

SUMMIT COUNTY
WATER SUPPLY CONTRACT NO. «CONTRACT_NO»
WELLS IN BILL'S RANCH

THIS WATER SUPPLY CONTRACT ("Contract") is made by and between Summit County, acting by and through its Board of County Commissioners, a political subdivision of the State of Colorado ("County"), and «FIRST_NAME» «ORIGINAL_NAME» ("Water User").

RECITALS

A. County obtained a Decree in Case No. 95CW122, Water Division No. 5 (hereinafter "Augmentation Plan").

B. County obtained a Decree in Case No. 07CW211 adjudicating wells in the Bill's Ranch subdivisions as alternate points of diversion for the County's Blumenhein Well Nos. 1 and 2 conditional water rights (hereinafter "Alternate Point Decree").

C. Water User has applied to the County for a Contract allowing Water User's well to be permitted under the Alternate Point Decree and for the County to supply replacement water under the Augmentation Plan.

D. Water User represents that the land to be benefited by this Contract is described on **Exhibit A**, attached hereto, and incorporated herein by this reference (hereinafter the "Property").

AGREEMENT

In consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual agreements and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **CONTRACT WATER:** Subject to and upon the terms and conditions herein, the County hereby agrees:

A. To allow Water User's well to be operated as an alternate point of diversion for the Blumenhein Well Nos. 1 and 2 water rights under the terms of the Alternate Point Decree at a maximum rate of flow of ___ gallons per minute and a maximum annual volume of water pumped of «Acre_Feet» acre-feet (based on the total pumping requirements table for Water User's water uses attached hereto as **Exhibit B** (column 1A); and

B. To supply «Acre_Feet» acre-feet of water from the County's rights to use one or more of the augmentation and/or exchange sources included in the Augmentation Plan (the "Contract Water"). The said amount is based on the consumptive use water requirements table for Water User's water uses attached hereto as **Exhibit B** (column 1B). Specifically, consumptive use amounts of _____ acre-feet for a single-family residence on _____, _____ acre-feet for an accessory unit on _____, _____ acre-feet for _____ square feet of landscaping irrigation, and _____ acre-feet for hot tub uses.

Any increase or change in the water requirements to be served will require a written amendment to this Contract. Any use of the Blumenhein Well Nos. 1 and 2 water rights or the Contract Water other than as set forth in this Contract, without the County's prior written approval, shall be deemed a material breach of this Contract.

The County has the right to designate which water right(s) will augment Water User's uses under the Augmentation Plan. Water User's use of the Contract Water shall be subject to the terms and conditions of the Alternate Point Decree, the Augmentation Plan, and this Contract.

2. SOURCE OF CONTRACT WATER: The Contract Water shall be delivered to Water User at the outlet works of the storage facilities for the augmentation and exchange sources described in the Augmentation Plan, or otherwise as described in the Augmentation Plan. The County shall have no obligation to Water User or any other person regarding, and makes no warranties or representations concerning, the quality of Contract Water delivered pursuant to this Contract. Deliveries of the Contract Water are by releases of raw water to natural streams.

Delivery of the Contract Water shall be subject to the terms and conditions of any and all Court decrees concerning or relating to the augmentation and exchange sources described in the Augmentation Plan, and to the County's agreements with the United States Bureau of Reclamation, the Colorado Water Conservation Board, the City and County of Denver, acting by and through its Board of Water Commissioners, the Clinton Ditch and Reservoir Company, the Colorado River Water Conservation District, and/or the Middle Park Water Conservancy District.

The County hereby expressly reserves the right to store water and to make augmentation or exