). YIA Pool stored water not delivered into the Stillwater Ditch is usable only for Bear River delivery and diversions for irrigation and/or stock water out of Bear River and not through the Stillwater Ditch, with the exception of a small amount delivered below the Yamcolo Dam into the Bear River for use by exchange with Coal Creek or Watson Creek. In the event any portion of the water allocated to the Irrigators Association under this

Agreement is used or diverted for any period of time in violation of the preceding two sentences by any member of the Irrigators Association, then such portion of water shall be forfeited by said member to the Irrigators Association, and the Irrigators Association shall redistribute such forfeited water to one or more of its members; provided that no portion of such forfeited water shall be redistributed to the defaulting member. Nothing herein shall prevent a member of the Irrigation Association who takes storage water releases from Yamcolo Reservoir under the Agreement (as amended by this Amendment) from making maximum beneficial agricultural uses of such water within the lands owned or leased by such member, including surface return flows or wastewater on such lands which is not yet returned to the natural stream. However, the parties acknowledge that re-use of water out of the YIA Pool which has reached the natural stream is not an entitlement of either the District or the Irrigators Association (or its members) under Colorado water law. A member of the Irrigation Association may not lease or sell or transfer or exchange the re-use of YIA Pool water diverted to such member to other landowners outside of the member's owned or leased lands. The District reserves ownership of the re-use and successive uses to extinction of any of the YIA Pool water stored in Yamcolo Reservoir, to the extent permitted by Colorado law. Any member of the Irrigators Association may lease, transfer or exchange such member's allocated share of the YIA Pool water to or with any other member of the Irrigators Association, so long as the limitations of this Agreement and any applicable terms or provisions of the Irrigators Association's governing documents are complied with, and subject to Colorado water law. The Irrigators Association shall in good faith seek to enforce the limitations of this Paragraph 8.1 among its members. The Irrigators Association may at any time relinquish any portion of the YIA Pool water allocated to it by the District, for all future years, by written notice given to the District between November 15 of any year and the next following May 15, specifying the quantity permanently relinquished. Such amount permanently relinquished shall reduce pro tanto the amount of water contracted for in the YIA Pool to the Irrigators Association under this Agreement, and shall correspondingly increase the amount of water within the Individual Contract Pool. The District will thereafter have the right to contract for, assign for other beneficial uses, sell, allocate and/or otherwise dispose of the quantity permanently relinquished from the YIA Pool, as an additional part of the Individual Contract Pool, whether permanently or for fixed terms, at the District's sole discretion. Once a portion of the allocated YIA Pool water has been relinquished to the District, the Irrigators Association will no longer be liable for payment to the District of the purchase price under Section 3 above for the relinquished portion of such YIA Pool."

8.1(b) If any portion of the 3,500 AF Individual Contract Pool is not contracted for agricultural purposes and such uncontracted water is subsequently contracted by the District for M&I or augmentation or other non-agricultural uses (and then treated as part of the Enlarged Municipal Pool), then 1/2 of the premium of the price paid to the District annually through 2041 for such non-agricultural use by the subsequent non-agricultural allottee of such subsequently contracted water, over and above the applicable Irrigators Association contract price that year, shall be credited that year against the Irrigators Association overall contract payment for its 3,000 AF, and the remaining 1/2 is retained by the District. This process does not apply to any of the Reallocated 500 AF which is re-allocated into the Original Municipal Pool for non-agricultural purposes as described in Recital B(4) above, and does not apply to ~~any of up to the~~ Additional~~additional~~ 500 AF of water which the District may “withdraw” ~~and from the Individual Irrigator Contracts on November 1, 2030, by~~ written notice given prior to such date and also re-allocate into the Enlarged Municipal Pool under Recital B(4) above.”

11. Except as herein amended, the Agreement is ratified and confirmed.

(YIA Amendment ~~1-152-4-2020~~ ~~Board approved~~ clean)

Dated this _____ day of _____, ~~2019-2020~~

UPPER YAMPA WATER CONSERVANCY
DISTRICT

YAMCOLO IRRIGATORS
ASSOCIATION, INC.

By: _____

By: _____

Exhibit A

Paragraph 2 YIA Pricing Calculation Example

Example 2021 Price Calculation:

2020 Price per AF = \$13.00	or	$2020 \text{ Price per AF} = \$13.00 \times \frac{\text{Example 2020 CPI}}{\text{Example 2019 CPI}}$	Whichever is Greater:	
CPI Decrease	13.00	$13.00 \times \frac{226.280}{230.338} = 12.77$		Resulting 2021 Price (\$) per AF 13
CPI Increase	13.00	$13.00 \times \frac{230.338}{226.280} = 13.23$		13.23

However, notwithstanding the foregoing, the following rules shall apply and supersede the price above for any calendar year from 2021 through 2041:

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if 2020 CPI increase =	Price Increase	Resulting 2021 Price (\$) per AF
(a)	0.0%	13.20
	0.1%	13.20
	0.2%	13.20
	0.3%	13.20
	0.4%	13.20
	0.5%	13.20
	0.6%	13.20
	0.7%	13.20
	0.8%	13.20
	0.9%	13.20
	1.0%	13.20
	1.1%	13.20
	1.2%	13.20
	1.3%	13.20
	1.4%	13.20
1.5%	13.20	
(b), (d)	1.6%	13.20
	1.7%	13.20
	1.8%	13.20
	1.9%	13.20
	2.0%	13.20
	2.1%	13.21
	2.2%	13.22
	2.3%	13.23
	2.4%	13.25
	2.5%	13.26
	2.6%	13.27
	2.7%	13.29
	2.8%	13.30
	2.9%	13.31
	3.0%	13.33
3.1%	13.34	
3.2%	13.35	
3.3%	13.36	
3.4%	13.38	
3.5%	13.39	
3.6%	13.40	
3.7%	13.42	
3.8%	13.43	
3.9%	13.44	
4.0%	13.46	
(c)	4.1%	13.53
	4.2%	13.53
	4.3%	13.54
	4.4%	13.55
	4.5%	13.55
	4.6%	13.56
	4.7%	13.57
	4.8%	13.57
	4.9%	13.58
	5.0%	13.59
	5.1%	13.59
	5.2%	13.60
	5.3%	13.60
	5.4%	13.61
	5.5%	13.62
	5.6%	13.62
	5.7%	13.63
	5.8%	13.64
	5.9%	13.64
	6.0%	13.65
6.1%	13.66	
6.2%	13.66	
6.3%	13.67	
6.4%	13.68	
6.5%	13.68	
6.6%	13.69	
6.7%	13.70	
6.8%	13.70	
6.9%	13.71	
7.0%	13.72	
7.1%	13.72	
7.2%	13.73	
7.3%	13.73	
7.4%	13.74	
7.5%	13.75	
7.6%	13.75	
7.7%	13.76	
7.8%	13.77	
7.9%	13.77	
8.0%	13.78	
(d)	8.1%	13.78

Exhibit B

Yamcolo Pools Examples

Example 1.a

Full Reservoir Storage

Pool #	Stored Pool Volume (AF)	Total Contracted Volume (AF)	Description	Cumulative Storage (AF)
	1,000	0	Dead Storage/Conservation Pool	1,000
1	1,500	1,500	Original Municipal	2,500
2	0	0	Enlarged Municipal	2,500
3	3,000	3,000	YIA	5,500
4	3,500	3,500	Individual Contract	9,000
5	525	525	Junior Priority (A.K.A "Raise Water")	9,525

Example 2.a

Full Reservoir Storage

Pool #	Stored Pool Volume (AF)	Total Contracted Volume (AF)	Description	Cumulative Storage (AF)
	1,000	0	Dead Storage/Conservation Pool	1,000
1	1,500	1,500	Original Municipal	2,500
2	500	500	Enlarged Municipal	3,000
3	3,000	3,000	YIA	6,000
4	3,000	3,000	Individual Contract	9,000
5	525	525	Junior Priority (A.K.A "Raise Water")	9,525

Example 1.b

Reservoir Storage = 7,000

Pool #	Stored Pool Volume (AF)	Total Contracted Volume (AF)	Description	Cumulative Storage (AF)	Section 1.3c Abatement Criteria Applied
	1,000	0	Dead Storage/Conservation Pool	1,000	NA
1	1,500	1,500	Original Municipal	2,500	ii
2	0	0	Enlarged Municipal	2,500	NA
3	2,250	3,000	YIA	4,750	ii
4	2,250	3,500	Individual Contract	7,000	ii, iv
5	0	525	Junior Priority (A.K.A "Raise Water")	7,000	i

Example 2.b

Reservoir Storage = 7,000

Pool #	Stored Pool Volume (AF)	Total Contracted Volume (AF)	Description	Cumulative Storage (AF)	Section 1.3c Abatement Criteria Applied
	1,000	0	Dead Storage/Conservation Pool	1,000	NA
1	1,500	1,500	Original Municipal	2,500	ii
2	500	500	Enlarged Municipal	3,000	ii
3	2,250	3,000	YIA	5,250	ii
4	1,750	3,000	Individual Contract	7,000	ii, iv
5	0	525	Junior Priority (A.K.A "Raise Water")	7,000	i



PETITION TO
UPPER YAMPA WATER CONSERVANCY DISTRICT
FOR INDIVIDUAL IRRIGATOR WATER ALLOTMENT CONTRACT

The undersigned property owner, _____ (hereinafter called "Irrigator"), hereby petitions the UPPER YAMPA WATER CONSERVANCY DISTRICT, a political subdivision of the State of Colorado, and a body corporate with all powers of a public or municipal corporation (hereinafter called "District" or "Upper Yampa"), organized and existing by virtue of Title 37, Article 45, Colorado Revised Statutes, 1973, as amended, for an allotment contract pursuant to 37-45-125, C.R.S. 1973, for the beneficial use of water under and pursuant to the following terms and conditions:

I. RECITALS:

A. The District has constructed and is operating a dam and reservoir known as Yamcolo Reservoir (the "Reservoir" or "Yamcolo Reservoir") for the purpose of supplying water to municipal, industrial, agricultural and other users within its boundaries. The dam and reservoir are located on the Yampa (Bear) River upstream from the Town of Yampa, Colorado. The total storage capacity of the Reservoir is approximately 9,500 acre-feet. Water is stored in Yamcolo Reservoir pursuant to various water rights owned by the District.

B. The storage capacity in Yamcolo Reservoir described above in excess of the approximately 1,000 AF of conservation pool shall be allocated to the pools described below (individually, a "Pool" and collectively the "Pools") effective upon adoption by the Board of Directors of the District (the "Board") of a confirming Resolution, and shall remain in effect indefinitely except as from time to time amended by Resolution of the Board:

(1) Municipal and/or Industrial use, augmentation use, other non-agricultural uses including (but not limited to) recreational and piscatorial and instream flow uses, and/or other lawful use by a Municipal or Industrial or other non-agricultural customer, for up to 1,500 AF, including up to 500 AF which is re-allocated to this Pool from the Individual Contract Pool as described in subsection B(4) below, which re-allocated 500 AF may also be used for irrigation and stock water uses (such 1,500 AF, in all, being herein referred to as the "Original Municipal Pool");

(2) Municipal and/or Industrial use, augmentation use, other non-agricultural uses including (but not limited to) recreational and piscatorial and instream flow uses, and/or other lawful use by a Municipal or Industrial or other non-agricultural customer, for up to 3,500 AF, such Pool to consist of storage water (a) recontracted for any or all such uses after termination of any Individual Irrigator Contract (as defined below) to the extent the agricultural user and District do not renew such Individual Irrigator Contract, and (b) available to be contracted for such uses as confirmed by Resolution of the Board pursuant to Section 8.1(b) below to the extent of storage water previously allocated to the 3,500 AF Individual Contract Pool but which is not under contract for irrigation and stock watering uses (this Pool being herein referred to as the "Enlarged Municipal Pool");

(3) Irrigation and stock watering uses only for the 3,000 AF allocated to the Yamcolo Irrigators Association ("YIA") pursuant to the agreement between the District and YIA, dated January 9, 1981, as amended (the "YIA Agreement"), including up to 445 AF of storage water currently allocated by the YIA to several of its members ~~Vail Hatt, Lawrence Rieca & Sons, and Five Pine LLC~~ (collectively, hereinafter referred to as the "Hatt YIA Stillwater Ditch Allocation"), 350 AF out of such 445 AF (out of the 3,000 AF to the YIA) being available for export into the Colorado River Basin through the Stillwater Ditch (sometimes herein called the "Stillwater Ditch" or the "Ditch") for such irrigation and stock watering purposes, ~~but such right of export of such 350 AF portion of the Hatt Allocation shall be subordinate to the export of not more than 4,000 AF of water by the District into the Colorado River Basin under the Decree in Case No. 95CW79 in Water Division 6, State of Colorado (the "Export Limit"), and such right of export of such 350 AF portion of the Hatt Allocation shall fully abate to the extent necessary to prevent the District from violating the Export Limit (such 3,000 AF allocated to the YIA is herein referred to as the "YIA Pool");~~ the rate of flow of the entire Hatt YIA Stillwater Ditch Allocation down the Stillwater Ditch shall be as determined by the District or subsequent owner of the Ditch but may not exceed 4.5 cfs;

(4) Municipal and Industrial and Domestic and Irrigation and Commercial and Stock Watering and Snowmaking and Firefighting and Recreational and Piscatorial and Augmentation and Instream Flow uses, including any beneficial uses permitted under water rights decrees of the District and including delivery to and use within the Colorado River Basin and including re-use and successive uses of return flows to extinction for any lawful beneficial use, directly or by exchange, for 3,500 AF (the "Individual Contract Pool"). The water allotted to Irrigator under this contract is water allocated to the Individual Contract Pool. Such Individual Contract Pool was formerly 4,000 AF allocated to Colorado Ute Electric Association and later allocated to individual irrigators under previously existing expired contracts primarily using deliveries through the Stillwater Ditch, but has now been reduced to not more than 3,500 AF by the re-allocation of the Reallocated 500 AF to the Original Municipal Pool as described in Subparagraph B(1) above. The District intends to enter into other individual contracts for allotment of storage water out of this Individual Contract Pool. Individual contracts may be made to agricultural users and, if so, will be limited to irrigation and/or stock water uses and for terms ending no later than November of 2041 ("Individual Irrigator Contracts"). One or more of such Individual Irrigator Contracts, for up to 500 AF, may have an "off ramp" permitting the District to terminate such contracts early on November 1, 2030, by written notice given prior to such date. Any part of such 500 AF additional which may become available to the District in 2030 (the "Additional 500 AF"), and any of the initial offered 3,500 AF Individual Contract Pool which is not taken up by Individual Irrigator contracts or is included in terminated or cancelled Individual Irrigator contracts, may be reallocated by Resolution of the Board and recontracted by the District for non-agricultural uses and shall then become a part of the Enlarged Municipal Pool described in subparagraph B(2) above; the Individual Contract Pool may be increased by any relinquishments of allotted water from the YIA Pool pursuant to Subparagraph 8.1(a) of the YIA Contract, as amended; and

(5) Any Lawful Purpose Permitted by District Water Decrees, directly or by exchange, for all water stored in Yamcolo Reservoir under the Yamcolo Reservoir Second Enlargement (the "Enlargement Pool"), or stored under any Yamcolo Reservoir re-fill decree (the "Refill Pool"). The Enlargement Pool and the Refill Pool are collectively referred to herein as the "Junior Priority Pool."

C. The District has agreed to make an allotment of water to Irrigator of _____ acre-feet annually of Yamcolo Reservoir storage water allocated for irrigation and/or stock water uses from the Individual Contract Pool as hereinafter set forth.

NOW, THEREFORE, IN CONSIDERATION OF THE PAYMENTS TO BE MADE BY IRRIGATOR as hereinafter provided, and in consideration of the mutual covenants herein contained, the sufficiency of which consideration is hereby expressly acknowledged, the District and Irrigator hereby agree as follows:

II. STORAGE AND RELEASE OF WATER:

2.1 The District agrees, subject only to physical water supply conditions, the administration of water rights by State of Colorado water officials and the terms of this Contract, to store in Yamcolo Reservoir prior to July 15th of each calendar year ____ acre-feet of water for release for Irrigator's use, upon request (the "Contracted Water"), subject to the last sentence of Section 2.6 below.

2.2 The Irrigator shall give at least twenty four (24) hours advance notice to the District specifying the date(s), time and rate of flow in cubic feet per second (cfs) of water requested to be released, and the District shall use reasonable diligence to accomplish such request within such 24 hours, but such time to accomplish such request may be extended by such the District as reasonably necessary or appropriate to accommodate administration, directives, or policies of the District, Division Engineer or Water Commissioner or due to operating emergencies or other water cause or factor not fully in the control of the District. The point of delivery shall be the discharge of the outlet works of the Yamcolo Reservoir. The District shall maintain permanent records of all releases of water from storage in Yamcolo Reservoir, and shall maintain records of water levels in the Reservoir measured not less frequently than once per month. Irrigator shall be entitled to inspect such records and copies shall be furnished to Irrigator upon written request.

2.3 Subject to the administration of State of Colorado water rights and all federal, state, and local permits for the operation of Yamcolo Dam and Reservoir, the maximum allowable combined instantaneous release rate through the Yamcolo Reservoir outlet works for water stored in Yamcolo Reservoir is 220 cfs at any one time. The District reserves the right to limit and or amend the maximum allowable amount of water released through the outlet works from Yamcolo for any uses (including agricultural) for any reason, and the parties acknowledge that such maximum allowable release rate may be reduced by the District as Yamcolo Reservoir is drawn down or as necessary or appropriate for river administration, operational emergencies or circumstances beyond the control of the District. The maximum allowable combined instantaneous release rate through the Yamcolo Reservoir outlet works for water stored in Yamcolo Reservoir as determined from time to time by the District under the preceding two sentences is herein called the "Maximum Release Rate."

The release rate through the Yamcolo Reservoir outlet works for the Original Municipal Pool shall take precedence and seniority over the release rate of all other water stored in Yamcolo Reservoir, and such releases shall not be abated by the District, subject only to required governmental permit minimum release requirements and the Maximum Release Rate. In the event the instantaneous release requests between May 15 and August 1 by allottees out of the YIA Pool and Individual Contract Pool and the Enlarged Municipal Pool (including the Additional 500 AF) exceed the Maximum Release Rate, the release requests from the non-agricultural allottees of the Enlarged Municipal Pool shall abate first and prior to any abatement of releases to allottees in the YIA Pool and agricultural allottees in the Individual Contract Pool and the Additional 500 AF, and any abatement of release rates applied to such YIA Pool and agricultural allottees in the Individual Contract Pool and the Additional 500 AF shall be apportioned pro-rata among such agricultural users. Between August 1 and the following May 14, in the event continued instantaneous release requests conflict among such Pools with the Maximum Release Rate, the allottees of the Original Municipal Pool and Enlarged Municipal Pool and non-agricultural allottees in the Additional 500 AF shall have first priority and shall not be required to have releases abate; provided, however, that releases solely for environmental, recreational, or streamflow enhancement purposes and releases solely to deliver storage water for re-storage in Stagecoach Reservoir shall abate to the extent necessary to deliver through the Yamcolo Reservoir outlet works without exceeding the then-Maximum Release Rate all properly requested agricultural use storage water out of Yamcolo Reservoir for agricultural use in the Yampa River basin.

2.4 Except as provided in the next sentence, the point of delivery of water from the Individual Contract Pool shall be the Yampa (Bear) River immediately below the Yamcolo Reservoir dam, and the Irrigator shall assume the risk of seepage, evaporation, and other delivery losses of Individual Contract Pool releases. For Individual Contract Pool storage water delivered down such River to the various head gates or turn-outs or locations for exchanges, such risk of losses applies, and for Individual Contract Pool water, which is permitted to be carried in the Stillwater Ditch by carriage contracts, the point of delivery is still the Yampa (Bear) River immediately below the Yamcolo Reservoir, and Irrigator shall assume the risks of seepage, evaporation, and other delivery losses down the Bear River and down the Stillwater Ditch. Except as may be provided in a carriage contract entered in to under Paragraph 2.4 below, the District or any successor Ditch Owner has no responsibility for construction, maintenance, or repair of headgates or lateral turn-outs or exchange facilities on the Yampa (Bear) River or at the headgate of the Stillwater Ditch or down the Stillwater Ditch or elsewhere as necessary or appropriate to take delivery of any of the Individual Contract Pool water released by the District at the Yamcolo Reservoir dam.

2.5 The water allocated to Irrigator hereunder is available during the water storage year (December 1 through the following November 30). There is no carry-over of storage of the Individual Contract Pool agricultural water in Yamcolo Reservoir from year to year. Accordingly, any of the Individual Contract Pool, including any water stored under this allotment Contract, remaining and unreleased in storage in Yamcolo Reservoir on November 30 of any year is forfeited to the District, and the District may retain all or any part of such water in storage and/or may sell or grant and release all or any part of such water from the Reservoir for any beneficial use permitted by the water rights decrees of the District to any person or entity approved by the District, all without compensation or accounting to Irrigator.

2.6 In any calendar year when insufficient water is stored in Yamcolo Reservoir by July 15, for any reason, to supply the Pools described in Paragraph B of the Recitals above, as measured at time of peak annual storage, the water allocated to such Pools shall abate as follows:

(i) First, the Junior Priority Pool shall abate entirely.

(ii) Next, the Original Municipal Pool, the Enlarged Municipal Pool, the YIA Pool, and the Individual Contract Pool will all abate proportionally.

(iii) Then any uncontracted amount of water in the Individual Contract Pool, and any uncontracted part of the Additional 500 AF, will further abate up to the amount of remaining unreplaced abatements under Subparagraph 2.6(ii) above, but such further abatement shall be applied for Pool recovery in the following order or priority: first, to Original Municipal Pool contracts up to the amount that it will suffer no reduction, then, second, to water contracted out of the Enlarged Municipal Pool for non-agricultural purposes up to the amount that it will suffer no reduction, then, third, to the stored water contracted out of the Individual Contract Pool, proportionally among such Individual Contract Pool allottees, up to the amount that it will suffer no reduction.

(iv) If after application of Subparagraph 2.6(iii) above, there remains unreplaced abatements to contracts within the Original Municipal Pool and/or Enlarged Municipal Pool (including contracted portions of the Additional 500 AF for non-agricultural uses) under Subparagraph 2.6(ii) above, then all of the contracted Individual Irrigator Contract allotments from the Individual Contract Pool (including any of the Additional 500 AF storage water contracted that year for irrigation and/or stock water uses within the District) and including the allotment under this contract, will further abate collectively and proportionally among such Pool and contracted Additional 500 AF only in a collective amount sufficient to make up and replace and recover all remaining unsatisfied replacements for abatements applied to all storage water then allocated, first, to Original Municipal Pool contracts and, second, contracted out of the Enlarged Municipal Pool and the Additional 500 AF for non-agricultural purposes, until all of such non-agricultural allotment contracts in Yamcolo Reservoir that year are fully filled and have full yield or until all sources of replacement under this Subparagraph 2.6(iv) are exhausted.

(v) If after application of Subparagraph 2.6(iv) above, there remains unreplaced abatements to the Original Municipal Pool contracts, then all of the contracted Enlarged Municipal Pool (including contracted portions of the Additional 500 AF for non-agricultural uses) will further abate collectively and proportionally among such Pool in a collective amount sufficient to make up and replace and recover all remaining unsatisfied replacements for abatements applied to all storage water then allocated, first, to Original Municipal contracts and, second, contracted out of the Additional 500 AF for non-agricultural purposes, until all allotment contracts in Yamcolo Reservoir that year for the Original Municipal Pool and the Additional 500 AF for non-agricultural purposes are fully filled and have full yield or until all sources of replacement under this Subparagraph 2.6(v) are exhausted.

Abatements within a Pool are allocated pro rata among contract holders in that Pool. The District will

notify the Irrigator by no later than July 25 if the amount of water stored in Yamcolo Reservoir for the Irrigator under this Contract for the current Water Year, after application of the above abatement rules, is less than the amount set forth in Section 2.1 above, and shall specify such reduced amount, which will for that year be deemed to be "Contracted Water" under this agreement, but if no such notice is given by the District, then it shall be presumed that the amount set forth in Section 2.1 above was stored for the benefit of Irrigator in the Reservoir.

2.7 Water allotted under this Contract may only be used on the property of Irrigator described in Exhibit A attached hereto. The water stored in Yamcolo Reservoir in the Individual Contract Pool and allocated and delivered to the Irrigator under this Agreement shall never be used outside of the Yampa River Basin or outside of the geographical limits of the District as it may exist from time to time, and shall never be used for other than irrigation of agricultural lands and for stock water, and all lands which receive benefit from such water shall be situated within the boundaries of the District. Individual Contract Pool stored water not delivered into the Stillwater Ditch is usable only for Bear River delivery and diversions for irrigation and/or stock water out of Bear River and not through the Stillwater Ditch. In the event any portion of the water allocated to the Irrigator under this Contract is used or diverted for any period of time in violation of the preceding two sentences by Irrigator, then such portion of water shall be forfeited to the District. Nothing herein shall prevent Irrigator who takes storage water releases from Yamcolo Reservoir under this Contract from making maximum beneficial agricultural uses of such water within the lands owned or leased by such Irrigator, including surface return flows or wastewater on such lands which is not yet returned to the natural stream. However, the parties acknowledge that re-use of water out of the Individual Contract Pool which has reached the natural stream is not an entitlement of either the District or Irrigator under Colorado water law. Irrigator may not lease or sell or transfer or exchange the re-use of Individual Contract Pool water diverted to such Irrigator to other landowners outside of the Irrigator's owned or leased lands described in Exhibit A. The District reserves ownership of the re-use and successive uses to extinction of any of the Individual Contract Pool water stored in Yamcolo Reservoir, to the extent permitted by Colorado law. With the written approval of the District, Irrigator may lease, transfer or exchange such Contracted water to or with any others holding Individual Irrigator Contracts or YIA members, so long as the limitations of this Agreement and any applicable terms or provisions of the YIA's governing documents are complied with, and subject to Colorado water law.

2.8 If this Box is checked, then by notice given to Irrigator on or prior to November 1, 2030 the District may reduce the amount of the Contracted Water allotted to Irrigator in an amount not exceeding _____ acre-feet, such reduction to be effective for the Water Year set forth in such notice and continuing thereafter through the end of the Term, but in no event such reduction shall commence earlier than (a) the first Water Year commencing at least one year from the date of such notice or (b) Water Year 2030. If the above Box is not checked, this Section 2.8 does not apply to Irrigator or this Contract.

III. PURCHASE PRICE:

3.1 The purchase price for the Contracted Water from the Reservoir storage water allocated to the Irrigator for Water Year 2020 under this Contract (the "First Water Year") shall be eleven dollars (\$11) per acre foot, except that the purchase price in any Water Year for that portion of the Contracted Water subject to reduction under Paragraph 2.8, if any, shall be one dollar (\$1) less

than the purchase price for the Contracted Water for such year calculated as provided in this Paragraph 3.1. The annual price per acre-foot for the Contracted Water stored in the Reservoir and allocated and available for release to the Irrigator in the next Water Year after the First Water Year, and in each Water Year thereafter during the Term of this Contract, shall be an amount equal to the greater of (i) the price per acre-foot charged to the Irrigator for the Contracted Water the prior Water Year, or (ii) the product obtained by multiplying the price per acre-foot charged to the Irrigator for the Contracted Water the prior Water Year by a fraction, the denominator of which is the CPI for the semi-annual period ending December 31 in the Water Year prior to the prior Water Year and the numerator of which is the CPI for the semi-annual period ending December 31 of the prior Water Year. However, notwithstanding the foregoing, the following rules shall apply and supersede the price as determined above for any calendar year from 2021 through 2041:

- (a) If the CPI-U increase for the preceding calendar year was 1.5% or less, then apply a 1.5% increase; but
- (b) If the CPI-U increase for the preceding calendar year was more than 1.5% but not more than 4%, then decrease such actual CPI-U increase by 0.5% and apply such adjusted increase; but
- (c) If the CPI-U increase for the preceding calendar year was more than 4%, then divide the amount by which such increase exceeds 4% by 2, and add the result to 4% and apply such adjusted increase, but
- (d) In no event shall the adjusted percentage increase be less than 1.5% nor more than six percent (6%).

In the event the Bureau of Labor Statistics discontinues publication of the CPI in the format existing as of the Effective Date then the District shall select a reasonably comparable price index, which index shall be substituted for the CPI in this paragraph. If the base year used in computing the CPI is changed, the adjustment to the purchase price shall be changed accordingly, so that all increases in the CPI are taken into account, notwithstanding any such change in the base year.

3.2 The annual payments for the Contracted Water shall be made by Irrigator to the District on or before July 31st of each year during the term of this Contract, beginning July 31, 2020. Any annual payment not made within fourteen (14) days after the due date shall bear interest at the rate of twelve percent (12%) per annum until paid. Payments due are based on the amount of Contracted Water and shall be made regardless of the amount of water delivered to Irrigator and there shall be no abatement or setoff against any such payment, nor shall Irrigator be permitted to withhold any payment required for any reason whatsoever, except only in the event the full Contracted Water has not been stored in the Reservoir by July 15 as described in the notice from the District to Irrigator pursuant to the last sentence of Section 2.6 above.

3.3 As security to the District, Irrigator agrees to be bound by the provisions of 37-45-125, C.R.S. 1973. If the annual payments herein required or some portion thereof are not fully met from such sources of revenue as may be legally available to Irrigator for such purpose, such annual payment or such portion thereof may be met from assessments levied by the District pursuant to 37-

45-125, C.R.S. 1973 against the property described in Exhibit A.

IV. STILLWATER DITCH:

4.1 Irrigator acknowledges that the District acquired 100% of the shares of the Stillwater Ditch and Reservoirs Company (the "Ditch Company") in 2005 and simultaneously entered into that certain Assignment of Stock and Water Delivery Agreement recorded at Reception No. 621890 of the Routt County records (the "Ditch Agreement") with the former shareholders of the Ditch Company (together with their successors and assigns the "Original Users"), which among other things committed the District to operate the Stillwater Ditch in a manner to permit the Ditch Users to use up to 36.3 cfs of the capacity of the Stillwater Ditch (the "First Priority Capacity") for delivery of certain water storage or direct flows as described in Paragraphs 4 and 5 of the Ditch Agreement. Such Ditch Agreement may be amended or changed in the future whereby the First Priority Capacity of the Stillwater Ditch may be reduced, or may be terminated by mutual agreement of the Original Users or their successors, and the District, in the event the District transfers ownership of the Ditch to a subsequent owner. The District reserves the right in its sole discretion to transfer ownership of the Ditch and amend or terminate the Ditch Agreement. The Individual Contract Pool stored water may be delivered into and through the Stillwater Ditch, including delivery to the Colorado River Basin for irrigation of agricultural lands and for stock water on the Lands of Irrigator described in Exhibit A, but such delivery is subject to perpetual restrictions, whether or not the Ditch is owned by the District, as follows: (i) the Individual Contract stored water flow delivered into and down the Stillwater Ditch must utilize the capacity of the Stillwater Ditch other than the First Priority Capacity of the Ditch, unless such Capacity is not then being fully used by the Original Users and the ~~Hatt~~YIA Stillwater Ditch Allocation; (ii) export of the Contracted Water to the Colorado River Basin shall be subordinate to the export of not more than 4,000 AF of water by the District into the Colorado River Basin under the Decree in Case No. 95CW79 in Water Division 6, State of Colorado (the "Export Limit"), and such right of export of the Contracted Water shall fully abate to the extent necessary to prevent the District from violating the Export Limit, and (iii) Irrigator shall comply with Paragraph 4.2 below.

4.2 If Irrigator desires to utilize the Stillwater Ditch for delivery of the Contracted Water, Irrigator shall be required to negotiate and obtain an individual carriage contract from the District or its successor Ditch owner, keep such carriage contract in place during the term of this Agreement and to comply in all respects with the terms and provisions of such carriage contract. Irrigator waives and agrees that by virtue of this Agreement it has no right, privilege, or entitlement to review or approve or comment on or object to future Stillwater Ditch policies or bylaws as may be adopted by the District or the Ditch owner, including bylaw revisions or pricing or assessment rules, or other rules and regulations (in all, the "Stillwater Ditch Terms"), including (but not limited to) pricing or assessments or management or repairs or maintenance, as may be adopted by the District or the Ditch owner or changed from time to time in the sole discretion of the District or Ditch owner, including separate O, M & R cost share by direct flow/Gardner Park/Ramshorn/Stillwater Reservoir users, even though a portion of the Contracted Water is or may be then be delivered using Stillwater Ditch into the Yampa drainage or Colorado River drainage. The District has no obligation to Irrigator to inform Irrigator of any changes, amendments, adoptions, terminations, or revocations of any such Stillwater Ditch Terms. Irrigator is not a third party beneficiary of the Stillwater Ditch or the Stillwater Ditch Terms or the Ditch Agreement or any amendments thereto. However, if Irrigator is also a shareholder under the Ditch Agreement or a shareholder in a successor Ditch owner, nothing in this Paragraph 4.2 is

intended to prevent Irrigator from exercising its rights with respect to the Stillwater Ditch or the Stillwater Ditch Terms or the Ditch Agreement, or any amendments thereto, by virtue of such shareholder status.

V. TERM OF AGREEMENT:

Except in the event of an early termination as provided in Article VII below, the term of this Contract shall commence effective July 15, 2020 (the "Effective Date") and shall end on November 1, 2041 (the "Term"). This Contract is not renewable, although the Parties may at any time prior to the expiration of the Term enter into a new water allotment contract for the Contracted Water. The District may not enter into a water allotment contract for the Contracted Water with any person or entity other than the Irrigator during the Term of this Contract.

VI. OPERATION AND MAINTENANCE OF YAMCOLO RESERVOIR:

It is expressly acknowledged that the District shall be solely responsible for operating, repairing, maintaining, enlarging, permitting, changing, renovating, or modifying the Reservoir, and that the District shall be the sole owner of the Water Rights and the dam and all facilities and all lands used in connection with the construction, operation, repair, maintenance, enlarging, permitting, changing, renovating, or modifying the Reservoir and all facilities in which the District has ownership or rights which provide supplies of water for storage in the Reservoir. Nothing herein contained shall be deemed to create a partnership, a joint venture, or joint ownership or joint responsibility in any way between the parties hereto.

VII CONTRACT TERMINATION:

7.1. Termination by Upper Yampa.

7.1.1. The District may terminate this Contract for a material breach of the terms of this Contract by Irrigator, including Irrigator's failure to pay timely any amount due under this Contract, provided that the District has first given at least 60 days' prior written notice specifying in detail such material breach and giving Irrigator the right within such 60-day period to cure and remedy such material breach.

7.1.2. The District may terminate this Contract if its legal ability to deliver Contracted Water is materially impaired or is eliminated because of the termination or adverse modification of permits, decrees or other authorizations which are needed to store and deliver the Contracted Water.

7.2. Termination by Irrigator.

7.2.1. Irrigator may terminate this Contract only in whole and not in part, for any material breach of the terms of this Contract by Upper Yampa, including Upper Yampa's failure or inability to deliver Contracted Water for an extended period of time, provided that Irrigator has first

given at least 60 days' prior written notice from Irrigator to the District specifying in detail such material breach and giving the District the right within such 60-day period to cure and remedy such material breach.

7.2.2. Except as provided in the preceding sections, Irrigator has no right to terminate or reform or rescind this Contract.

7.3. Notice of Termination to Affected Officials. Either Party may notify the Division Engineer and any other appropriate governmental officials of any termination of this Contract.

VIII. FORCE MAJEURE:

The District shall not be responsible for any losses or damages incurred as a result of Upper Yampa's inability to perform pursuant to this Contract due to the following causes if beyond Upper Yampa's control and when occurring through no direct or indirect fault of Upper Yampa, including without limitation: acts of God; natural disasters; actions or directives or failure to act by governmental authorities; unavailability of supplies or equipment critical to Upper Yampa's ability to perform; major equipment or facility breakdown or damage; and changes in Colorado or federal law, including, without limitation, changes in any permit requirements.

IX. INSPECTIONS:

The District grants to the managerial staff of Irrigator and any of its professional consultants access to Yamcolo Reservoir and Yamcolo Dam subject to this Contract at reasonable times and under reasonable protective terms and conditions.

X. LIMITED REPRESENTATION BY THE PARTIES:

The District represents and warrants that it has full power and authority to execute this Contract, allocate and deliver the Contracted Water, and perform its obligations hereunder during the Term. Irrigator represents and warrants that it has full power and authority to execute this Contract, receive Contracted Water at the delivery point and cause it to be delivered to Irrigator's point and locations of use, and pay for and perform its obligations hereunder during the Term.

XI. ENFORCEMENT OF THIS CONTRACT; REMEDIES ON DEFAULT:

11.1. Before commencing any action for enforcement of this Contract, the Party alleging a material breach of this Contract shall first give at least 60 days' prior written notice to the other Party specifying in detail such material breach and giving the other Party the right within such 60-day period to cure and remedy such material breach.

11.2. Specific performance and/or restraining orders and/or injunctive relief shall be the exclusive remedies for the violation or default by a Party in any provision of this Contract, except that the District shall have all remedies at law, including imposition of assessments under Paragraph 3.3 above, for collection of sums required to be paid by Irrigator hereunder which are not paid when due, including interest and attorneys' fees.

11.3. In the event of litigation between the Parties with respect to this Contract or any alleged material breach of the terms of this Contract, the Party substantially prevailing in such litigation shall recover from the other Party all reasonable attorneys' fees and costs of discovery and suit incurred by the substantially prevailing Party.

XII. MISCELLANEOUS PROVISIONS:

12.1. The District may assign this Contract without necessity of Irrigator's consent or approval to any entity which succeeds the District in the ownership of Yamcolo Reservoir, and the District or such successor may collaterally assign the proceeds of this Contract to any entity providing financing to the District or its successor. Irrigator may assign this Contract without the necessity of the District's prior consent or approval to any individual or entity which succeeds Irrigator in the ownership of the entirety of the property described in Exhibit A, such assignment to be effective on the effective date of written notice given from Irrigator to the District of such assignment setting forth the name and contact information for the assignee and certifying that the Contract is assigned in its entirety and that assignee is acquiring ownership of all of the property described in Exhibit A. No other assignment of this Contract, including without limitation, any assignment of less than the entirety of the Contracted Water or any assignment in connection with the sale of less than the entirety of the property described in Exhibit A, shall be effective unless approved in advance in writing by the District, such approval to be given, conditioned or withheld by the District in its sole discretion.

12.2. This Contract does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties.

12.3. The Parties agree to communicate, coordinate and cooperate, if needed, on any required or desired water use accounting.

12.4. No amendment, modification, or novation of this contract or its provisions and implementation shall be effective unless documented in writing which is approved and executed by both parties with the same formality as they have approved and executed this Contract.

12.5. Any notice required or permitted to be given by a party under or in connection with this Contract shall be in writing and shall be deemed duly given when personally delivered or sent by (i) registered or certified mail, return receipt requested, postage prepaid, (ii) expedited courier service, or (iii) email with confirmation of receipt, to the following addresses:

If to Irrigator:

Attn: _____

Email: _____

With a copy to:

If to Upper Yampa:

Upper Yampa Water Conservancy District
Attention: General Manager
P.O. Box 883990
Steamboat Springs, CO 80488
Email: kmcbride@upperyampawater.com

Each party may change its address or contact information for notices under this Contract upon written notice to the other party in accordance with this paragraph.

XIII. EFFECTIVE DATE:

The effective date of this Contract shall be the date set forth below that the Board of Directors of the District entered its order granting an allotment contract to Irrigator for the Contracted Water.

IRRIGATOR:

By: _____
(Title)

Date: _____

ORDER ON APPLICATION

Application having been made by Irrigator as a party interested in a water allotment from the Yamcolo Reservoir to the Upper Yampa Water Conservancy District ("District") and after a hearing by the Board of Directors of the District,

IT IS HEREBY ORDERED that the above application be granted and that an allotment contract for _____ acre-feet annually of water is hereby made to Irrigator from the Yamcolo Reservoir for the beneficial use as set forth in the above Contract upon the terms, conditions and manner of payment as herein specified.

UPPER YAMPA WATER CONSERVANCY
DISTRICT

By: _____
(Title)

| 2-4-2020 against 1-15-2020 Upper Yampa Board approved draft_

I hereby certify that the above Order is entered by the Board of Directors of the Upper Yampa Water Conservancy District on the ____ day of _____, 2020.

ATTEST:

Kevin McBride, Secretary

**EXHIBIT A
TO
PETITION TO
UPPER YAMPA WATER CONSERVANCY DISTRICT
FOR INDIVIDUAL IRRIGATOR WATER ALLOTMENT CONTRACT
DESCRIPTION OF PROPERTY OF IRRIGATOR**

Final Exhibit Pending Irrigator Input

APPROVAL OF CONTRACTS

**STILLWATER DITCH AMENDMENT TO ASSIGNMENT
OF STOCK AND WATER DELIVERY AGREEMENT**



**AMENDMENT TO
ASSIGNMENT OF STOCK AND WATER DELIVERY AGREEMENT**

THIS AMENDMENT TO ASSIGNMENT OF STOCK AND WATER DELIVERY AGREEMENT (this “Amendment”) is entered into by and among the UPPER YAMPA WATER CONSERVANCY DISTRICT (referred to herein as the “District”), the following individuals and entities: FIVE PINE LLC, LONE CREEK LAND COMPANY, BAR A RANCH (aka SLEEPING LION RANCH), TIMOTHY KIRKPATRICK, ANNE COLLINS, LAWRENCE RICCA & SONS, CLYNKE’S BEAR RIVER RANCH, TOWN OF YAMPA, KEVIN KRAUSGRILL, and JOHN REDMOND (referred to collectively herein as the “Shareholders”), and the STILLWATER DITCH AND RESERVOIRS COMPANY, a Colorado corporation (the “Company”), and is effective as of the date of the complete execution by all of the foregoing parties, as indicated below (the “Effective Date”). The District and the Shareholders and the Company may be referred to below individually as a “Party,” and all are collectively known as the “Parties.”

RECITALS

- A. The District is a Colorado water conservancy district duly organized and existing pursuant to the Water Conservancy Act, Colorado Revised Statutes §§37-45-101, *et seq.*
- B. The Stillwater Ditch and Reservoirs Company (“Company”) is a mutual ditch and reservoir company organized and existing under Colorado law.
- D. In 2005, by the Assignment of Stock and Water Delivery Agreement recorded in the records of the Clerk and Recorder of Routt County, Colorado on July 14, 2005 at Reception No. 621890 and the records of the Clerk and Recorder of Garfield County, Colorado on July 25, 2005 at Book 1709 Page 444 (“Stock Assignment Agreement”), all stock in the Company was transferred from the Shareholders or their predecessors to the District. At the time of execution of this Amendment, the District remains the sole owner of all stock in the Company and owns and controls the Company.
- E. At the time of execution of this Agreement, the Shareholders, collectively, are the current owners of 100% of the residual rights of the Shareholders under the Stock Assignment Agreement.
- G. Pursuant to the terms of the Stock Assignment Agreement, the District has been responsible for the operation and maintenance of the Stillwater Ditch and the delivery of water diverted through the Ditch to the Shareholders and others, and the Shareholders have paid an annual per share delivery payment to the District as set forth in Paragraph 7 of the Stock Assignment Agreement (“Delivery Payment”).
- H. Effective from and after May 1, 2020, pursuant to paragraph 7 of the Stock Assignment Agreement, the Delivery Payment is calculated so the Shareholders collectively pay a

percentage of the expected annual cost of the operation, repair, renovation and maintenance of the Stillwater Ditch (including reasonable reserves for replacement and major repairs based upon the anticipated cost of such repair and replacement over time) rather than a the fixed per share price adjusted by the CPI under the arrangement in place prior to May 1, 2020 as described in the first sentence of such Paragraph 7.

- I. The District, Company and the Shareholders desire to amend the Stock Assignment Agreement so that the Delivery Payment for the period 2020 through 2041 will be based on a fixed per share amount adjusted by changes in the CPI as hereinafter set forth.

AMENDMENT

NOW THEREFORE, for and in consideration of the understandings of the Parties set forth in the Recitals and mutual promises set forth herein and other good and valuable consideration the sufficiency of which is hereby acknowledged, the Parties agree to the following amendments to the Stock Assignment Agreement:

1. **INTERIM DELIVERY PAYMENT.** Pursuant to Paragraph 7 of the Stock Assignment Agreement, the Parties agree that the capacity of the Stillwater Ditch is 62.5 cfs, and that the 36.3 cfs of capacity reserved to the Shareholders under such Agreement represents 36.3/62.5ths of the overall Ditch capacity. Notwithstanding any provision of Paragraph 7 of the Stock Assignment Agreement to the contrary, it is agreed that the per share Delivery Payment for 2020 shall be \$ 0.74 (seventy-four cents) times the number of shares that the Shareholder or the Shareholder's predecessor transferred to the District under the Stock Assignment Agreement (the "2020 Delivery Payment"), and commencing in calendar year 2021 and continuing through calendar year 2041 until November 1, 2041, the amount of such 2020 Delivery Payment shall be adjusted upwards annually to be an amount equal to the greater of (i) the per share Delivery Payment paid for the prior calendar year, or (ii) the product obtained by multiplying the per share Delivery Payment charged to the Shareholders for the prior calendar year by a fraction the denominator of which is the Consumer Price Index for All Urban Consumers ("CPI-U"), Denver-Aurora-Lakewood Metropolitan Area, "All Items" (1982 – 84 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor (the "CPI") for the semi-annual period ending December 31 of the year prior to the prior year and the numerator of which is the CPI for the semi-annual period ending December 31 of the prior year. However, notwithstanding the foregoing, the following rules shall apply and supersede the methodology of the CPI adjustment to the per share Delivery Payment as determined above for any calendar year from 2021 through 2041:

- (a) If the CPI-U increase for the preceding calendar year was 1.5% or less, then apply a 1.5% increase; but
- (b) If the CPI-U increase for the preceding calendar year was more than 1.5% but not more than 4%, then decrease such actual CPI-U increase by 0.5% and apply such adjusted increase; but

- (c) If the CPI-U increase for the preceding calendar year was more than 4%, then divide the amount by which such increase exceeds 4% by 2, and add the result to 4% and apply such adjusted increase, but
- (d) In no event shall the adjusted percentage increase be less than 1.5% nor more than six percent (6%).

In the event the Bureau of Labor Statistics discontinues publication of the CPI in the format existing as of January 1, 2020, then the District shall select a reasonably comparable price index, which index shall be substituted for the CPI in this paragraph. If the base year used in computing the CPI is changed, the adjustment to the purchase price shall be changed accordingly, so that all increases in the CPI are taken into account, notwithstanding any such change in the base year.

A chart demonstrating the operation of this Paragraph 1 is attached as Exhibit "A" to this Agreement for illustrative purposes. If there is any inconsistency between the chart and the text of this Amendment the text of the Amendment shall be controlling.

- 2. The parties agree that Paragraph 1 of this Amendment is for the purpose of resolving the per share Delivery Payment for years 2020 through 2041 only under the Stock Assignment Agreement, as amended hereby, and shall not apply to determination of the per share Delivery Payment in 2042 and subsequent years, nor in anyway prejudice the rights of either party under the Stock Assignment Agreement as amended hereby, including the rights of the parties to determine the Delivery Payment for 2042 and all years thereafter in accordance with the provisions of Paragraph 7 of the Stock Assignment Agreement, as amended hereby.
- 3. **WARRANTIES OF THE PARTIES.** The District and Company warrant to the Shareholders that on the Effective Date the District is the sole and exclusive owner of 100% of the shares in the Company, that the District and Company are authorized to execute and agree to the terms of this Amendment and that the consent to this Amendment of any third party claiming by or through the District or Company has been obtained or is not required. The Shareholders, and each of them, warrant to the District and Company that, as of the Effective Date, the respective percentage interests of each Shareholder in the residual rights of the Shareholders under the Stock Assignment Agreement District and the number of shares allocated to each Shareholder for the purpose of calculating the Delivery Fee is accurately set forth in Exhibit "B" attached hereto, that the Shareholders collectively are the sole and exclusive owners of 100% of residual rights of the Shareholders under the Stock Assignment Agreement, that the Shareholders are authorized to execute and agree to the terms of this Amendment and that the consent to this Amendment of any third party claiming by or through the Shareholders has been obtained or is not required.
- 4. **ASSIGNMENT OF RIGHTS OF SHAREHOLDERS.** No assignment of the residual rights of any Shareholder under the Stock Assignment Agreement, in whole or in part, shall be effective until written notice is given to the District of such assignment, signed

by the assignor and assignee, containing the address and other contact information of assignee for billing purposes and setting forth in percentage terms and by shares transferred for purposes of calculation of the Delivery Fee the interest in the Stock Assignment Agreement assigned and the interest retained, if any, by assignor.

Except as herein amended, the Stock Assignment Agreement is ratified and confirmed. Executed on the dates indicated below.

UPPER YAMPA WATER CONSERVANCY DISTRICT

By:

Kevin McBride, Manager

Date: _____

[SIGNATURES OF SHAREHOLDERS ON FOLLOWING PAGE]

SHAREHOLDERS:

FIVE PINE LLC

By: _____
Title

Date: _____

LONE CREEK LAND COMPANY

By: _____
Title

Date: _____

BAR A RANCH

By: _____
Title

Date: _____

TIMOTHY KIRKPATRICK

Date: _____

ANNE COLLINS

Date: _____

LAWRENCE RICCA & SONS

By: _____
Randy Ricca Title

Date: _____

CLYNKE'S BEAR RIVER RANCH

By: _____

Title

Date: _____

TOWN OF YAMPA

By: _____

Title

Date: _____

KEVIN KRAUSGRILL

Date: _____

JOHN REDMOND

Date: _____

Amendment to Assignment of Stock and Delivery Agreement

Exhibit A

Pricing Calculation Example

Example 2021 Price Calculation:

	or		Whichever is Greater:		
2020 Price per Share = \$0.74		2020 Price per Share = \$0.74	x	$\frac{\text{Example 2020 CPI}}{\text{Example 2019 CPI}}$	
CPI Decrease	0.74	0.74	x	$\frac{226.280}{230.338} = 0.73$	Resulting 2021 Price (\$) 0.74
CPI Increase	0.74	0.74	x	$\frac{230.338}{226.280} = 0.75$	Resulting 2021 Price (\$) 0.75

However, notwithstanding the foregoing, the following rules shall apply and supersede the price above for any calendar year from 2021 through 2041:

	if 2020 CPI increase =		Price Increase		Resulting 2021 Price (\$) per Share
0.74					
(a)	0.0%	1.50%			0.75
	0.1%	1.50%			0.75
	0.2%	1.50%			0.75
	0.3%	1.50%			0.75
	0.4%	1.50%			0.75
	0.5%	1.50%			0.75
	0.6%	1.50%			0.75
	0.7%	1.50%			0.75
	0.8%	1.50%			0.75
	0.9%	1.50%			0.75
	1.0%	1.50%			0.75
	1.1%	1.50%			0.75
	1.2%	1.50%			0.75
	1.3%	1.50%			0.75
	1.4%	1.50%			0.75
	1.5%	1.50%			0.75
(b), (d)	1.6%	1.10%	default to 1.5% floor		0.75
	1.7%	1.20%	default to 1.5% floor		0.75
	1.8%	1.30%	default to 1.5% floor		0.75
	1.9%	1.40%	default to 1.5% floor		0.75
	2.0%	1.50%			0.75
	2.1%	1.60%			0.75
	2.2%	1.70%			0.75
	2.3%	1.80%			0.75
	2.4%	1.90%			0.75
	2.5%	2.00%			0.75
	2.6%	2.10%			0.76
	2.7%	2.20%			0.76
	2.8%	2.30%			0.76
	2.9%	2.40%			0.76
	3.0%	2.50%			0.76
	3.1%	2.60%			0.76
	3.2%	2.70%			0.76
	3.3%	2.80%			0.76
	3.4%	2.90%			0.76
	3.5%	3.00%			0.76
	3.6%	3.10%			0.76
	3.7%	3.20%			0.76
	3.8%	3.30%			0.76
	3.9%	3.40%			0.77
	4.0%	3.50%			0.77
(c)	4.1%	4.05%			0.77
	4.2%	4.10%			0.77
	4.3%	4.15%			0.77
	4.4%	4.20%			0.77
	4.5%	4.25%			0.77
	4.6%	4.30%			0.77
	4.7%	4.35%			0.77
	4.8%	4.40%			0.77
	4.9%	4.45%			0.77
	5.0%	4.50%			0.77
	5.1%	4.55%			0.77
	5.2%	4.60%			0.77
	5.3%	4.65%			0.77
	5.4%	4.70%			0.77
	5.5%	4.75%			0.78
	5.6%	4.80%			0.78
	5.7%	4.85%			0.78
	5.8%	4.90%			0.78
	5.9%	4.95%			0.78
	6.0%	5.00%			0.78
	6.1%	5.05%			0.78
	6.2%	5.10%			0.78
	6.3%	5.15%			0.78
	6.4%	5.20%			0.78
	6.5%	5.25%			0.78
	6.6%	5.30%			0.78
	6.7%	5.35%			0.78
	6.8%	5.40%			0.78
	6.9%	5.45%			0.78
	7.0%	5.50%			0.78
	7.1%	5.55%			0.78
	7.2%	5.60%			0.78
	7.3%	5.65%			0.78
	7.4%	5.70%			0.78
	7.5%	5.75%			0.78
	7.6%	5.80%			0.78
	7.7%	5.85%			0.78
	7.8%	5.90%			0.78
	7.9%	5.95%			0.78
	8.0%	6.00%			0.78
(d)	8.1%	6.05%	default to 6% ceiling		0.78

Amendment to Assignment of Stock and Water Delivery Agreement

Exhibit "B" Shareholder List

<i>Business Name</i>	<i>Amount of Shares</i>	<i>Mailing Address</i>
<i>Elizabeth Kirkpatrick dba Humingbird Acres dba Flattops ETK Ranch</i>	<i>1,114.25</i>	Elizabeth Kirkpatrick dba Humingbird Acres dba Flattops ETK Ranch 35 5th St. #103 Steamboat Springs, CO 80487
<i>Anne Collins</i>	<i>180.00</i>	Anne Collins P.O. Box 6728 Avon, CO 81620
<i>Sleeping Lion Ranch dba Bar A Ranch</i>	<i>2,420.00</i>	Sleeping Lion Ranch LLC DBA Bar A Ranch c/o Wayne Shoemaker 8190 RCR 3 Toponas, CO 80479
<i>Kevin Krausgrill</i>	<i>1.00</i>	Kevin Krausgrill 807 Chert Pl. Clayton, CA 94517
<i>John Redmond</i>	<i>735.00</i>	John & Sarah Redmond PO Box 5 Yampa, CO 80483
<i>Clyncke's Bear River Ranch Corp</i>	<i>7.00</i>	Clynckes Bear River Ranch Corp 3047 Bookcliff Ave. Grand Junction, CO 81504
<i>Town of Yampa</i>	<i>2.00</i>	Town of Yampa PO Box 224 Yampa, CO 80483
<i>Lawrence Ricca & Sons</i>	<i>75.00</i>	898 San Juan Grade Road Salinas, CA. 93907
<i>Frank & Andrea Schaffner dba Five Pine LLC</i>	<i>357.00</i>	Frank & Andrea Schaffner dba Five Pine LLC PO Box 121 Yampa, CO 80483
	<i>669.50</i>	
<i>Lone Creek Land Company</i>	<i>5,501.75</i>	Lone Creek Land Company P.O. Box 82545 Lincoln, Nebraska 68501
<i>Total amount (100%) of shares:</i>	<i>11,062.50</i>	



CARRIAGE CONTRACT

THIS CARRIAGE CONTRACT (the "Contract") is made and entered into effective the _____ day of _____, 2020 ("Effective Date"), between THE UPPER YAMPA WATER CONSERVANCY DISTRICT, a Colorado water conservation district ("District") and the STILLWATER DITCH AND RESERVOIRS COMPANY ("Company"), on the one hand, and _____ (the "Irrigator") on the other hand.

RECITALS:

A. The District is a Colorado water conservancy district duly organized and existing pursuant to the Water Conservancy Act, Colorado Revised Statutes §§37-45-101, et seq.

B. The Company is a mutual ditch and reservoir company organized and existing under Colorado law. The Company was originally organized to own and manage certain water rights and infrastructure through which those water rights are exercised. Those water rights are described as follows and are referred to collectively herein as the "Original Water Rights":

(1) Absolute direct flow water right decreed to the Stillwater Ditch for the diversion of 30.830 cubic feet per second (c.f.s.) from the Yampa (Bear) River with an adjudication date of June 8, 1910 and an appropriation date of September 23, 1903; and

(2) Absolute water storage right decreed to Gardner Park Reservoir for the storage of 1,155.6 acre feet from Gardner Creek and other tributaries of the Yampa (Bear) River with an adjudication date of June 8, 1910 and an appropriation date of October 7, 1902.

The infrastructure through which the Original Water Rights described in Subparagraphs B(1) and B(2) above are exercised and delivered is the Stillwater Ditch as it physically existed prior to the enlargement of such Ditch by the District in 1989 (the "Original Stillwater Ditch"). The District enlarged such Ditch in 1989 to accommodate up to 62.5 c.f.s., and such Ditch, and its ditch improvements, existing and future diversion and measuring facilities, easements, existing and future US Forest Service Special Use Permits, existing and future prescriptive and statutory right-of-way claims, and vested rights of way, but not including individual irrigator's turn-out structures, turn-out water flow measuring devices, or laterals on the Ditch, are herein collectively referred to as the "Stillwater Ditch" or "Ditch".

C. In 2005, the Company conveyed title to the Original Water Rights and Gardner Park Reservoir to its individual shareholders and retained title to the Stillwater Ditch and, thereafter, by the Assignment of Stock and Water Delivery Agreement recorded in the records of the Clerk and Recorder of Routt County, Colorado on July 14, 2005 at Reception No. 621890 and the records of the Clerk and Recorder of Garfield County, Colorado on July 25, 2005 at Book 1709 Page 444 ("2005 Stock Assignment Agreement"), all stock in the Company was transferred by its shareholders to the District. At the time of execution of this Contract, the District remains the sole owner of all stock in the Company and owns and controls the Company. For purposes of this Contract, the persons or entities who now or hereafter own the residual rights of the Company's former shareholders under the 2005 Stock Assignment Agreement shall be referred to the "Shareholders."

D. In addition to the Original Water Rights, the Stillwater Ditch has been used to convey water diverted pursuant to the following other water storage rights:

(1) those used for storage of water in Stillwater Reservoir No. 1 and Ramshorn Reservoir and available for release and usage by some of the Shareholders (the "Shareholder Other Reservoir Water Rights"), and

(2) those water rights owned by the District for storage of water by the District in Yamcolo Reservoir (the "District Yamcolo Water Rights"), which includes up to 445 AF of storage water from Yamcolo Reservoir allocated by the District to the Yamcolo Irrigators Association ("YIA") pursuant to Agreement dated January 9, 1981, as amended in 2020 (collectively, the "YIA-District Allotment Contract") and currently allocated by the YIA to several of its members (the "YIA Stillwater Ditch Allocation").

E. Among other things, the 2005 Stock Assignment Agreement committed the District to operate the Stillwater Ditch in a manner to permit the Shareholders to use up to 36.3 cfs of the capacity of the Stillwater Ditch (the "First Priority Capacity") for delivery of the Original Water Rights and Shareholder Other Reservoir Water Rights.

F. The District has constructed certain improvements to the Stillwater Ditch, including but not limited to enlargement of the carrying capacity of the Stillwater Ditch designed to permit, in addition to the carriage of water diverted and delivered pursuant to the Original Water Rights and Shareholder Other Reservoir Water Rights, the carriage of water stored by the District in Yamcolo Reservoir and delivered through the Stillwater Ditch for

(1) up to 4,000 AF to the District's contractees pursuant to individual water allotment contracts (the "District's Yamcolo Water"), plus

(2) up to 445 AF of storage water from Yamcolo Reservoir allocated by the District to the YIA pursuant to the YIA Stillwater Ditch Allocation. At the time of execution of this Contract, the carrying capacity of the Stillwater Ditch is approximately 62.5 c.f.s.

G. Irrigator has EITHER (a) simultaneously with the execution of this Contract entered into an allotment contract ("Allotment Contract) with the District in which the District has agreed, subject to certain conditions, to store in Yamcolo Reservoir prior to July 15th of each calendar year _____ acre-feet of water for release for Irrigator's irrigation and stockwater use on Irrigator's lands described in Exhibit "A," upon request, OR (b) a membership in YIA and is allotted by such YIA _____ acre-feet of water out of the 445 YIA Stillwater Ditch Allocation which is part of the total 3,000 AF allotted to the YIA in the YIA-District Allotment Contract, the allotment of such portion of the YIA Stillwater Ditch Allocation being also herein referred to as the "Allotment Contract." The Allotment Contract provides that the stored water from Yamcolo Reservoir allotted to the Irrigator shall be delivered to Irrigator at the discharge of the outlet works of the Yamcolo Reservoir. The quantity of water described in such applicable Allotment Contract to Irrigator is usable only for irrigation and stockwater purposes and is hereinafter referred to as the "Allotment Water."

H. Irrigator desires to enter in this Contract with the District and the Company to provide for the carriage of the Allotment Water within the Ditch from the discharge of the headgate of the Ditch to the headgate or turn-out of Irrigator on the Ditch shown and described on Exhibit "B" attached hereto (the "Irrigator Turn-Out") for use for irrigation and stockwater purposes on the lands of Irrigator described on Exhibit "A."

NOW, THEREFORE, IN CONSIDERATION OF THE PAYMENTS TO BE MADE BY IRRIGATOR as hereinafter provided, and in consideration of the mutual covenants herein contained, the sufficiency of which consideration is hereby expressly acknowledged, the District and Irrigator hereby agree as follows:

I. CARRIAGE AND DELIVERY OF WATER:

1.1 The District agrees, subject to the terms of this Contract, to accept at the Stillwater Ditch headgate, convey in the Ditch and deliver to Irrigator at the Irrigator Turn-Out the Allotment Water properly released from Yamcolo Reservoir to Irrigator under the Allotment Contract. Other than if Irrigator is an allottee out of the YIA Stillwater Ditch Allocation, the obligations of the District under the preceding sentence are also subject to the terms and provisions of the Allotment Contract, all of which are incorporated herein by reference, including without limitation, Paragraph 2.2 regarding advance notice to the District of dates, time and rate of flow of water requested to be released, Paragraph 2.3 regarding maximum allowable combined instantaneous release rate through the Yamcolo Reservoir outlet works and the allocation of water released among the various parties entitled to such releases pursuant to agreements with the District, Paragraph 2.4 regarding risk of seepage, evaporation, and other delivery losses of the Allotment Water within the Yampa (Bear) River and the Ditch, Paragraph 2.5 regarding the time period the Allotment Water will be released, and Paragraph 2.7 regarding the place and manner of use of the Allotment Water. If Irrigator is an allottee out of the YIA Stillwater Ditch Allocation, the obligations of the District under the first sentence of this Paragraph 1.1 above are subject to the terms and provisions of the YIA-District Allotment Contract, all of which are incorporated herein by reference.

1.2 The Company and the District shall not be obligated to carry or deliver water in the Stillwater Ditch before May 1 or the date in the springtime that the headgate, diversion structure and Ditch are free of ice and snow and capable of transporting water, whichever occurs later, or after October 1 of any year.

1.3 Except as set forth in this Contract, Irrigator agrees that, by virtue of this Contract Irrigator has no right, privilege, or entitlement to review or approve or comment on or object to future Stillwater Ditch policies or bylaws as may be adopted by the District or the Company, including bylaw revisions or pricing or assessment rules, or other rules and regulations (in all, the "Stillwater Ditch Terms"), including (but not limited to) pricing or assessments or management or repairs or maintenance, as may be adopted by the District or the Company or changed from time to time in the sole discretion of the District or Company, including separate operations, maintenance, and repair cost share by direct flow/Gardner Park/Ramshorn/Stillwater Reservoir users, even though a portion of the Allotment Water is or may then be delivered using Stillwater Ditch into the Yampa River drainage or Colorado River drainage. The District has no obligation to Irrigator to inform Irrigator of any changes, amendments, adoptions, terminations, or revocations of any such Stillwater Ditch

Terms. Irrigator is not by virtue of this Contract a third party beneficiary of the Stillwater Ditch or the Stillwater Ditch Terms or the 2005 Stock Assignment Agreement or any amendments thereto

1.4 Irrigator acknowledges that the existing carriage capacity of the Stillwater Ditch has been allocated by the District as set forth below and that such allocation will remain in effect and be binding on Irrigator unless and until modified from time to time by Resolution of the District Board of Directors ("Board"), which modifications may be made by the Board in its discretion, subject only to the contractual obligations of the District set forth in the 2005 Stock Assignment Agreement pertaining to the Ditch operation:

a. The first 36.3 c.f.s. of the capacity of the Stillwater Ditch ("Shareholder Capacity") is reserved under the 2005 Stock Assignment Agreement for use by the Shareholders to convey water lawfully diverted under the Original Water Rights, and/or the Shareholder Other Reservoir Water Rights. In addition, to the extent capacity is physically available, the Shareholder Capacity may also be used by Shareholders, including Irrigator, if Irrigator is a Shareholder, to deliver the District's Yamcolo Water, including the Allotment Water, and the YIA Stillwater Ditch Allocation to which a Shareholder may be entitled. The Shareholder Capacity shall be allocated among the Shareholders on a pro rata basis, according to the number of shares owned by the predecessors in interest of the Shareholders as specified in the 2005 Stock Assignment Agreement. Water lawfully diverted by or under contract for delivery to Irrigator under any other water right than the Original Water Rights, the District's Yamcolo Water, the YIA Stillwater Ditch Allocation or the Shareholder Other Reservoir Water Rights shall not be conveyed within or under the Shareholder Capacity. Irrigator is not entitled to use the Shareholder Capacity to convey or deliver unadjudicated water from the Yampa or Bear River into the Stillwater Ditch. In the event that the capacity of the Stillwater Ditch suffers a reduction for any reason, the Shareholder Capacity shall remain intact, and, in such event, deliveries of water pursuant to carriage contracts in the Carriage Contract Capacity (defined below), including this Contract, shall be reduced as necessary and as further described in Paragraph 1.4 (d) below to preserve the Shareholder Capacity to the greatest extent possible.

b. Use of the remaining 26.2 c.f.s. of the capacity of the Stillwater Ditch ("Carriage Contract Capacity") shall be reserved for use pursuant to carriage contracts between the District and Company and the individuals and/or entities utilizing or entitled to utilize such remaining capacity, as follows:

i. 4.5 cfs of the remaining 26.2 c.f.s Carriage Contract Capacity may be reserved by the District and Company for the delivery of the YIA Stillwater Ditch Allocation. Irrigator acknowledges that the YIA Stillwater Ditch Allocation capacity among the YIA members is determined by the YIA and not by either the District or the Company or the allottees from YIA, and that the YIA Stillwater Ditch Allocation is subject to the YIA-District Allotment Contract as now exists and as may hereafter be amended.

ii. 2.5 c.f.s. of the remaining 26.2 c.f.s Carriage Contract Capacity (the "District Non-Ag Water Capacity) may be reserved to and for the District, at the option of the District, for the delivery of up to 500 acre feet annually that may be stored by the District in Yamcolo Reservoir and allocated by the District to its Original Municipal Pool for municipal, industrial, augmentation or other non-agricultural uses (the "District's 500 AF Non-Ag Water") and further allocated pursuant to individual contracts between the District and the users of such 500 AF of stored water; provided,

however, that such reservation of capacity shall only be reserved to and for the District commencing March 1 of the calendar year after the calendar year in which the Board adopts a Resolution authorizing such use (the “Non-Ag District Capacity Commencement”). Until the date of the Non-Ag District Capacity Commencement for the District, such 2.5 c.f.s District Non-Ag Water Capacity shall be added to the capacity reserved to and for the District under Subparagraph 1.4 (b) (iii) below.

iii. 19.2 cfs of the remaining 26.2 c.f.s. Carriage Contract Capacity (plus the 2.5 cfs District Non-Ag Water Capacity prior to the Non-Ag District Capacity Commencement) is reserved to and for the District for the delivery of the District’s Yamcolo Water for irrigation and/or stockwater first uses (including subsequent storage for such first irrigation uses) within the Yampa River basin and/or the Colorado River basin pursuant to allotment contracts entered into by the District, including the Irrigator Allotment Contract, and subject to the obligations of the District under Subparagraphs (i) and (ii) above, the District may, when the Yampa (Bear) River is not under administration, utilize excess capacity in the Stillwater Ditch for diversion and carriage of water under any other decrees whether now existing or hereafter obtained or unadjudicated water from the Yampa River.

c. Irrigator further agrees that the quantity of water carried by the Stillwater Ditch in such 26.2 c.f.s. of capacity for delivery into the Colorado River Basin in any water year shall never exceed the lesser of 4,000 AF or the sum of (a) the quantity of the District’s Yamcolo Water delivered or expected to be delivered into the Colorado River Basin that water year, plus (b) the YIA Stillwater Ditch Allocation delivered or expected to be delivered into the Colorado River Basin (not to exceed in any event 445 AF). If the District concludes in the exercise of its reasonable discretion that the limitation set forth in the preceding sentence will be exceeded the District may take such action as it deems appropriate to limit the application of irrigation water to lands of Irrigator located in the Colorado River Basin, except such actions shall not include curtailment of delivery in the Ditch of up to 350 AF out of the 445 AF YIA Stillwater Ditch Allocation being available for export into the Colorado River Basin. If the District concludes in the exercise of its reasonable discretion that there exists excess capacity in the Stillwater Ditch when the Yampa (Bear) River is not under administration, such capacity may be used or contracted by the District for diversion and carriage of water under any other decrees whether now existing or hereafter obtained or unadjudicated water from the Yampa River.

d. If the Carriage Contract Capacity is reduced or otherwise insufficient to accommodate the delivery of Allotment Water at the rate demanded, the YIA Stillwater Ditch Allocation capacity and the Carriage Contract Capacity (other than the YIA Stillwater Ditch Allocation capacity) shall each be reduced proportionally and pro rata, without discrimination. As set forth in Subparagraph 1.4 (b) (i) above, the remaining YIA Stillwater Ditch Allocation capacity shall be allocated among its members as determined by YIA and the remaining Carriage Contract Capacity (other than the remaining YIA Stillwater Ditch Allocation capacity) shall be allocated among the holders of all Allotment Contracts (excluding YIA-District Allotment Contract) pro rata.

e. For purposes of illustration, the allocation of capacity within the Ditch is graphically depicted on Exhibit “C” attached hereto. In the event of a conflict between Exhibit “C” and the provisions of this Paragraph 1.4, this Paragraph 1.4 shall be controlling.

1.5 Except as otherwise approved by the District in writing, such approval to be given,

conditioned or withheld by the District in its sole discretion, none of the Allotment Water shall be diverted from the Stillwater Ditch other than at the location of the Irrigator Turn-Out described in Exhibit "B." and none of the Allotment Water shall be carried in the Stillwater Ditch into the Colorado River Basin for purposes other than irrigation and/or stockwater uses on the property of Irrigator described in Exhibit "A."

II. CARRIAGE FEES, PAYMENT, AND CREDITS AGAINST FEE :

2.1 The fee for the carriage and delivery of any of the Allotment Water ("Carriage Fee") within the Ditch from the discharge of the outlet works of Yamcolo Reservoir to Irrigator's Turn-Out for Water Year 2020 under this Contract (the "First Water Year") shall be one dollar and eighty-four cents (\$1.84) per acre foot of the maximum Allotment Water as described in Paragraph G of the Recitals above, whether Irrigator diverts and applies to Irrigator's land all, any, or none of such Allotment Water in any year, but subject to the Credit described in Paragraph 2.3 below. This Carriage Contract is a "take or pay" contract, but subject to the Credit described in Paragraph 2.3 below. However, if, in any year, Irrigator's payment obligation is reduced under the abatement provisions in Irrigator's Allotment Contract for Yamcolo water, either directly or as a member of YIA, the annual Carriage Fee payable by Irrigator for such year shall be reduced in the same proportion. The annual Carriage Fee the next Water Year after the First Water Year, and in each Water Year thereafter during the Term of this Contract, shall be an amount equal to the greater of (i) the Carriage Fee for the prior Water Year, or (ii) the product obtained by multiplying the Carriage Fee for the prior Water Year by a fraction, the denominator of which is the CPI for the semi-annual period ending December 31 in the Water Year prior to the prior Water Year and the numerator of which is the CPI for the semi-annual period ending December 31 of the prior Water Year. However, notwithstanding the foregoing, the following rules shall apply and supersede the Carriage Fee as determined above for any calendar year from 2021 through to November 1, 2041:

- (a) If the CPI-U increase for the preceding calendar year was 1.5% or less, then apply a 1.5% increase; but
- (b) If the CPI-U increase for the preceding calendar year was more than 1.5% but not more than 4%, then decrease such actual CPI-U increase by 0.5% and apply such adjusted increase; but
- (c) If the CPI-U increase for the preceding calendar year was more than 4%, then divide the amount by which such increase exceeds 4% by 2, and add the result to 4% and apply such adjusted increase, but
- (d) In no event shall the adjusted percentage increase be less than 1.5% nor more than six percent (6%).

The CPI as herein described is the Urban Consumers, "all items," as set forth in the Denver, Aurora, Littleton Federal Bureau of Labor Statistics index. In the event the Bureau of Labor Statistics discontinues publication of the CPI in the format existing as of the Effective Date then the District shall select a reasonably comparable price index, which index shall be substituted for the CPI in this

paragraph. If the base year used in computing the CPI is changed, the adjustment to the purchase price shall be changed accordingly, so that all increases in the CPI are taken into account, notwithstanding any such change in the base year.

A chart demonstrating the operation of this Paragraph 2.1 is attached as Exhibit "D" to this Contract for illustrative purposes. If there is any inconsistency between the chart and the text of this Contract the text of this Contract shall be controlling.

2.2 The annual Carriage Fee shall be paid by Irrigator to the District within 30 days following the date the District provides an invoice to the Irrigator requesting payment for the prior irrigation season most recently concluded specifying the amount of the Carriage Fee payable, which shall include a description of any credit to which Irrigator is entitled as calculated pursuant to Paragraph 2.3 below. Any annual payment not made within fourteen (14) days after the due date shall bear interest at the rate of twelve percent (12%) per annum until paid. Except as set forth below, payments due are based on the amount of Allotment Water and shall be made regardless of the amount of Allotment Water carried within the Ditch and delivered to Irrigator at the Take-Out and there shall be no abatement or setoff against any such payment, nor shall Irrigator be permitted to withhold any payment required for any reason whatsoever.

2.3 Credits Against Fee: If Irrigator is a Shareholder, and, while a Shareholder, is not during a water year using all of such Shareholder's Shareholder capacity allocation described in Subparagraph 1.4(a) above to divert Shareholder's ownership interest in the Original Water Rights or Shareholder Other Reservoir Water Rights owned by such Shareholder, but instead is using some of such owned Shareholder capacity to divert, carry and receive at Irrigator's Take-Out part or all of the Allotment Water under the Allotment Contract described in Recital G above, and if the quantity of such use is calculated and agreed to by the General Manager of the District for the current water year, then the quantity of such use as so agreed, times the then applicable Carriage Fee for that year, shall be credited against the total annual Carriage Fee for which Irrigator would otherwise be liable under Paragraphs 2.1 and 2.2 above (the "Credit"). For purposes only as an example, if Irrigator is a Shareholder and holds an Allotment Contract for 200 AF and also is an owner of a percentage interest in the Shareholder Capacity under the 2005 Stock Assignment Agreement, and for a period of time in a water year Irrigator does not utilize all or some portion of his Shareholder Capacity for the Original Water Rights or the Shareholder Other Reservoir Water Rights and pursuant to the terms of this Carriage Agreement diverts a cumulative total of 90 AF of his Allotment Contract allocation under such unused Shareholder Capacity, then the Irrigator would, after application of the Credit only be required to pay the Carriage Fee for 110 AF of his Allotment Water. In such example, the Irrigator-Shareholder would nevertheless still be required to pay for all of the Carriage Fees applicable to the percentage Shareholder Capacity under Paragraph 7 of the 2005 Stock Assignment Agreement, whether used by Irrigator or not, but subject to the Credit.

III. TERM OF AGREEMENT:

Except in the event of an early termination as provided in Article VII below, the term of this Contract shall commence effective May 1, 2020 (the "Effective Date") and shall end on November 1, 2041 (the "Term"). This Contract is not renewable, although the Parties may at any time prior to the

expiration of the Term enter into a new carriage contract.

IV. OPERATION AND MAINTENANCE OF STILLWATER DITCH:

Except for the Irrigator Turn-Out structures, turn-out water flow measuring devices and equipment, and laterals which shall be maintained, repaired, and replaced by the Irrigator at its cost in accordance with the requirements of the District and the Company, it is expressly acknowledged that the District and the Company shall be solely responsible for operating, repairing, maintaining, enlarging, permitting, changing, renovating, or modifying the Stillwater Ditch, and that the District and Company shall be the sole owners of the Stillwater Ditch. Nothing herein contained shall be deemed to create a partnership, a joint venture, or joint ownership or joint responsibility in any way between the parties hereto.

V CONTRACT TERMINATION:

5.1. Termination by the District or Company.

a. The District or Company may terminate this Contract for a material breach of the terms of this Contract by Irrigator, including Irrigator's failure to pay timely any amount due under this Contract, provided that the District or Company has first given at least 60 days' prior written notice specifying in detail such material breach and giving Irrigator the right within such 60-day period to cure and remedy such material breach.

b. The District and/or Company may terminate this Contract if its legal ability to carry and deliver Allotment Water within the Ditch is materially impaired or is eliminated because of the termination or adverse modification of permits, decrees or other authorizations which are needed to store and deliver the Allotment Water.

c. The District and/or Company may terminate this Contract if the Allotment Contract is terminated.

5.2. Termination by Irrigator.

a. Irrigator may terminate this Contract only in whole and not in part, for any material breach of the terms of this Contract by the District or Company, including the failure or inability the District or Company to convey the Allotment Water properly released to Irrigator under the Allotment Contract for an extended period of time, provided that Irrigator has first given at least 60 days' prior written notice from Irrigator to the District specifying in detail such material breach and giving the District the right within such 60-day period to cure and remedy such material breach.

b. Except as provided in the preceding Paragraphs, Irrigator has no right to terminate or reform or rescind this Contract.

5.3. Notice of Termination to Affected Officials. Either Party may notify the Division Engineer and any other appropriate governmental officials of any termination of this Contract.

VI. FORCE MAJEURE:

The District and the Company shall not be responsible for any losses or damages incurred as a result of their inability to perform pursuant to this Contract due to the following causes if beyond their control and when occurring through no direct or indirect fault of the District or the Company, including without limitation: acts of God; natural disasters; actions or directives or failure to act by governmental authorities; unavailability of supplies or equipment critical to their ability to perform; major equipment or facility breakdown or damage; and changes in Colorado or federal law, including, without limitation, changes in any permit requirements.

VII. INSPECTIONS:

The District and the Company grant to the managerial staff of Irrigator and any of its professional consultants access to the Ditch for inspection purposes subject to this Contract at reasonable times and under reasonable protective terms and conditions. Irrigator and Irrigator's consultants have no right to make physical changes to or maintenance of the Stillwater Ditch except with the prior written consent and approval of the District.

VIII. LIMITED REPRESENTATION BY THE PARTIES:

The District and the Company represent and warrant that they have full power and authority to execute this Contract, carry and deliver the Allotment Water within the Ditch, and perform their obligations hereunder during the Term. Irrigator represents and warrants that Irrigator has full power and authority to execute this Contract, receive Allotment Water at the delivery point and cause it to be delivered to Irrigator's Take-Out point and locations of use, and pay for and perform its obligations hereunder during the Term.

IX. ENFORCEMENT OF THIS CONTRACT; REMEDIES ON DEFAULT:

9.1. Before commencing any action for enforcement of this Contract, the Party alleging a material breach of this Contract shall first give at least 60 days' prior written notice to the other Party specifying in detail such material breach and giving the other Party the right within such 60-day period to cure and remedy such material breach. Notwithstanding the foregoing, if Irrigator is in default in the timely payment of the Carriage Fees billed to such Irrigator by the District, the District may withhold delivery of water from the Ditch to the Irrigator's Take-Out until such Carriage Fees and any interest accrued thereon have been paid in full.

9.2. Specific performance and/or restraining orders and/or injunctive relief and/or the last sentence of Paragraph 9.1 above shall be the exclusive remedies for the violation or default by a Party in any provision of this Contract, except that the District shall have all remedies at law for collection of sums required to be paid by Irrigator hereunder which are not paid when due, including interest and attorneys' fees.

9.3. In the event of litigation between the Parties with respect to this Contract or any alleged material breach of the terms of this Contract, the Party substantially prevailing in such litigation shall recover from the other Party all reasonable attorneys' fees and costs of discovery and

suit incurred by the substantially prevailing Party.

X. MISCELLANEOUS PROVISIONS:

10.1. The District and/or Company may assign this Contract without necessity of Irrigator's consent or approval to one or more individuals or entities which succeed the District in the ownership of the Company and/or the Stillwater Ditch, and the District and Company or their successors may collaterally assign the proceeds of this Contract to any entity providing financing to the District or Company or their successors. Irrigator may assign this Contract without the necessity of the prior consent or approval of the District or Company to any individual or entity which acquires the entire interest of Irrigator in the Allotment Contract and which succeeds Irrigator in the ownership of the entirety of the property described in Exhibit A, such assignment to be effective on the effective date of written notice given from Irrigator to the District of such assignment setting forth the name and contact information for the assignee and certifying that the Contract is assigned in its entirety and that assignee is acquiring ownership of all of the property described in Exhibit A and the entirety of Irrigator's interest in the Allotment Contract. No other assignment of this Contract, including without limitation, any assignment of less than the entirety of Irrigator's interest in this Contract or the Allotment Contract or any assignment in connection with the sale of less than the entirety of the property described in Exhibit A, or any temporary assignment to any Shareholder or other holder of an Allotment Contract with the District or any other person, or any temporary assignment to any person of any use of capacity in the Stillwater Ditch, shall be effective unless approved in advance in writing by the General Manager or the Board, such approval to be given, conditioned or withheld by the District or the General Manager in its or his sole discretion.

10.2. This Contract does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties.

10.3. The Parties agree to communicate, coordinate and cooperate, if needed, on any required or desired water use accounting.

10.4. No amendment, modification, or novation of this contract or its provisions and implementation shall be effective unless documented in writing which is approved and executed by both parties with the same formality as they have approved and executed this Contract.

10.5. Any notice required or permitted to be given by a party under or in connection with this Contract shall be in writing and shall be deemed duly given when personally delivered or sent by (i) registered or certified mail, return receipt requested, postage prepaid, (ii) expedited courier service, or (iii) email with confirmation of receipt, to the following addresses:

If to Irrigator:

Attn: _____

Email: _____

With a copy to:

If to the District
or the Company:

Upper Yampa Water Conservancy District
Attention: General Manager
P.O. Box 883990
Steamboat Springs, CO 80488
Email: kmcbride@upperyampawater.com

Each party may change its address or contact information for notices under this Contract upon written notice to the other party in accordance with this paragraph.

XI. EFFECTIVE DATE:

The Effective Date of this Contract shall be _____, 2020.

IRRIGATOR:

By: _____
(Title)

Date: _____

_____ Mailing Address

_____ Email: _____

_____ Telephone: _____

UPPER YAMPA WATER CONSERVANCY DISTRICT

By: _____
(Title)

STILLWATER DITCH AND RESERVOIRS COMPANY

By: _____
(Title)

EXHIBIT "A"

DESCRIPTION OF IRRIGATOR PROPERTY

Final Exhibit Pending Irrigator Input

EXHIBIT "B"
TO
CARRIAGE CONTRACT

DESCRIPTION OF IRRIGATOR TURN-OUT

Final Exhibit Pending Irrigator Input

**EXHIBIT "C"
TO
CARRIAGE CONTRACT**

CHART SHOWING CAPACITY ALLOCATIONS IN DITCH

Exhibit C

Stillwater Ditch Ditch Capacity Allocation

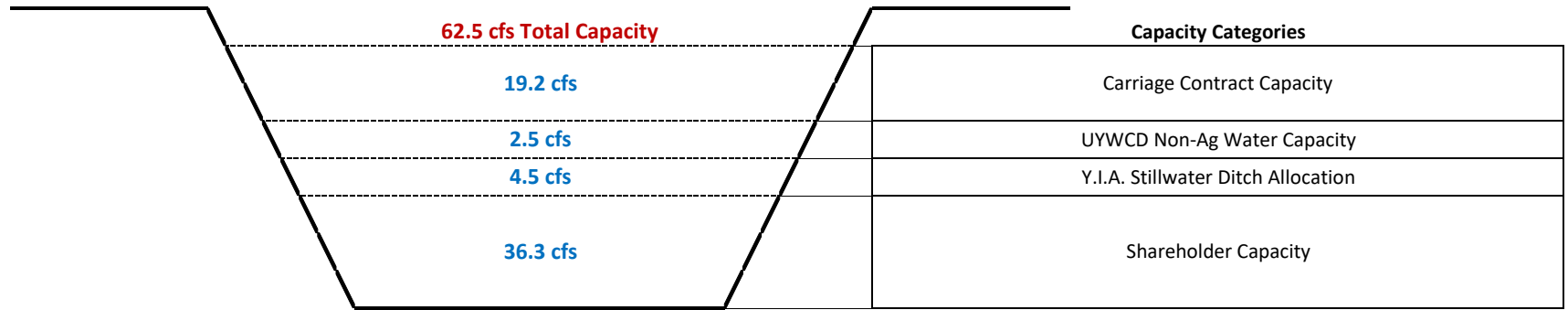


EXHIBIT "D"
TO
CARRIAGE CONTRACT
CPI ADJUSTMENT EXHIBIT

Carriage Contract

Exhibit D

Pricing Calculation Example

Example 2021 Price Calculation:

	2020 Price per AF = \$1.84	or	2020 Price per Share = \$1.84	x	$\frac{\text{Example 2020 CPI}}{\text{Example 2019 CPI}}$		Whichever is Greater:	
CPI Decrease	1.84		1.84	x	$\frac{226.280}{230.338}$	=	1.81	Resulting 2021 Price (\$) per AF 1.84
CPI Increase	1.84		1.84	x	$\frac{230.338}{226.280}$	=	1.87	1.87

However, notwithstanding the foregoing, the following rules shall apply and supersede the price above for any calendar year from 2021 through 2041:

	if 2020 CPI increase =		Price Increase	Resulting 2021 Price (\$) per AF
1.84				
(a)	0.0%	1.50%		1.87
	0.1%	1.50%		1.87
	0.2%	1.50%		1.87
	0.3%	1.50%		1.87
	0.4%	1.50%		1.87
	0.5%	1.50%		1.87
	0.6%	1.50%		1.87
	0.7%	1.50%		1.87
	0.8%	1.50%		1.87
	0.9%	1.50%		1.87
	1.0%	1.50%		1.87
	1.1%	1.50%		1.87
	1.2%	1.50%		1.87
	1.3%	1.50%		1.87
	1.4%	1.50%		1.87
	1.5%	1.50%		1.87
(b), (d)	1.6%	1.10%	default to 1.5% floor	1.87
	1.7%	1.20%	default to 1.5% floor	1.87
	1.8%	1.30%	default to 1.5% floor	1.87
	1.9%	1.40%	default to 1.5% floor	1.87
	2.0%	1.50%		1.87
	2.1%	1.60%		1.87
	2.2%	1.70%		1.87
	2.3%	1.80%		1.87
	2.4%	1.90%		1.87
	2.5%	2.00%		1.88
	2.6%	2.10%		1.88
	2.7%	2.20%		1.88
	2.8%	2.30%		1.88
	2.9%	2.40%		1.88
	3.0%	2.50%		1.89
	3.1%	2.60%		1.89
	3.2%	2.70%		1.89
	3.3%	2.80%		1.89
	3.4%	2.90%		1.89
	3.5%	3.00%		1.90
	3.6%	3.10%		1.90
	3.7%	3.20%		1.90
	3.8%	3.30%		1.90
	3.9%	3.40%		1.90
	4.0%	3.50%		1.90
(c)	4.1%	4.05%		1.91
	4.2%	4.10%		1.92
	4.3%	4.15%		1.92
	4.4%	4.20%		1.92
	4.5%	4.25%		1.92
	4.6%	4.30%		1.92
	4.7%	4.35%		1.92
	4.8%	4.40%		1.92
	4.9%	4.45%		1.92
	5.0%	4.50%		1.92
	5.1%	4.55%		1.92
	5.2%	4.60%		1.92
	5.3%	4.65%		1.93
	5.4%	4.70%		1.93
	5.5%	4.75%		1.93
	5.6%	4.80%		1.93
	5.7%	4.85%		1.93
	5.8%	4.90%		1.93
	5.9%	4.95%		1.93
	6.0%	5.00%		1.93
	6.1%	5.05%		1.93
	6.2%	5.10%		1.93
	6.3%	5.15%		1.93
	6.4%	5.20%		1.94
	6.5%	5.25%		1.94
	6.6%	5.30%		1.94
	6.7%	5.35%		1.94
	6.8%	5.40%		1.94
	6.9%	5.45%		1.94
	7.0%	5.50%		1.94
	7.1%	5.55%		1.94
	7.2%	5.60%		1.94
	7.3%	5.65%		1.94
	7.4%	5.70%		1.94
	7.5%	5.75%		1.95
	7.6%	5.80%		1.95
	7.7%	5.85%		1.95
	7.8%	5.90%		1.95
	7.9%	5.95%		1.95
	8.0%	6.00%		1.95
(d)	8.1%	6.05%	default to 6% ceiling	1.95



BOARD COMMUNICATION FORM

February 12, 2020 Meeting

(Not Confidential and Privileged Attorney-Client Communication)

From: Robert Weiss, legal counsel

Date of memo: February 2, 2020

Item: Amended and Restated Resolution re Individual Irrigator contract renewal process

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information: At its January 15, 2020 meeting the Board adopted a Resolution establishing a process for the renewal of the 3500 AF of water allocated to the "Individual Irrigators" out of the "Individual Contract Pool" in Yamcolo Reservoir. The current contracts expired July 15, 2019 and the goal is to have in place new contracts for the 2020 irrigation season and continuing through November 1, 2041 for a total of 22 irrigation seasons.

On further thought I have revised the Resolution adopted January 15, 2020 to give the General Manager authority to establish and adjust time deadlines in the contracting process without further Board approval. I think this is necessary because of the complexity of the situation and the number of parties involved. These are "process" changes only. No changes are proposed to the substance of the Program developed by the Negotiating Committee and approved by the Board at the January Board meeting.

II. Staff Recommendation: Approve the Resolution.

III. Legal Issues: These issues are addressed above.

IV. Consistency with Board Goals and Policies: This is consistent Board Policy.

V. Fiscal Impact: N/A

Attachments: Resolution

UPPER YAMPA WATER CONSERVANCY DISTRICT

RESOLUTION February 12, 2020

AMENDED AND RESTATED RESOLUTION ESTABLISHING A PROCESS FOR THE GRANT OF ALLOTMENT CONTRACTS FOR YAMCOLO RESERVOIR WATER FOR IRRIGATION AND STOCK WATER PURPOSES FROM THE INDIVIDUAL IRRIGATOR POOL

WHEREAS, the Upper Yampa Water Conservancy District (the "District") has previously entered in to mostly duplicative 30 year agreements with persons or entities who for the purpose of this Resolution shall be referred to as the "Current Irrigators" for the delivery of 4000 acre-feet of stored water from Yamcolo Reservoir water on an annual basis for irrigation purposes (the "Prior Individual Contract Pool"); and

WHEREAS, such agreements expired on July 15, 2019; and

WHEREAS, the storage capacity in Yamcolo Reservoir in excess of the approximately 1,000 AF of conservation pool has been allocated to the pools described below (collectively the "Pools" and individually a "Pool") by the Board of the Directors of the District (the "Board"), and such allocation shall remain in effect indefinitely except as from time to time amended by Resolution of the Board in its discretion:

(1) Municipal and/or Industrial use, augmentation use, other non-agricultural uses including (but not limited to) recreational and piscatorial and instream flow uses, and/or other lawful use by a Municipal or Industrial or other non-agricultural customer, for up to 1,500 acre-feet AF, including up to 500 AF which is re-allocated to this Pool from the Prior Individual Contract Pool , which re-allocated 500 AF may also be used for irrigation and stock water uses (such 1,500 AF, in all, being herein referred to as the "Original Municipal Pool");

(2) Municipal and/or Industrial use, augmentation use, other non-agricultural uses including (but not limited to) recreational and piscatorial and instream flow uses, and/or other lawful use by a Municipal or Industrial or other non-agricultural customer, for up to 3,500 AF, such Pool to consist of storage water (a) recontracted for any or all such uses after termination of any Renewal Irrigation Allotment Contracts (as defined below) to the extent the agricultural user and District do not renew such Individual Irrigator Contract, and (b) available to be contracted for such uses pursuant to Paragraph 4 below (this Pool being herein referred to as the "Enlarged Municipal Pool");

(3) Irrigation and stock watering uses only for the 3,000 AF allocated to the Yamcolo Irrigators Association ("YIA") (such 3,000 AF allocated to the Yamcolo Irrigators Association is herein referred to as the "YIA Pool")

(4) Municipal and Industrial and Domestic and Irrigation and Commercial and Stock Watering and Snowmaking and Firefighting and Recreational and Piscatorial and Augmentation and Instream Flow uses, including any beneficial uses permitted under water rights decrees of the

District and including delivery to and use within the Colorado River Basin and including re-use and successive uses of return flows to extinction for any lawful beneficial use, directly or by exchange, for 3,500 AF (the “Individual Contract Pool”). Such Individual Contract Pool was formerly the 4,000 AF known as the Prior Individual Contract Pool which had previously since inception of Yamcolo Reservoir been first allocated to Colorado Ute Electric Association and later re-allocated to individual irrigators primarily using deliveries through the Stillwater Ditch, but has now been reduced to not more than 3,500 AF by the re-allocation of the Reallocated 500 AF to the Original Municipal Pool as described in Subparagraph (1) above.

(5) Any Lawful Purpose Permitted by District Water Decrees, directly or by exchange, for all water stored in Yamcolo Reservoir under the Yamcolo Reservoir Second Enlargement (the “Enlargement Pool”), or stored under any Yamcolo Reservoir re-fill decrees (the “Refill Pool”).

WHEREAS, the District intends to offer new individual contracts for allotment of storage water out of the Individual Contract Pool to the Current Irrigators. These individual contracts will be limited to irrigation and/or stock water uses and for terms ending no later than November of 2041 (“Renewal Irrigation Allotment Contracts”).

WHEREAS, one or more of such Renewal Irrigation Allotment Contracts will have an “off ramp” permitting the District to permanently reduce the quantity of water allotted by 500 AF effective November 1, 2030, by written notice given prior to such date.

WHEREAS, by this Resolution the Board of Directors of the District desires to establish the process by which it will offer to enter into Renewal Irrigation Allotment Contracts for the allotment of up to 3,500 acre feet of such water from such Pool in Yamcolo Reservoir.

WHEREAS, by this Resolution the Board of Directors of the District desires to amend, restate, and supersede the Resolution of the Board adopted January 15, 2020 on this same subject.

NOW THEREFORE, be it resolved by the Board of Directors of the Upper Yampa Water Conservancy District, as follows.

1. The District shall offer Renewal Irrigation Allotment Contracts for Yamcolo storage water out of the Individual Irrigators Pool on the District's standard allotment contract form no later than March 1, 2020 to each of the Current Irrigators in the same amount such irrigator had under contract deliverable out of the Prior Individual Contract Pool from Yamcolo Reservoir on July 15, 2019, except that the allotment contract offered to Sleeping Lion Ranch, LLC shall be for 2400 AF. Determination of the identity of each of the Current Irrigators shall be based on the billing records of the District and in the event of any question or dispute regarding the identity, the amount of water to be offered, the description of the property on which the water may be used or other matter involving the completion of the allotment contracting process the decision of the General Manager on such question or dispute shall be conclusive and not appealable to the Board.

2. If prior to April 1, 2020, the Current Irrigators take and execute Renewal Irrigation Allotment Contracts through 2041, and applicable Stillwater Ditch carriage contracts, for less than 3,500 AF, then in April of 2020, the remaining uncontracted portion of such 3,500 AF will first be offered collectively to (a) any irrigators who do not have Renewal Irrigation Allotment Contracts but who own and have historically diverted and delivered water for agricultural

purposes down the Stillwater Ditch, for the purpose of using any such allotment contracts only through delivery in the Stillwater Ditch, and (b) irrigators who hold current Individual Irrigator Contracts;

3. If by May 1, 2020, a remainder uncontracted portion of such 3,500 AF still exists, then the remaining uncontracted portion of such 3,500 AF will be offered in May of 2020 to the members of YIA (but treated as part of the Individual Contract Pool), to accept on a first come-first served basis until such uncontracted portion is committed;

4. If by June 1, 2020, there still remains an uncontracted portion of such 3,500 AF, the District may keep such remaining shortage as uncontracted water in the Individual Contract Pool, may from time to time in its discretion contract such water for agricultural purposes on a short term basis, or may re-allocate such remaining shortage to the Enlarged Municipal Pool and contract such remaining shortage for M&I or augmentation or any other non-agricultural uses.

5. The allocation of the contract provision providing for reduction of Additional 500 AF among the Renewal Irrigation Allotment Contacts under the “off-ramp” described in the 5th WHEREAS clause above shall be determined by the General Manger in his discretion in consultation with the Individual Irrigators. In addition, without the necessity of further approval of the Board, the General Manger shall have the authority to adjust the time deadlines set forth in this Resolution and to establish and adjust other deadlines for the management of the contracting process as he deems appropriate.

6. This Resolution shall, amend, restate, and supersede the Resolution of the Board adopted January 15, 2020 on this same subject

READ AND RESOLVED effective the 12th day of February, 2020.

Upper Yampa Water
Conservancy District

By: _____
Ken Brenner, President

ELECTION OF BOARD OFFICERS





BOARD COMMUNICATION FORM

From: ___Kevin McBride_____

Date: ___1-10-2020_____

Item: ___Election of Board Officers_____

_____ DIRECTION
_____ INFORMATION
x_____ MOTION
_____ RESOLUTION

Request/Issue and Background Information:

As per the Board of Directors bylaws, the Board of Directors shall elect officers the first regular Board meeting of the year.

II. Summary and Alternatives:

Per Board bylaws:

“Qualification and Election of Officers.

The President and Vice-President shall be members of the Board of Directors. The Board of Directors shall elect a President and Vice-President at the first regular Board meeting of each year. The General Manager shall be appointed by the Board of Directors from time to time, to serve at the pleasure of the Board. The General Manager shall also be the ex officio Secretary/Treasurer of the District, but shall not be a member of the Board of Directors.

Term of Office of Officers.

The President and Vice-President shall serve for a term of one (1) year, and shall hold their offices until their successors shall have been elected. The term of consecutive service by the President of the Board in such President position shall not exceed six (6) consecutive years. A Director may again be elected to serve as President after a break in service of at least 2 years. The Vice President and Secretary/Treasurer are not subject to any term limitations.

Executive Committee Membership and Selection.

The Executive Committee shall consist of five (5) persons, all of whom shall be members of the Board of Directors selected in the following manner:



(a) The President shall be a member and chairman of the Executive Committee. The Vice President shall also be members of the Executive Committee.

(b) The remaining members of the Executive Committee shall be selected by the vote of the Board of Directors on an annual basis.

Appointment and selection of members of the Executive Committee shall be made at the first regular meeting of the Board of Directors in each year.”

III. Staff Recommendation:

none

IV. Legal Issues:

Per Board of Directors bylaws

V. Consistency with Board Goals and Policies:

Per Board of Directors bylaws:

Attachments:

none

UPDATE ON THE CDPHE WATER QUALITY STANDARDS SETTING





BOARD COMMUNICATION FORM

From: Original: Kevin McBride, Revised: Andy Rossi, Steve Colby

Date: Original: 12/11/2019, Revised 02/05/2020

Item: Update on the CDPHE water quality standards setting

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

The Colorado Water Quality Control Commission has proposed a 303d (impaired water body) listing for a stream segment of the Yampa River which is Stagecoach Reservoir for Total Arsenic and Dissolved Lead. Background information on stream standard setting is beyond the scope of this communication form but a link to the CDPHE website can be found here <https://www.colorado.gov/pacific/cdphe/water-quality-standards>.

Once the District was made aware of the situation, staff researched the impacts this could have on District operations and the information obtained supported that they would be minimal. However, an email from the GM to the CDPHE was written suggesting that the listing be reduced to the M&E (monitoring and evaluation) list to facilitate working with the basin's water quality monitoring program (recall that this includes Routt County, UYWCD, MCWSD, the City of Steamboat Springs, and MWW).

As a follow up a proposal was drafted by Leonard Rice Water Engineers to have a professional review of water quality standards and verification of the impact on the UYWCD.

II. Summary and Alternatives:

Retain LRWE as per the proposal.

Work with Morrison Creek Water and Sanitation District on a course of action and possible retaining of LRWE on a basin wide basis.

Monitor CDPHE actions only.

III. Staff Recommendation:

Work with Morrison Creek Water and Sanitation District on a course of action and possible retaining of LRWE on a basin wide basis.



IV. Legal Issues:

TBD

V. Consistency with Board Goals and Policies:

Water Quality is stated as a goal in the draft strategic plan.

Attachments:

Proposal from LRWE

Email from Steve Colby, District Manager, Morrison Creek Water and Sanitation District

December 11, 2019

Kevin McBride, District Manager
Upper Yampa Water Conservancy District
2220 Curve Plaza Ste. 201
PO Box 775529
Steamboat Springs, CO

RE: Upper Yampa Water Conservancy District Regulatory Support Services

Dear Mr. McBride,

This proposal and cost estimate are prepared at your request, based on our understanding that the Upper Yampa Water Conservancy District (the District), located in Routt and Moffat Counties, Colorado, is interested in retaining support for the work described herein. Leonard Rice Engineers, Inc. (LRE) appreciates the opportunity to serve the District's water quality regulatory needs.

I. SCOPE OF SERVICES

The District's Stagecoach Reservoir (Segment COUCYA22¹) captures snow melt and releases it into the Yampa River (COUCYA02a²) to supplement low flows and provide a reliable year-round water supply for municipalities, agricultural irrigation, various industries, and even hydropower generation. The District recently learned that the Water Quality Control Division (WQCD) has proposed to include Stagecoach Reservoir (Segment COUCYA22_F) on the 303(d) List for total recoverable arsenic and dissolved lead at the 2019 Regulation 93 Rulemaking Hearing (RMH). LRE will provide the services described below including conducting a review of available water quality data for Stagecoach Reservoir to verify if the WQCD's 2019 Regulation 93 proposal for Stagecoach Reservoir was appropriate. LRE will also provide recommendations regarding potential regulatory options that could be pursued to provide regulatory relief related to the listing of the reservoir.

Task 1. Review of Water Quality Data for Stagecoach Reservoir

LRE will review the data that the WQCD used to propose the listing of Stagecoach Reservoir (COUCYA22_F) at the 2019 Regulation 93 RMH. LRE will also search for other water quality data that could be used to supplement the data that was used for the 2019 Regulation 93 RMH proposal. LRE will compile the relevant data and conduct its own analysis to confirm if the WQCD's analysis was appropriate. LRE will also summarize what a listing may mean to the District, based off of what LRE learns from the District about the District's operations and needs.

It is assumed that all water quality data provided by the District will be in an electronically manipulable format such as Microsoft Excel. Additional expenses not included in this estimate may

¹ Regulation 33, p. 197 "All lakes and reservoirs tributary to the Yampa River from the source to the confluence with Elkhead Creek, except for those listed in Segment 21. All lakes and reservoirs tributary to Elkhead Creek from the source to the confluence with the Yampa River, except for specific listings in Segment 23. All lakes and reservoirs tributary to the Little Snake River, including those on National Forest lands."

² Regulation 33, p. 180: "Mainstem of the Yampa River from the confluence with Wheeler Creek to a point immediately above the confluence with Oak Creek."

be incurred, for example if transcribing data or compiling data from multiple files is necessary, or if data require additional QA/QC.

The deliverable for this Task 1 will be a memorandum to the District that provides a summary of LRE's data analysis and related observations. This memorandum may be used by the District in future RMH testimony or negotiations with the WQCD.

We will begin Task 1 in January 2020 following receiving authorization to proceed. Task 1 can be completed in approximately 6 weeks, after work begins. Delays caused by major changes in the project plans or by circumstances beyond the control of the engineer, such as data inaccessibility or issues with the WQCD, could extend the time of completion.

Task 2. Positioning for Future Regulation 93 Rulemaking Hearings

The Regulation 93 RMH is a biennial RMH cycle with a focus on the two or three Colorado basins that most recently went through a basin RMH or are poised to have a basin RMH within the next year. In the case of the 2019 Regulation 93 RMH, these were Regulation 33/37 RMH (Upper Colorado and Lower Colorado, June 2019) and Regulation 38 RMH (South Platte, June 2020). As such, it is likely that the WQCD will focus its efforts for the next (2021) Regulation 93 RMH on basins other than the Upper Colorado. This means that stakeholders in the Upper Colorado River Basin (such as the District) may not be directly notified about data requests and/or other deadlines related to the 2021 Regulation 93 RMH, and/or may choose to be proponents to the RMH instead of requesting party status and responding to the WQCD's proposal.

As such, and based off of the findings from Task 1, LRE will work to recommend steps for the District to take to position itself for the 2021 Regulation 93 RMH. This will include initial recommendations for Regulation 93 RMH involvement (i.e., becoming a proponent or respondent for a proposal). LRE will work to identify key dates and deadlines pursuant to the 2021 Regulation 93 RMH. This will also assist the District with its 2021 budget planning. LRE will also conduct a review of water quality data from potentially contributing sources (COUCYA02a upstream of Stagecoach Reservoir) and discharge data from wastewater treatment facilities that discharge upstream of Stagecoach Reservoir, to identify potential sources of the parameters of concern, to better inform the District of additional potential regulatory paths. These may help inform the District regarding a potential proposal at the 2021 Regulation 93 RMH.

The deliverable for this Task 2 will be a memorandum to the District that provides a summary of LRE's findings and recommendations regarding the District's potential involvement in the 2021 Regulation 93 RMH. In this memorandum LRE will identify potential steps that the District may wish to take in 2021, and an accompanying schedule of key dates and deadlines. This will also assist with the District's budget preparations for 2021.

We can complete Task 2 within 6 weeks after Task 1 has been completed. Delays caused by major changes in the project plans or by circumstances beyond the control of the engineer, such as data inaccessibility or issues with the WQCD, could extend the time of completion.

Task 3. Project Coordination and Administration

This task covers time and expenses associated with internal project management functions for Tasks 1 and 2 above, including contract administrative support services, client communications associated

with the project, planning and coordination of work efforts, coordination with the District and other project team members, and preparation of progress reports to be submitted to the District with monthly invoices.

Task 4. Other Work as Directed

Depending on the findings from Tasks 1-3 above, The District may desire or need additional tasks completed. Such tasks could include but are not limited to items such as: preparation of formal comments to the WQCD, potential negotiations with WQCD staff, additional data analysis following these comments and negotiations, assistance with presentations to City staff and/or Board, future rulemaking hearing support, or possible site visit to assist with identification of future monitoring sites or updates to current monitoring program.

Prior to any Task 4 work, LRE will provide in writing (this can be via email), a task scope and costs for additional work under Task 4. LRE rates for additional work will be based on its current year's rate sheet.

This work will be conducted on an as requested basis, and not all work items may be necessary depending on initial findings.

II. TIME REQUIRED

We can begin the proposed services as soon as we receive authorization to proceed. We estimate that all of services under Part I can be completed in 4 months.

Delays caused by major changes in the project plans or by circumstances beyond the control of the engineer could extend the time of completion.

III. PAYMENT

Payments for our services, like other professional services, are based on the actual time spent on your behalf and are measured by standard hourly rates in effect at the time the services are performed. For those assigned to your team, those rates currently range from \$205-\$265 for principals; \$105-\$180 for engineers and hydrologists; and \$95-\$130 for technicians, draftsmen, and computer operators. Individuals are assigned to a project based on the type of services involved and the experience and expertise of the individual.

Routine expenses such as telephone and copies are included in the rates above. Outside expenses such as laboratory analysis, obtaining aerial photos, or other special services incurred directly in connection with the project are billed at cost plus 5 percent to cover handling and administration. Reimbursable expenses billed at cost include airfares, automobile rental, and other travel or per diem costs for projects more than 100 miles from the office site. Subconsultants to LRE are billed at cost plus 10 percent.

The scope described under Part I represents our estimate of the services required based on the information provided. As the project proceeds and additional facts are discovered, it may be necessary to perform additional services and some items described may not be needed. For these reasons, we can provide only an estimate of the time and cost of completing the services.

We believe the services described above can be accomplished for \$22,000.

Invoices are submitted monthly for time and expenses incurred. Terms of payment are net 30 days. Overdue accounts are subject to an interest charge of 1.5 percent per month and services will stop whenever payment is overdue more than 75 days.

IV. LIMITATION OF LIABILITY

In recognition of the relative risks and benefits of the project to the District, and LRE, the risks have been allocated such that the District agrees, to the fullest extent permitted by law, to limit the liability of LRE and its officers, employees, and subconsultants, to the District and all of the District's contractors and consultants, for any and all claims, losses, costs, damages of any nature whatsoever; or claims expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of LRE to the District shall not exceed the total amount of \$100,000 or the total fees billed to this project, whichever is less. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

V. SPECIAL SERVICES

Services in addition to those described under Part I will be performed or obtained for the District's account upon request and approval at rates currently in effect. Special services may include, but are not limited to, expert testimony, appearances at public meetings, soil investigations, topographic and land surveys, including establishment of boundaries, well drilling, well and aquifer testing, electric logging, water quality sampling and analysis, preparation of construction drawings and specifications, material testing, and environmental permitting.

Acceptance of this proposal and authorization to proceed with the services can be indicated by signing one copy and returning it to us for our files. The terms of this proposal will be honored for a period of 30 days.

We look forward to discussing this proposal with you and if you have any questions or concerns about the services offered in the proposal please call us at 303-455-9589.

Thank you for providing us the opportunity to present this proposal to the District.

Sincerely,
LEONARD RICE ENGINEERS, INC.



Greg Roush, P.E.
Chief Operating Officer



Jessica DiToro, P.E.
Project Engineer

For: _____
Contracting Agency

By: _____
Authorized Signature/Title

Date: _____

Andy Rossi

From: scolby@mcwater.org
Sent: Wednesday, February 5, 2020 4:17 PM
To: Kevin McBride; Andy Rossi
Cc: Karina Craig
Subject: LRE proposal

Dear Kevin and Andy,

At the January 16th meeting of the Board of Directors of the Morrison Creek Metro Water & Sanitation District. The Board vote to contribute \$5000 in support of the 12/11/19 Leonard Rice Proposal for Regulatory Support Services related to the Regulation 93 303(d) listings for Stagecoach Reservoir. We would like the Board of the UYWCD to consider approving the proposal at its next meeting.

Thank You,

Steve Colby, District Manager
Morrison Creek Water & Sanitation District
(970) 736-8250

Steve Colby, District Manager
Morrison Creek Water & Sanitation District
(970) 736-8250

CPW STAGECOACH ELECTRICAL UPGRADES





BOARD COMMUNICATION FORM

From: Andy Rossi

Date: 02/04/20

Item: CPW Electrical Upgrades for Stagecoach State Park

<input type="checkbox"/>	DIRECTION
<input checked="" type="checkbox"/>	INFORMATION
<input checked="" type="checkbox"/>	MOTION
<input type="checkbox"/>	RESOLUTION

I. Request/Issue and Background Information:

The Colorado Division of Parks and Wildlife (CPW) would like to construct electrical upgrades for the facilities at Stagecoach State Park. The proposed electrical upgrades will require the Upper Yampa Water Conservancy District (UYWCD) to grant an easement to Yampa Valley Electric Association (YVEA).

II. Summary and Alternatives:

There are two components to the proposed electrical upgrades:

1. The Overhead Service Extension to be constructed by YVEA. The UYWCD has been informed by the CPW staff that neither Routt County Planning nor Building Departments require permits for this part of the project. CPW would like to begin construction of this portion of the electrical upgrades late spring/early summer of 2020. YVEA will construct these improvements. A proposed easement to be granted to YVEA for this portion of the project is included with this communication for review.
2. The second part of the project is the installation of new underground wire and replacing transformers and pedestals in the Pinnacle Campground. CPW will hire a construction contractor for this effort. The UYWCD has been informed by the CPW staff that the Routt County Planning Department does not require permits for this part of the project. The Routt County Building Department informed the CPW staff that the Routt County Building Department can be used for permitting and inspection or the permitting and inspection can be performed by the State of Colorado for this portion of the proposed project. CPW will require the selected construction contractor to secure all permits required for the proposed activities. CPW plans to secure a contractor in the spring of 2020



with the hopes of beginning construction activities in the campground the Tuesday after Labor Day, 2020.

III. Staff Recommendation:

Motion: Authorize Board President to sign the YVEA Easement at Stagecoach substantially in the form presented to the Board at the meeting on 2-12-2020.

IV. Legal Issues:

UYWCD Stagecoach property boundary will be amended to include the proposed YVEA Easement.

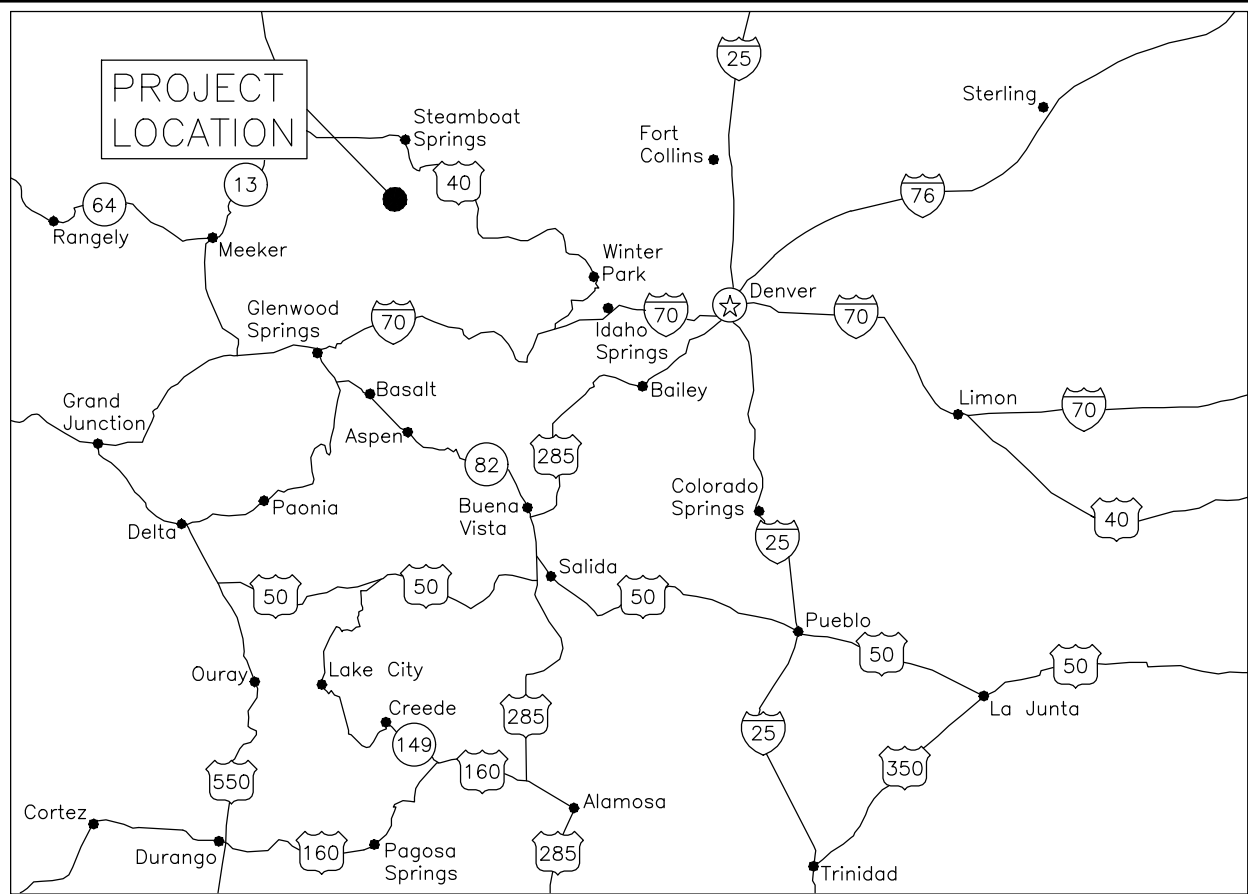
V. Consistency with Board Goals and Policies:

UYWCD Strategic Plan Goal 2.3

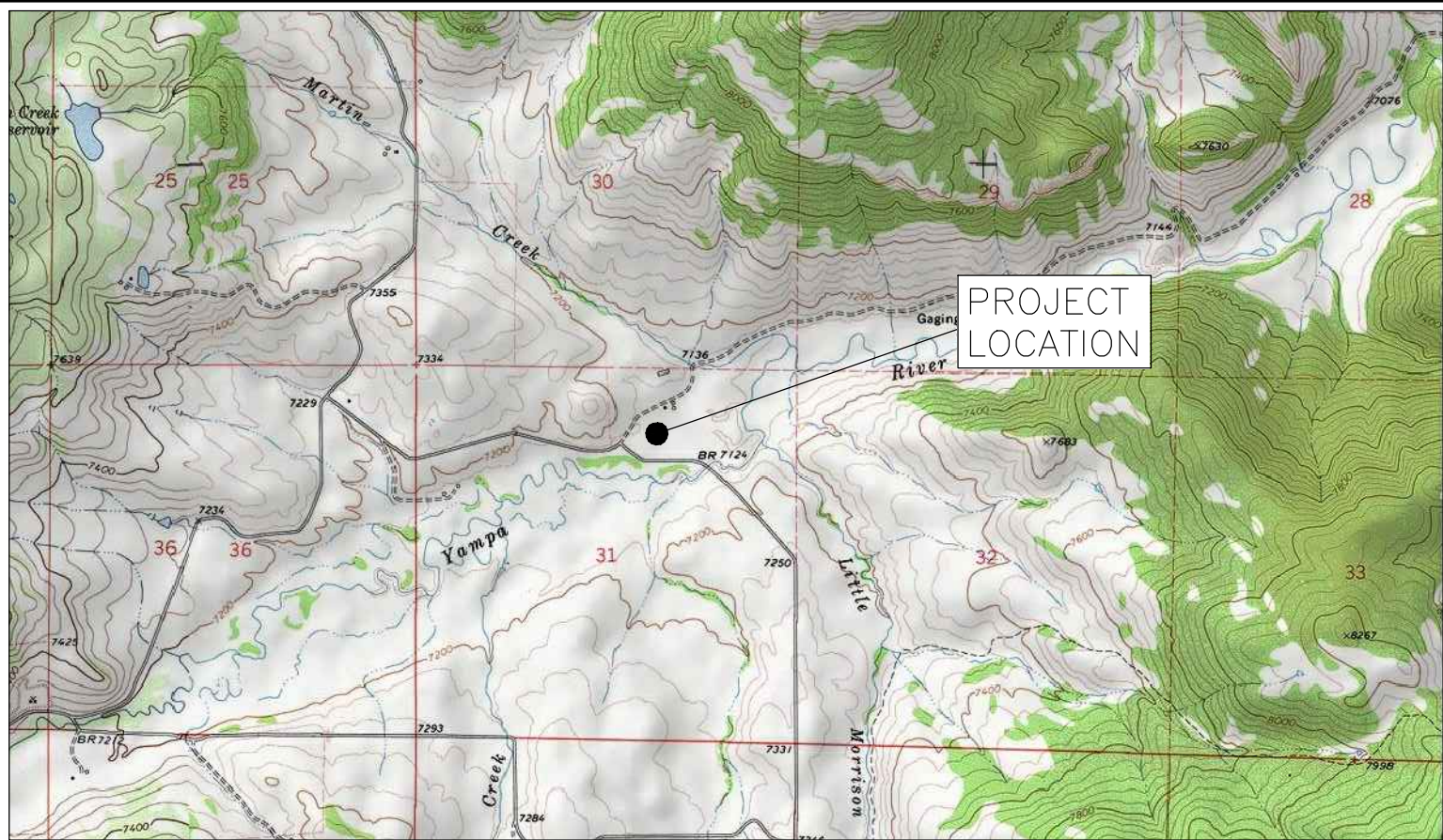
Attachments:

CPW Proposed Project Plans, including proposed YVEA Easement

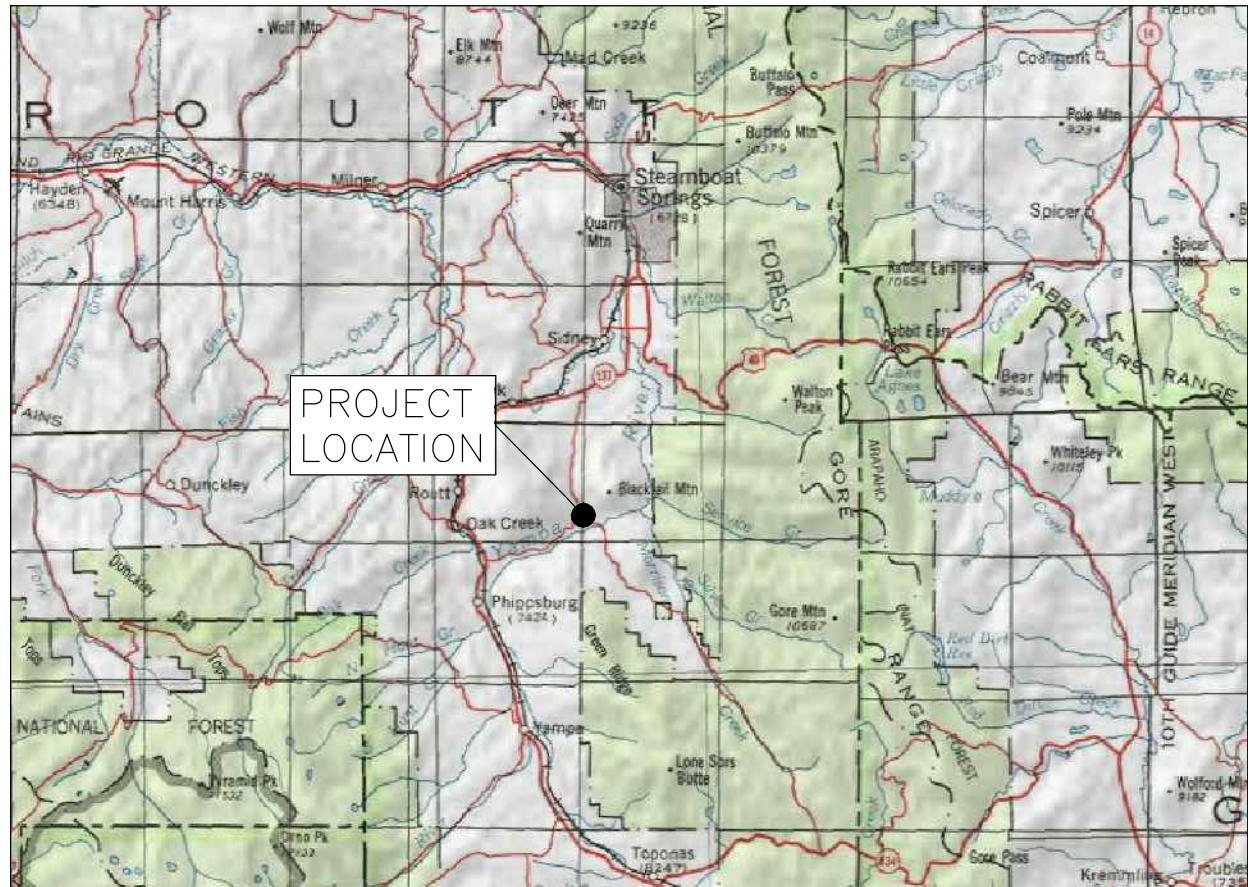
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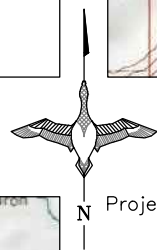
STATE MAP



PROJECT LOCATION MAP



PROJECT VICINITY MAP



Project Address: Stagecoach State Park
25500 County Road 14
Oak Creek, CO 80467

Project Location:
Latitude: 40°16'56"
Longitude: 106°50'23"

Sheet List Table

Sheet Number	Sheet Title
C1	Cover Sheet
C2	Site Map
C3	Site Details
E0-E5	Electrical Sheets

PARKS & WILDLIFE PROJECT CONTACTS

ENGINEERING SECTION	303-291-7391
PARK MANAGER, CRAIG PRESTON	970-736-2436
REGIONAL ENGINEER, MIKE HAVENS	970-434-6862
DESIGN ENGINEER, JOE DECRESCENTIS	303-291-7392

DESIGN - FOR REVIEW/APPROVAL

PINNACLE C.G. ELECT. UPGRADES



REVISIONS:	DATE	BY

DESIGNER:	J.M.D.	08/19
DRAWER: <td>J.M.D. <td>08/19</td> </td>	J.M.D. <td>08/19</td>	08/19
CHECKED BY: <td> </td> <td> </td>		
APPROVED: <td> </td> <td> </td>		
CHIEF ENGR.: <td> </td> <td> </td>		

DATE	PROJECT NO.	SHEET NO.
2/21/19	C19SC1	C1

STAGECOACH STATE PARK
COVER SHEET
OF 9

Q:\- P R O J E C T S - _ Parks \Stagecoach\2018 Pinnacle Electric\1-DESIGN\7-Drawings\2019 Stagecoach Pinnacle Electric Upgrades.dwg, 9/5/2019 3:21:39 PM

NOTE; PRIOR TO ANY CONSTRUCTION, THE CONTRACTOR WILL NEED TO LOCATE ALL EXISTING UTILITIES. THIS MAY REQUIRE HIRING A PRIVATE LOCATOR SERVICE

LEGEND:

- NEW SERVICE LINE FROM NEW MP-1 TO DP-1, TYPE B (±400 L.F.)
- FUTURE VISITOR'S CENTER SERVICE LINE, TYPE C (±130 L.F.)
- NEW LIFT STATION SERVICE LINE, TYPE D (±550 L.F.)
- NEW MARINA SERVICE LINE, TYPE E (±530 L.F.)
- TYPICAL DP-1 TO NEW TRANSFORMERS SERVICE LINE, TYPE F (±190 L.F.)
- TYPICAL NEW TRANSFORMER TO NEW PEDESTALS LINES, TYPE H (±3,500 L.F.)



NOTE: LINE TYPES A AND G NOT SHOWN FOR CLARITY.

TOTAL ESTIMATED TRENCHING LENGTH ±3,100 L.F. WIDTH VARIES.

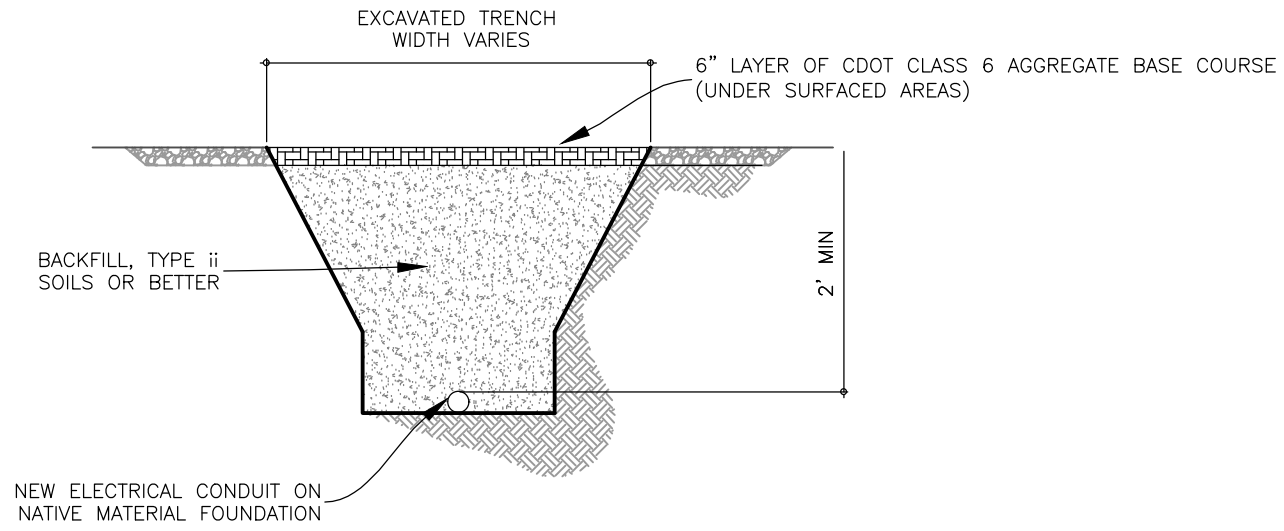


NOTE; ALL NEW PEDESTALS TO BE LOCATED ON THE DOWNHILL SIDE OF THE CAMPSITE, APPROXIMATELY IN THE CENTER OF THE ISLAND.

PROJECT LOCATION
PINNACLE CAMPGROUND

DESIGN - FOR REVIEW/APPROVAL	
PINNACLE C.G. ELECT. UPGRADES	
DATE	BY
REVISIONS:	
DESIGNER: J.M.D.	08/19
DRAWER: J.M.D.	08/19
CHECKED BY:	
APPROVED:	
APPROVED:	
CHIEF ENGR.:	
DATE: 3/12/19	
PROJECT NO. C19SC1	
SHEET NO. C2	
	OF 9
STAGECOACH STATE PARK	
SITE MAP	

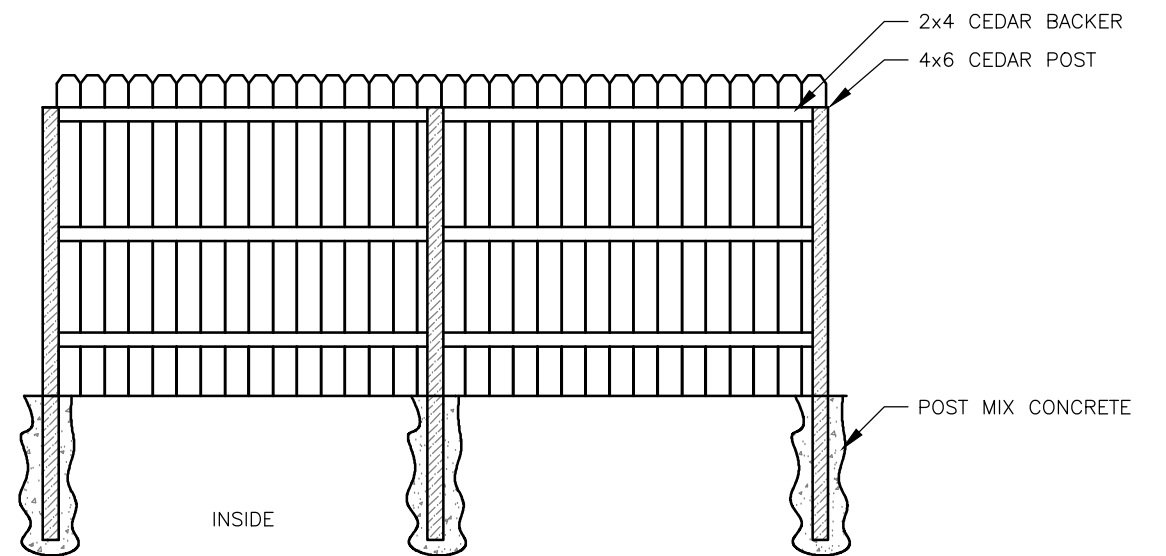
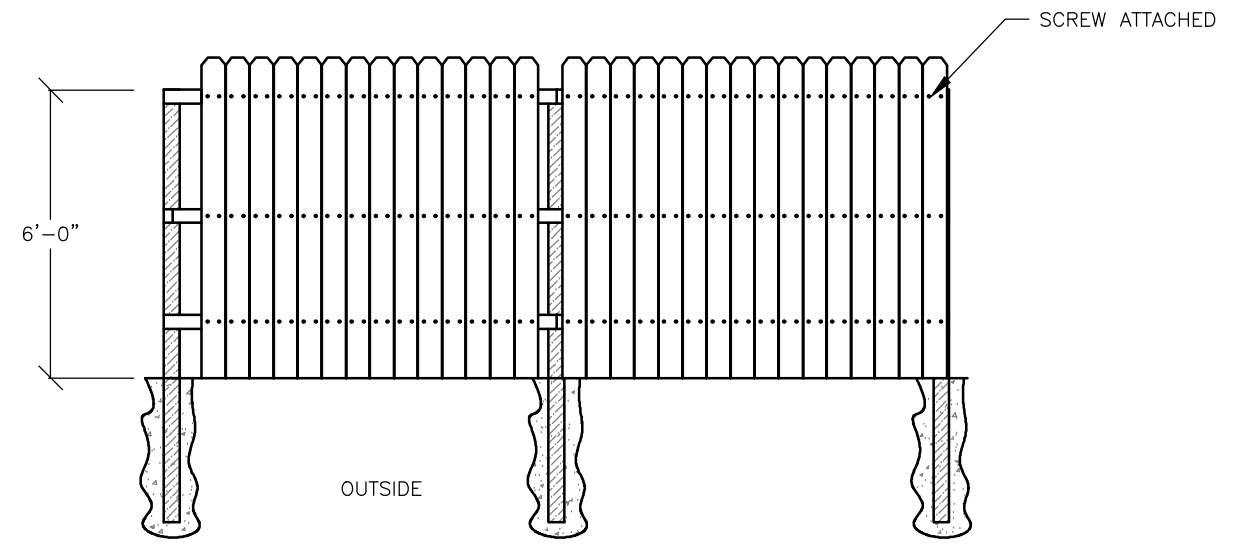
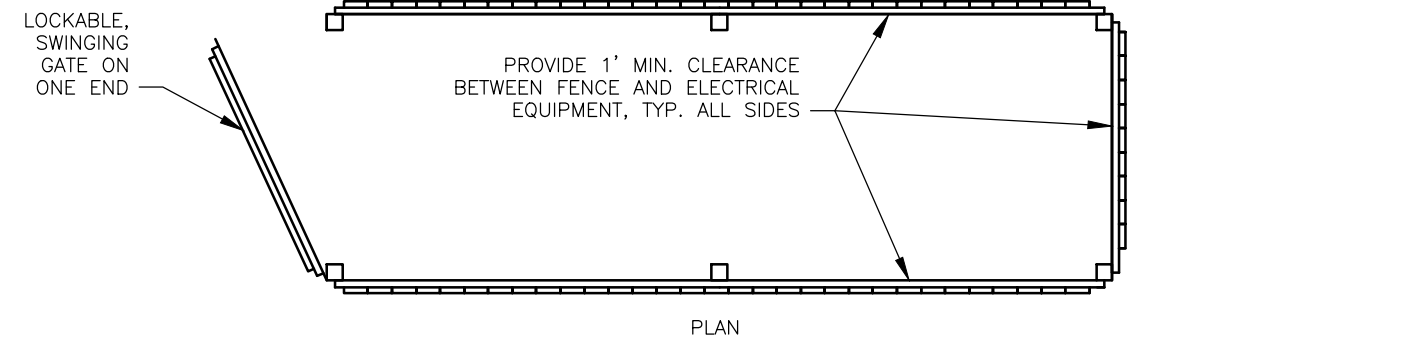
Q:\- P R O J E C T S - _ Parks \Stagecoach\2018 Pinnacle Electric\1-DESIGN\7- Drawings\2019 Stagecoach Pinnacle Electric Upgrades.dwg, 9/5/2019 3:23:20 PM



TYPICAL CONDUIT TRENCH DETAIL

1
3

NOT TO SCALE



TYPICAL TRANSFORMER/DIST. PANEL ENCLOSURE DETAIL

2
3

NOT TO SCALE

DESIGN - FOR REVIEW/APPROVAL

PINNACLE C.G. ELECT. UPGRADES



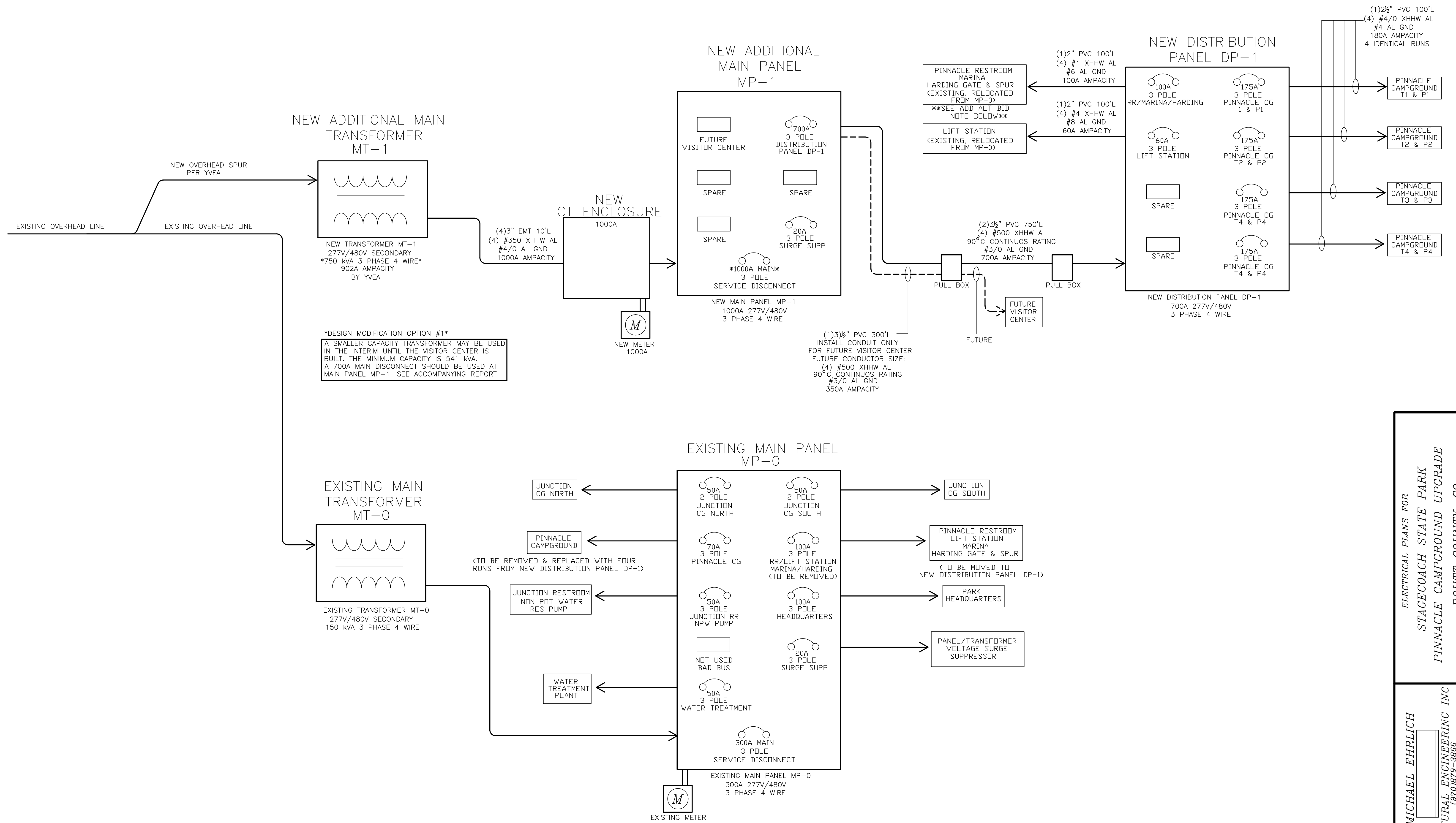
REVISIONS:	DATE	BY

DESIGNER:	J.M.D.	08/19
DRAWER: <td>J.M.D. <td>08/19</td> </td>	J.M.D. <td>08/19</td>	08/19
CHECKED BY: <td> </td> <td> </td>		
APPROVED: <td> </td> <td> </td>		
CHIEF ENGR.: <td> </td> <td> </td>		

DATE	3/12/19
PROJECT NO.	C19SC1
SHEET NO.	C3
OF	9

STAGECOACH STATE PARK

SITE DETAILS



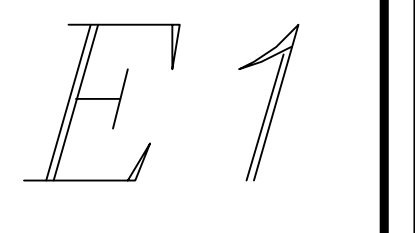
SYSTEM DIAGRAM

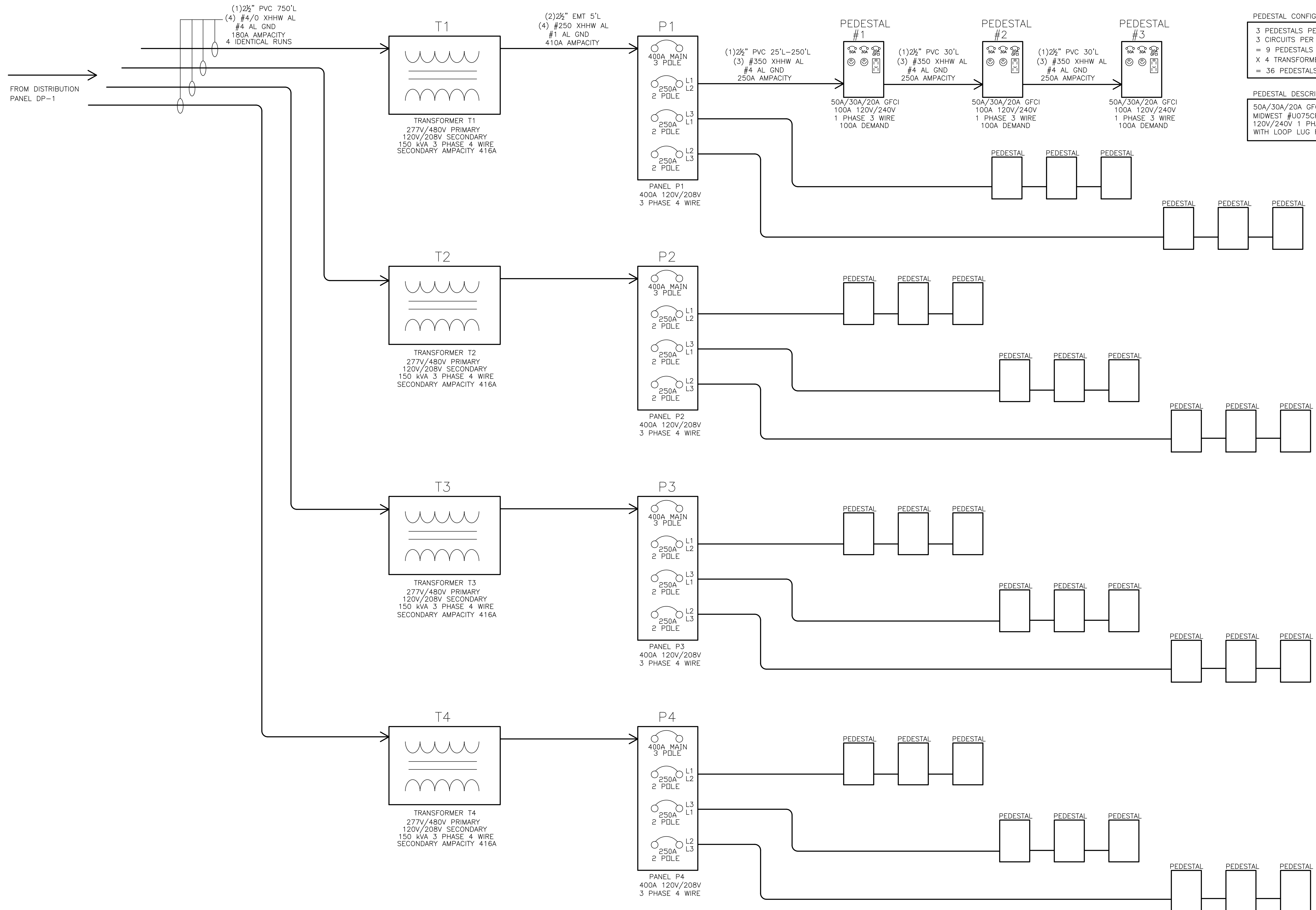
ALL SYSTEM WIRING TO BE RATED AT A MINIMUM
 75°C CONTINUOUS RATING
 EXCEPT FOR THE FEED LINE FROM
 MP-1 TO DP-1 WHICH IS TO HAVE A
 90°C CONTINUOUS RATING

ELECTRICAL PLANS FOR
 STAGECOACH STATE PARK
 PINNACLE CAMPGROUND UPGRADE
 ROUTT COUNTY, CO

MICHAEL EHRLICH
 STRUCTURAL ENGINEERING INC
 (970) 829-3866
 PO BOX 72398 STEAMBOAT SPRINGS, CO

7-31-2019





PEDESTAL CONFIGURATION
 3 PEDESTALS PER CIRCUIT X
 3 CIRCUITS PER TRANSFORMER
 = 9 PEDESTALS PER TRANSFORMER
 X 4 TRANSFORMERS
 = 36 PEDESTALS TOTAL

PEDESTAL DESCRIPTION
 50A/30A/20A GFCI DIRECT BURY PEDESTAL
 MIDWEST #U075CP6010 OR EQUAL
 120V/240V 1 PHASE 100 AMP DEMAND
 WITH LOOP LUG FOR #350 WIRE

ELECTRICAL PLANS FOR
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PINNACLE CAMPGROUND

E2

PANEL SCHEDULE
PANELS P1 – P4

400A 120V/208V PANEL
3 PHASE 4 WIRE
400A MAIN DISCONNECT

(2) 2½" EMT 5'L FEED
(4) #250 XHHW AL
#1 AL GND

#	BKR	CIRCUIT DESCRIPTION	H	I	GENERAL LOAD		MOTOR LOAD		I
					VA	I	VA	I	
1	250A-2P	3 PEDESTALS		G	9,900	L1	9,900	M	
3	XXX	XXX		G	9,900	L2	9,900	M	
5	250A-2P	3 PEDESTALS		G	9,900	L3	9,900	M	
7	XXX	XXX		G	9,900	L1	9,900	M	
9	250A-2P	3 PEDESTALS		G	9,900	L2	9,900	M	
11	XXX	XXX		G	9,900	L3	9,900	M	

LOAD CALC
PANELS P1 – P4

	L1	L2	L3	NEC 220.61(A) NEUTRAL
	LOAD CALCULATIONS FOR "PANEL P1" BASED ON THE 2017 NEC			
CALCULATED LOAD (NEC 215.5)	39,600 VA	39,600 VA	39,600 VA	39,600 VA
CALCULATED LOAD WITH DEMAND FACTORS (NEC 215.5)				
GENERAL LOAD	19,800 VA	19,800 VA	19,800 VA	19,800 VA
RECEPTACLE LOAD (NEC TABLE 220.44)				
1ST 10,000W	0 VA	0 VA	0 VA	0 VA
CONTINUOUS LOAD (NEC 215.2)	0 VA	0 VA	0 VA	0 VA
PLUS 25%	0 VA	0 VA	0 VA	0 VA
0% (NEUTRAL) NEC 215.2(A) EX NO. 2				0 VA
MOTOR LOAD (NEC 430.24)	19,800 VA	19,800 VA	19,800 VA	19,800 VA
PLUS 25% OF LARGEST MOTOR	2,475 VA	2,475 VA	2,475 VA	2,475 VA
KITCHEN LOADS (NEC 220.56)				
L1 (0 X 1) =	0 VA			0 VA
L2 (0 X 1) =		0 VA		
L3 (0 X 1) =			0 VA	
TOTAL BALANCED LOAD (3-PHASE)	42,075 VA	42,075 VA	42,075 VA	
TOTAL BALANCED LOAD (1-PHASE)	0 VA	0 VA	0 VA	
TOTAL UNBALANCED LOAD (1-PHASE)	0 VA	0 VA	0 VA	
NEUTRAL LOAD				42,075 VA
LINE AMPS BALANCED (3-PHASE)	350.4 A	350.4 A	350.4 A	
LINE AMPS BALANCED (1-PHASE)	0.0 A	0.0 A	0.0 A	
LINE AMPS UNBALANCED (1-PHASE)	0.0 A	0.0 A	0.0 A	
TOTALS	350.4 A	350.4 A	350.4 A	350.6 A
ADJUSTMENT FACTOR	0.0 A	0.0 A	0.0 A	0.0 A
TOTAL DESIGN LOAD	350.4 A	350.4 A	350.4 A	350.6 A
VOLTAGE DROP CALCULATIONS				
Three Phase	(2 X 5' L X 0.0424 R X 350.4 A + 1,000 X 0.866) = 0.1 VD			
Voltage Drop %	(0.1 VD + 208 V X 100) = 0.1 % VD			

PANEL SCHEDULE
DISTRIBUTION PANEL DP-1

700A 277V/480V PANEL
3 PHASE 4 WIRE

(2) 3½" PVC 750'L FEED
(4) #500 XHHW AL
90 C CONTINUOUS RATING
#3/0 AL GND

#	BKR	CIRCUIT DESCRIPTION	H	I	GENERAL LOAD		MOTOR LOAD		I
					VA	I	VA	I	
1	175A-3P	PINNACLE CG T1 & P1		G	14,760	L1	14,760	M	
3	XXX	XXX		G	14,760	L2	14,760	M	
5	XXX	XXX		G	14,760	L3	14,760	M	
7	175A-3P	PINNACLE CG T2 & P2		G	14,760	L1	14,760	M	
9	XXX	XXX		G	14,760	L2	14,760	M	
11	XXX	XXX		G	14,760	L3	14,760	M	
13	175A-3P	PINNACLE CG T3 & P3		G	14,760	L1	14,760	M	
15	XXX	XXX		G	14,760	L2	14,760	M	
17	XXX	XXX		G	14,760	L3	14,760	M	
19	175A-3P	PINNACLE CG T4 & P4		G	14,760	L1	14,760	M	
21	XXX	XXX		G	14,760	L2	14,760	M	
23	XXX	XXX		G	14,760	L3	14,760	M	
25				G		L1		G	
27				G		L2		G	
29				G		L3		G	
31	100A-3P	MARINA HARDING GATE		G	10,000	L1	10,000	M	
33	XXX	& SPUR (EXISTING)		G	10,000	L2	10,000	M	
35	XXX	XXX		G	10,000	L3	10,000	M	
37				G		L1		G	
39				G		L2		G	
41				G		L3		G	
43	60A-3P	LIFT STATION (EXISTING)		G		L1	12,333	M	
45	XXX	XXX		G		L2	12,333	M	
47	XXX	XXX		G		L3	12,333	M	

LOAD CALC
DISTRIBUTION PANEL DP-1

	L1	L2	L3	NEC 220.61(A) NEUTRAL
	LOAD CALCULATIONS FOR "PANEL DP-1" BASED ON THE 2017 NEC			
CALCULATED LOAD (NEC 215.5)	150,413 VA	150,413 VA	150,413 VA	150,413 VA
CALCULATED LOAD WITH DEMAND FACTORS (NEC 215.5)				
GENERAL LOAD	69,040 VA	69,040 VA	69,040 VA	69,040 VA
RECEPTACLE LOAD (NEC TABLE 220.44)				
1ST 10,000W	0 VA	0 VA	0 VA	0 VA
CONTINUOUS LOAD (NEC 215.2)	0 VA	0 VA	0 VA	0 VA
PLUS 25%	0 VA	0 VA	0 VA	0 VA
0% (NEUTRAL) NEC 215.2(A) EX NO. 2				0 VA
MOTOR LOAD (NEC 430.24)	81,373 VA	81,373 VA	81,373 VA	81,373 VA
PLUS 25% OF LARGEST MOTOR	3,690 VA	3,690 VA	3,690 VA	3,690 VA
KITCHEN LOADS (NEC 220.56)				
L1 (0 X 1) =	0 VA			0 VA
L2 (0 X 1) =		0 VA		
L3 (0 X 1) =			0 VA	
TOTAL BALANCED LOAD (3-PHASE)	154,103 VA	154,103 VA	154,103 VA	
TOTAL BALANCED LOAD (1-PHASE)	0 VA	0 VA	0 VA	
TOTAL UNBALANCED LOAD (1-PHASE)	0 VA	0 VA	0 VA	
NEUTRAL LOAD				154,103 VA
LINE AMPS BALANCED (3-PHASE)	556.1 A	556.1 A	556.1 A	
LINE AMPS BALANCED (1-PHASE)	0.0 A	0.0 A	0.0 A	
LINE AMPS UNBALANCED (1-PHASE)	0.0 A	0.0 A	0.0 A	
TOTALS	556.1 A	556.1 A	556.1 A	556.3 A
ADJUSTMENT FACTOR	83.4 A	83.4 A	83.4 A	83.4 A
TOTAL DESIGN LOAD	639.5 A	639.5 A	639.5 A	639.7 A
VOLTAGE DROP CALCULATIONS				
Three Phase	(2 X 750' L X 0.0212 R X 556.1 A + 1,000 X 0.866) = 15.3 VD			
Voltage Drop %	(15.3 VD + 480 V X 100) = 3.2 % VD			

PANEL SCHEDULE
NEW MAIN PANEL MP-1

1000A 277V/480V PANEL
3 PHASE 4 WIRE
1000A MAIN DISCONNECT

(4) 3" EMT 10'L FEED
(4) #350 XHHW AL
#4/0 AL GND

#	BKR	CIRCUIT DESCRIPTION	H	I	GENERAL LOAD		MOTOR LOAD		I
					VA	I	VA	I	
1	XXX	SUB PANEL			154,103	L1		M	
3	700A-3P	SP1			154,103	L2		M	
5	XXX	SUB PANEL			154,103	L3		M	
7				G		L1		G	
9				G		L2		G	
11				G		L3		G	
13	300A-3P	FUTURE VISITOR CENTER		G	31,617	L1	3,250	M	
15	XXX	XXX		G	31,617	L2	3,250	M	
17	XXX	XXX		G	31,617	L3	3,250	M	
19				G		L1		G	
21				G		L2		G	
23				G		L3		G	
25	20A-3P	SURGE SUPPRESSOR		G	2,770	L1		G	
27	XXX	XXX		G	2,770	L2		G	
29	XXX	XXX		G	2,770	L3		G	

LOAD CALC
NEW MAIN PANEL MP-1

	L1	L2	L3	NEC 220.61(A) NEUTRAL
	LOAD CALCULATIONS FOR "PANEL MP-1" BASED ON THE 2017 NEC			
CALCULATED LOAD (NEC 215.5)	188,050 VA	188,050 VA	188,050 VA	188,050 VA
CALCULATED LOAD WITH DEMAND FACTORS (NEC 215.5)				
GENERAL LOAD	103,427 VA	103,427 VA	103,427 VA	103,427 VA
RECEPTACLE LOAD (NEC TABLE 220.44)				
1ST 10,000W	0 VA	0 VA	0 VA	0 VA
CONTINUOUS LOAD (NEC 215.2)	0 VA	0 VA	0 VA	0 VA
PLUS 25%	0 VA	0 VA	0 VA	0 VA
0% (NEUTRAL) NEC 215.2(A) EX NO. 2				0 VA
MOTOR LOAD (NEC 430.24)	84,623 VA	84,623 VA	84,623 VA	84,623 VA
PLUS 25% OF LARGEST MOTOR	3,690 VA	3,690 VA	3,690 VA	3,690 VA
KITCHEN LOADS (NEC 220.56)				
L1 (0 X 1) =	0 VA			0 VA
L2 (0 X 1) =		0 VA		
L3 (0 X 1) =			0 VA	
TOTAL BALANCED LOAD (3-PHASE)	191,740 VA	191,740 VA	191,740 VA	
TOTAL BALANCED LOAD (1-PHASE)	0 VA	0 VA	0 VA	
TOTAL UNBALANCED LOAD (1-PHASE)	0 VA	0 VA	0 VA	
NEUTRAL LOAD				191,740 VA
LINE AMPS BALANCED (3-PHASE)	691.9 A	691.9 A	691.9 A	
LINE AMPS BALANCED (1-PHASE)	0.0 A	0.0 A	0.0 A	
LINE AMPS UNBALANCED (1-PHASE)	0.0 A	0.0 A	0.0 A	
TOTALS	691.9 A	691.9 A	691.9 A	692.2 A
ADJUSTMENT FACTOR	103.8 A	103.8 A	103.8 A	103.8 A
TOTAL DESIGN LOAD	795.7 A	795.7 A	795.7 A	796.0 A
VOLTAGE DROP CALCULATIONS				
Three Phase	(2 X 15' L X 0.0151 R X 691.9 A + 1,000 X 0.866) = 0.3 VD			
Voltage Drop %	(0.3 VD + 480 V X 100) = 0.1 % VD			

ELECTRICAL PLANS FOR
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PINNACLE CAMPGROUND UPGRADE
ROUTT COUNTY, CO

MICHAEL EHRLICH
STRUCTURAL ENGINEERING INC
PO BOX 772868 STEAMBOAT SPRINGS, CO

7-31-2019

E 3

ELECTRICAL NOTES

1. ALL SWITCHES ARE TO BE MOUNTED AT 44" AFF UNO.
2. ALL WORK TO BE DONE BY LICENSED ELECTRICAL CONTRACTOR.
3. ALL ELECTRICAL WORK TO BE DONE IN ACCORDANCE WITH 2017 NATIONAL ELECTRIC CODE.
4. ALL OUTLETS BY SINKS, DRAINS, OR WATER REQUIRE GROUND FAULT CIRCUIT INTERRUPTER, PER ELECTRICAL CONTRACTOR.
5. ALL WIRING AGAINST CONCRETE OR MASONRY WALLS TO BE IN STEEL CONDUIT ATTACHED WITH RAM-SET STEEL C BRACKETS. ONE BRACKET PER 5' OF CONDUIT.
6. ALL BRANCH WIRING IS 12 GA COPPER FOR 20A & 25A CIRCUITS, 10 GA COPPER FOR 30A CIRCUITS, 8 GA FOR 40A CIRCUITS, & 6 GA FOR 50A CIRCUITS.
7. ALL UNGROUNDED RECEPTACLES TO BE REPLACED WITH NEW GROUNDED RECEPTACLES PER CODE.
8. ALL UNUSED WIRING TO BE REMOVED OR OTHERWISE BOXED OFF AND ENCLOSED.
9. EXISTING WIRING & EQUIPMENT SHALL BE EXAMINED BY THE ELECTRICAL CONTRACTOR. DAMAGED OR MALFUNCTIONING ITEMS SHALL BE REPLACED.
10. UNUSED BREAKERS & BOXES TO BE COVERED.

Table 551.73(A) Demand Factors for Site Feeders and Service-Entrance Conductors for Park Sites

Number of Recreational Vehicle Sites	Demand Factor (%)
1	100
2	90
3	80
4	75
5	65
6	60
7-9	55
10-12	50
13-15	48
16-18	47
19-21	45
22-24	43
25-35	42
36 plus	41

ARTICLE 310 — CONDUCTORS FOR GENERAL WIRING

Table 310.15(B)(16) (formerly Table 310.16) Allowable Ampacities of Insulated Conductors Rated Up to and Including 2000 Volts, 60°C Through 90°C (140°F Through 194°F), Not More Than Three Current-Carrying Conductors in Raceway, Cable, or Earth (Directly Buried), Based on Ambient Temperature of 30°C (86°F)*

Size AWG or kcmil	Temperature Rating of Conductor [See Table 310.104(A).]						Size AWG or kcmil
	60°C (140°F)	75°C (167°F)	90°C (194°F)	60°C (140°F)	75°C (167°F)	90°C (194°F)	
	Types TW, UF	Types RHW, THHW, THW, THWN, XHHW, USE, ZW	Types TBS, SA, SIS, FEP, FEPE, MI, RHH, RHW-2, THHN, THHW, THW-2, THWN-2, USE-2, XHH, XHHW, XHHW-2, ZW-2	Types TW, UF	Types RHW, THHW, THW, THWN, XHHW, USE	Types TBS, SA, SIS, THHN, THHW, THW-2, THWN-2, RHH, RHW-2, USE-2, XHH, XHHW, XHHW-2, ZW-2	
	COPPER			ALUMINUM OR COPPER-CLAD ALUMINUM			
18**	—	—	14	—	—	—	—
16**	—	—	18	—	—	—	—
14**	15	20	25	—	—	—	—
12**	20	25	30	15	20	25	12**
10**	30	35	40	25	30	35	10**
8	40	50	55	35	40	45	8
6	55	65	75	40	50	55	6
4	70	85	95	55	65	75	4
3	85	100	115	65	75	85	3
2	95	115	130	75	90	100	2
1	110	130	145	85	100	115	1
1/0	125	150	170	100	120	135	1/0
2/0	145	175	195	115	135	150	2/0
3/0	165	200	225	130	155	175	3/0
4/0	195	250	260	150	180	205	4/0
250	215	255	290	170	205	230	250
300	240	285	320	195	230	260	300
350	260	310	350	210	250	280	350
400	280	335	380	225	270	305	400
500	320	380	430	260	310	350	500
600	350	420	475	285	340	385	600
700	385	460	520	315	375	425	700
750	400	475	535	320	385	435	750
800	410	490	555	330	395	445	800
900	435	520	585	355	425	480	900
1000	455	545	615	375	445	500	1000
1250	495	590	665	405	485	545	1250
1500	525	625	705	435	520	585	1500
1750	545	650	735	455	545	615	1750
2000	555	665	750	470	560	630	2000

*Refer to 310.15(B)(2) for the ampacity correction factors where the ambient temperature is other than 30°C (86°F). Refer to 310.15(B)(3)(a) for more than three current-carrying conductors. **Refer to 240.4(D) for conductor overcurrent protection limitations.

MAIN SYSTEM DESIGN

PANEL DESIGN DP-1

THE CAMPGROUND PEDESTAL LOADS ARE CALCULATED ON SHEET E2: 14,760 VA NON-MOTOR LOAD + 14,760 VA MOTOR LOAD PER POLE

FOR THE MARINA, HARDING & SPUR A LOAD OF 73A 277V PER POLE. 60 KVA MAX TOTAL IS USED BASED ON FEEDER F FROM THE ORIGINAL PLAN SHOWN ON E0. SEE ACCOMPANYING REPORT.

THE MAX LOAD PER POLE IS:
60 kVA / 3 = 20 kVA PER POLE

50% OF THE LOAD IS ASSUMED TO BE NON-MOTOR LOAD AND 50% IS ASSUMED TO BE MOTOR LOAD:

50% x 20 kVA =
10,000 VA NON-MOTOR LOAD + 10,000 VA MOTOR LOAD PER POLE

FOR THE LIFT STATION, THE FUTURE UPGRADE WILL HAVE A MAXIMUM LOAD OF 37 kVA. THE MOTOR LOAD PER POLE IS:

37 kVA / 3 = 12,333 VA MOTOR LOAD PER POLE

PANEL DP-1 TOTAL NON MOTOR LOAD:
(4 X 14,760 VA) + 10,000 VA 12,333 VA = 69,040 VA PER LINE

PANEL DP-1 TOTAL MOTOR LOAD:
(4 X 14,760 VA) + 10,000 VA + = 81,373 VA PER LINE

NEC 430.24 REQUIRES A 25% ADDITION PER LINE OF THE LARGEST SINGLE MOTOR LOAD (14,760 VA FROM ONE CAMPGROUND POLE):

25% x 14,760 VA = 3690 VA PER LINE

INCLUDING THE ADDITION FOR MOTOR LOAD THE TOTAL LOAD IS:

69,040 VA + 81,373 VA + 3,690 VA = 154,103 VA PER LINE
154,103 VA / 277V = 556.1A PER LINE

A 15% CONTINGENCY ADJUSTMENT IS USED:
0.15 x 556.1A = 83.4A PER LINE

INCLUDING THE CONTINGENCY THE TOTAL LOAD IS:
556.1A + 83.4A = 639.5A PER LINE

A 700A 3 PHASE 4 WIRE PANEL IS USED WITH A 700A 3 POLE MAIN DISCONNECT AT MAIN PANEL MP-1.

THE FEED FROM THE MAIN PANEL IS:
(2)3/4" PVC WITH (4)#500 AL 90 DEGREE C RATED
& (1)#3/0 AL GROUND EACH.

ADD ALT BID NOTE

CONTRACTOR TO PROVIDE ADD ON COST TO BASIC COST ESTIMATE FOR REPLACEMENT OF EXISTING FEEDER LINES THAT ARE PROPOSED TO REMAIN. THESE INCLUDE PINNACLE RESTROOM, THE MARINA, AND HARDING GATE & SPUR

PANEL DESIGN MP-1

THE DISTRIBUTION PANEL DP-1 LOAD IS:
69,040 VA NON MOTOR LOAD + 81,373 VA MOTOR LOAD PER LINE

THE FUTURE VISITOR CENTER LOAD IS ESTIMATED AT:
31,617 VA NON MOTOR LOAD + 3,250 VA MOTOR LOAD PER LINE

THE SURGE SUPPRESSOR LOAD IS ESTIMATED AT:
2,770 VA NON MOTOR LOAD PER LINE

NEC 430.24 REQUIRES A 25% ADDITION PER LINE OF THE LARGEST SINGLE MOTOR LOAD (14,760 VA FROM ONE DP-1 CAMPGROUND POLE)

25% x 14,760 VA = 3690 VA PER LINE

INCLUDING THE ADDITION FOR MOTOR LOAD THE TOTAL LOAD IS:

69,040 VA + 31,617 VA + 2,770 VA =
103,427 VA NON MOTOR LOAD PER LINE

& 81,373 VA + 3,250 VA = 84,623 VA MOTOR LOAD PER LINE

103,427 VA NON MOTOR + 84,623 VA MOTOR + 3690 VA =
191,740 VA TOTAL LOAD PER LINE

191,740 VA / 277V = 692.2A PER LINE

A 15% CONTINGENCY ADJUSTMENT IS USED:
0.15 x 692.2A = 103.8A PER LINE

INCLUDING THE CONTINGENCY THE TOTAL LOAD IS:
692.2A + 103.8A = 795.7A PER LINE

A 1000A 3 PHASE 4 WIRE PANEL IS USED WITH A 1000A 3 POLE MAIN SERVICE DISCONNECT.

THE FEED FROM THE MAIN PANEL IS:
(4)3" EMT WITH (4)#350 XHHW AL & (1)#4/0 AL GROUND EACH.

PINNACLE CAMPGROUND

PEDESTAL CONFIGURATION

3 PEDESTALS PER CIRCUIT X
3 CIRCUITS PER TRANSFORMER
= 9 PEDESTALS PER TRANSFORMER
X 4 TRANSFORMERS
= 36 PEDESTALS TOTAL

PEDESTAL DESCRIPTION

50A/30A/20A GFCI DIRECT BURY PEDESTAL
MIDWEST #U075CP6010 OR EQUAL
120V/240V 1 PHASE 100 AMP DEMAND
WITH LOOP LUG FOR #350 WIRE

BRANCH CIRCUIT DESIGN

NEC TABLE 551.73(A) ALLOWS A 0.80
DEMAND FACTOR FOR 3 SITES.
3 x 0.80 x 100A = 240A
A 250A 2 POLE BREAKER IS USED
WITH (3) #350 AL & (1)#4 AL GROUND.

PANEL DESIGN P1-P4

NEC TABLE 551.73(A) ALLOWS A 0.55 DEMAND FACTOR FOR 9 SITES. THE 3 BRANCH CIRCUITS ARE 2 POLE. FOR THE 3 PHASE SYSTEM 3 SITES WILL BE ON EACH OF THE 6 POLES AND 2 POLES WILL BE ON EACH LINE:

3 x 0.55 x 100A = 165A PER POLE
2 x 165A = 330A PER LINE
165A x 120V = 19,800 VA PER POLE
330A x 120V = 39,600 VA PER LINE
THIS DOES NOT INCLUDE THE ADDITION FOR MOTOR LOAD.

50% OF THE LOAD IS ASSUMED TO BE NON-MOTOR LOAD AND 50% IS ASSUMED TO BE MOTOR LOAD:

50% x 165A =
82.5A NON-MOTOR LOAD + 82.5A MOTOR LOAD PER POLE
50% x 330A =
165A NON-MOTOR LOAD + 165A MOTOR LOAD PER LINE

82.5A x 120V =
9,900 VA NON-MOTOR LOAD + 9,900 VA MOTOR LOAD PER POLE
165A x 120V =
19,800 VA NON-MOTOR LOAD + 19,800 VA MOTOR LOAD PER LINE

NEC 430.24 REQUIRES A 25% ADDITION PER LINE OF THE LARGEST SINGLE MOTOR LOAD (82.5A FROM ONE POLE):

25% x 82.5A = 20.6A PER LINE
20.6A x 120V = 2475 VA PER LINE

INCLUDING THE ADDITION FOR MOTOR LOAD THE TOTAL LOAD IS:

330A + 20.6A = 350.4A PER LINE
39,600 VA + 2475 VA = 42,075 VA PER LINE

A 400A 3 PHASE 4 WIRE PANEL IS USED WITH A 400A 3 POLE MAIN DISCONNECT BREAKER.

THE FEED FROM THE TRANSFORMER IS:
(2)2 1/2" EMT WITH (4)#250 AL & (1)#1 AL GROUND EACH.

TRANSFORMER DESIGN T1-T4

AT THE SECONDARY SIDE THE DEMAND IS 350.4A PER TRANSFORMER. THE MINIMUM TRANSFORMER KVA IS:
208V x 350.4A x 1.73 / 1000 = 126 kVA

USE FOUR 150 kVA TRANSFORMERS
3 PHASE 4 WIRE
277V/480V PRIMARY 120V/208V SECONDARY

AT THE PRIMARY SIDE THE DEMAND IS
350.4A x (120V/277V) = 152A

THE FEEDS FROM DISTRIBUTION PANEL DP-1 ARE EACH
(1)2 1/2" PVC #4/0 AL & (1)#4 AL GROUND

THE OVERCURRENT PROTECTION AT DISTRIBUTION PANEL DP-1 SHOULD BE SIZED AT 175A 3 PHASE FOR EACH TRANSFORMER.

PEDESTAL LOADS AT DISTRIBUTION PANEL DP-1

NEC TABLE 551.73(A) ALLOWS A 0.41 DEMAND FACTOR FOR 36 SITES. THE LOADS FROM PANELS P1-P4 AND THE RATIO OF THE DEMAND FACTORS CAN BE USED. EACH OF THE LINES TO TRANSFORMERS T1-T4 IS FED FROM ONE POLE OF THE FOUR 3 POLE BREAKERS AT DP-1. AT DP-1 THE LOAD IS:

(0.41/0.55) x 39,600 VA = 29,520 VA PER POLE
THIS DOES NOT INCLUDE THE ADDITION FOR MOTOR LOAD.

50% OF THE LOAD IS ASSUMED TO BE NON-MOTOR LOAD AND 50% IS ASSUMED TO BE MOTOR LOAD:

50% x 29,520 VA =
14,760 VA NON-MOTOR LOAD + 14,760 VA MOTOR LOAD PER POLE

ELECTRICAL PLANS FOR
STAGECOACH STATE PARK
PINNACLE CAMPGROUND UPGRADE
ROUTT COUNTY, CO

MICHAEL EHRlich
STRUCTURAL ENGINEERING INC
1970 1870 - 3866
PO BOX 772889 STAMBOGT SPRINGS, CO

7-31-2019

E4

Yampa Valley Electric Association, Inc.
Attn:ROW Department
2211 Elk River Road
Steamboat Springs, CO 80487

RIGHT-OF-WAY EASEMENT AND AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that the undersigned (referred to in the plural whether one or more) for good and valuable consideration, the receipt whereof is hereby acknowledged, hereby grant unto YAMPA VALLEY ELECTRIC ASSOCIATION, INC., a cooperative association of the State of Colorado, (hereinafter called the "Cooperative") whose address is 2211 Elk River Road, Steamboat Springs, Colorado, 80487, and to its successors and assigns, an easement for the purposes described below, and more particularly described as follows:

An easement for utilities and necessary appurtenant facilities in, to, over, under and across the real property described in Exhibit "A" attached hereto and made a part hereof, including additional distances for guys and anchors as necessary as more particularly described below:

The easement shall be for the purposes of erecting, constructing, re-constructing, replacing, altering, extending, up rating, upgrading, removing, operating, accessing, inspecting, repairing, maintaining and retiring over, under, and across the above-described lands either above or below the ground level, or both, and in, over, and under all bridges, streets and/or roads and highways thereon or abutting said lands, an electric supply/communication line or system, both for transmission and for distribution, and/or telecommunication lines, including poles, cross-arms, wires, cables, equipment, fixtures and systems for the transmission or provision of commercial and non-commercial electric and/or telecommunications services, advanced services, and fiber optic services (including without limitation the transmission of voice, video, and data signals and the leasing, licensing or other transfer of use of dark fiber strands), all as the Cooperative shall find necessary and deem advisable; and at the option of the Cooperative, to remove and trim trees and shrubbery within the easement, and to cut and trim from time to time all dead, weak, leaning or dangerous trees, on or adjacent to the easement, that are tall enough to strike any part of the line or system in fallings and to permit access at all times to the lines for all of the purposes enumerated in this easement. For the purposes enumerated in this easement the Cooperative, its agents and employees shall have such right of ingress and egress across the above property as may be reasonably convenient to and from said rights of way to construct, re-construct, replace inspect, and make such repairs, changes, alterations, improvements, removal from, substitutions and additions to facilities located within the easement as the Cooperative may from time to time deem advisable, including the right, at Cooperative's option, to replace any above ground facilities with underground facilities used for the same or similar purposes and to reconstruct, replace, remove, maintain and upgrade such underground facilities. As to bridges to which a line may be attached, the undersigned agrees to permit the Cooperative in the event of a failure of the bridge, or if in the sole opinion of the Cooperative the bridge is unsafe, to erect an overhead line until such bridge is reconstructed by the owner of the bridge, but nothing herein shall require the undersigned to construct, maintain, replace or improve any bridge or other structure for the purpose of supporting any line of the Cooperative .

This easement is non-exclusive, perpetual, and shall run with the land.

The undersigned further agree, the undersigned shall not within the easements granted herein (a) erect or construct any building or other structure (including but not limited to mobile homes or travel trailers); (b) store flammable or explosive materials; (c) stack any objects or materials; (d) conduct fueling operations; (e) construct, install or operate above ground mechanical irrigation facilities which could make contact with Cooperative's wires, poles, or facilities; (f) drill wells or conduct mining operations; (g) alter the grade of the ground surface; (h) undertake or allow any action that might impair the lateral or subjacent support for Cooperative's facilities or access roads; nor undertake or allow any action or use that might interfere with Cooperative's uses or prevent access to the Cooperative's facilities or will be so close to the Cooperative's facilities as to create a hazard, or to violate the clearances as required by the Cooperative or as specified in the National Electrical Safety Code.

Upon receipt of written notice from Cooperative identifying material or property deemed by Cooperative to interfere with the safe operation or maintenance of Cooperative's lines or facilities, the undersigned shall remove the material or property within 10 days. If there is a failure to so remove the material within 10 days, Cooperative may remove the material or property and collect the costs of such removal from the undersigned. However, nothing in the Agreement shall require the undersigned to remove or be financially responsible for the removal of such property or materials deposited or placed by persons or entities other than the undersigned.

Yampa Valley Electric Association, Inc.
Attn:ROW Department
2211 Elk River Road
Steamboat Springs, CO 80487

The undersigned agrees to obtain Cooperatives prior written consent before granting any subsequent easement encumbering the Easement or access to the Easement, which consent shall not be unreasonably, withheld, conditioned or delayed.

Grantor warrants that: (a) Grantor is the owner of the land on which the Easement is situated, (b) Grantor has full authority to grant the Easement, (c) the individual or individuals signing this Easement have full authority to sign the Easement on behalf of the Grantor; and (d) the rights granted herein are subject only to easements of record and mineral rights of record in third parties.

All structures, buildings, poles, wires and other facilities installed on, across, and under the easement at Cooperative's expense shall remain the property of Cooperative, removable at the sole discretion of Cooperative; provided, however, that any fences, gates, culverts or ditches constructed by Cooperative may be conveyed to the undersigned on such terms and conditions and at such times as may be mutually agreed upon by the undersigned and Cooperative.

The provisions of this easement shall be binding upon and shall inure to the benefit of the licensees, lessees, contractors, agents, heirs, executors, successors and assigns of the undersigned and the Cooperative. The rights, privileges and obligations granted and created hereunder may be assigned, licensed or otherwise conveyed or transferred, in whole or in part. The undersigned shall be entitled to all remedies at law or in equity to enforce the terms of this agreement or to recover damages for breach. If any provision of this agreement is held by a court of competent jurisdiction to be invalid or unenforceable or not run with the land, such holding shall not affect the validity or enforceability of the remainder of this agreement.

IN WITNESS WHEREOF, the undersigned have set their hands and seals
this ___ day of _____ 2020

GRANTOR(S): UPPER YAMPA WATER CONSERVANCY DISTRICT

X _____ X _____

Name: Ken Brenner Name: _____

Title: President Title: _____

[ACKNOWLEDGEMENT ON FOLLOWING PAGE]

WHEN RECORDED, RETURN TO:

WO# 33737

Yampa Valley Electric Association, Inc.
Attn:ROW Department
2211 Elk River Road
Steamboat Springs, CO 80487

ACKNOWLEDGMENT

STATE OF Colorado _____)
) ss.
COUNTY OF Routt _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by
Ken Brenner as President of the Upper Yampa Water Conservancy
District, as Grantor(s)

Witness my hand and official seal.

My commission expires _____.

Notary Public

[S E A L]

[S E A L]

EXHIBIT "A"

LOCATED WITHIN THE NORTHWEST QUARTER OF SECTION 31,
TOWNSHIP 4 NORTH, RANGE 84 WEST OF THE 6TH PRINCIPAL MERIDIAN,
COUNTY OF ROUTT, STATE OF COLORADO

SHEET 1 OF 2

LAND DESCRIPTION:

AN EASEMENT OVER AND ACROSS A PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 4 NORTH, RANGE 84 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF ROUTT, STATE OF COLORADO; SAID EASEMENT BEING A STRIP OF LAND 30 FEET IN WIDTH LYING 15 FEET ON EACH SIDE OF THE CENTERLINE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

CONSIDERING THE WEST LINE OF SAID SECTION 31 TO BEAR SOUTH 00°40'28" WEST, A DISTANCE OF 5359.03 FEET, BETWEEN A FOUND 3.5" BRASS CAP ON A 3" PIPE STAMPED GENERAL LAND OFFICE SURVEY, T4N R85/R84, S25/S30/S36/S31,1912 AT THE NORTHWEST QUARTER OF SAID SECTION 31 AND A FOUND #6 REBAR WITH A 2" ALUMINUM CAP STAMPED EMERALD MOUNTAIN SURVEYS, T4N, R85/R84, S36/S31/S1/S6, T3N, 1997, RLS 16394 AT THE SOUTHWEST CORNER OF SAID SECTION 31 WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO.

COMMENCING AT SAID NORTHWEST CORNER OF SECTION 31 BEING MARKED BY SAID 3.5" BRASS CAP; THENCE SOUTH 34°28'59" EAST, 872.92 FEET TO THE POINT OF BEGINNING; THENCE NORTH 62°40'40" EAST, 295.65 FEET; THENCE NORTH 61°28'53" EAST, 246.46 FEET; THENCE NORTH 62°12'56" EAST, 255.20 FEET; THENCE NORTH 62°44'39" EAST, 463.78 FEET; THENCE NORTH 34°57'37" EAST, 61.86 FEET, SAID POINT ALSO BEING THE POINT OF TERMINUS.

SUBJECT TO ANY AND ALL EASEMENTS, RIGHT OF WAYS, OR OTHER ENCUMBRANCES OF RECORD.

THIS IS NOT A "LAND SURVEY PLAT" OR "IMPROVEMENT SURVEY PLAT" AND THIS EXHIBIT IS NOT INTENDED FOR PURPOSES OF TRANSFER OF TITLE OR SUBDIVISIONS OF LAND. THIS EXHIBIT IS INTENDED TO DEPICT THE ACCOMPANYING PARCEL DESCRIPTIONS. RECORD INFORMATION SHOWN HEREON IS BASED ON A SURVEY COMPLETED 9/18/19.

DATE: 11/12/19 DRAWN BY: HANS NIELSEN

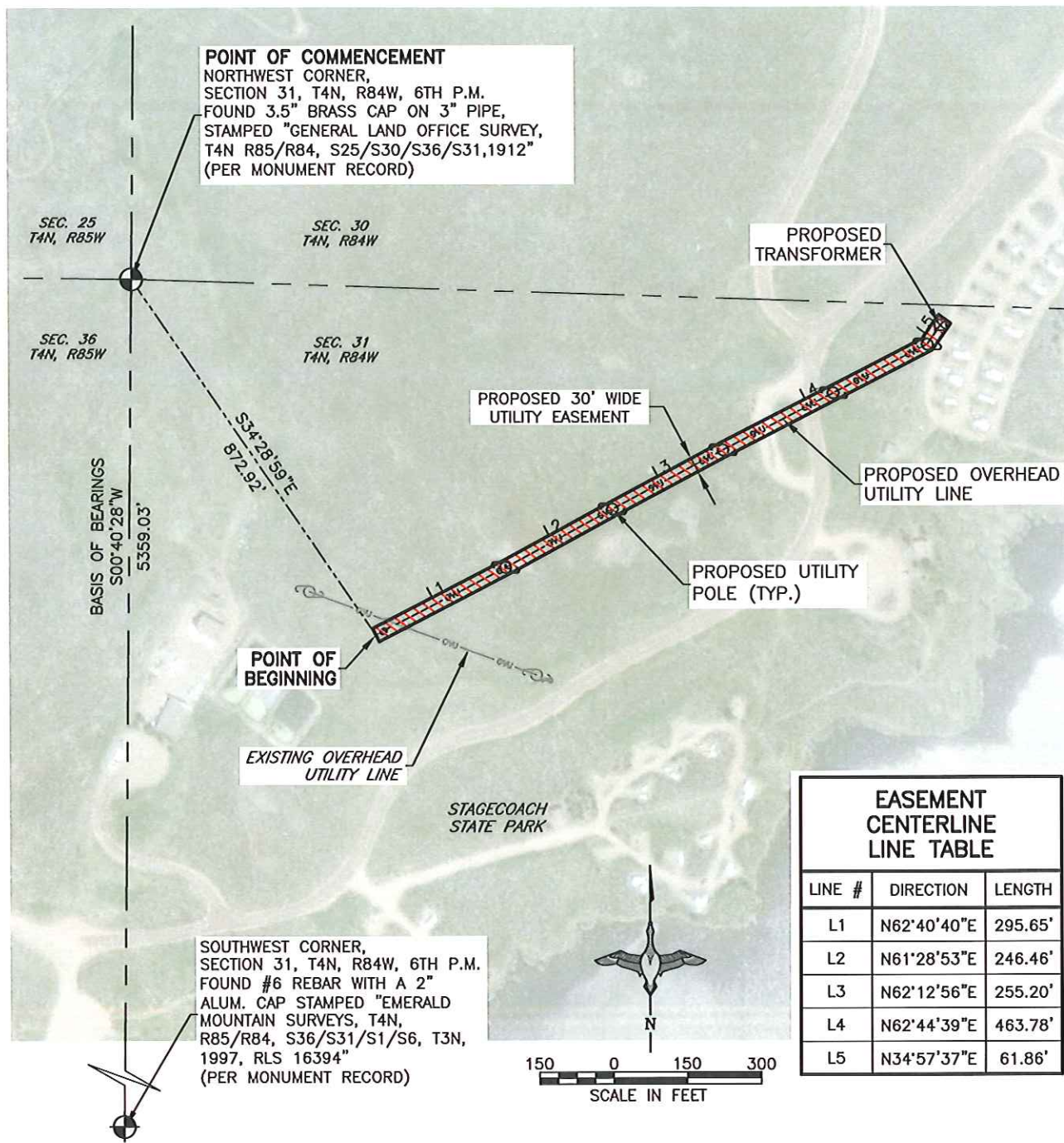


STAGECOACH
STATE PARK
UTILITY EASEMENT

EXHIBIT "A"

LOCATED WITHIN THE NORTHWEST QUARTER OF SECTION 31,
TOWNSHIP 4 NORTH, RANGE 84 WEST OF THE 6TH PRINCIPAL MERIDIAN,
COUNTY OF ROUTT, STATE OF COLORADO

SHEET 2 OF 2



THIS IS NOT A "LAND SURVEY PLAT" OR "IMPROVEMENT SURVEY PLAT"
AND THIS EXHIBIT IS NOT INTENDED FOR PURPOSES OF TRANSFER OF
TITLE OR SUBDIVISIONS OF LAND. THIS EXHIBIT IS INTENDED TO DEPICT
THE ACCOMPANYING PARCEL DESCRIPTIONS. RECORD INFORMATION SHOWN
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**STAGECOACH
STATE PARK
UTILITY EASEMENT**

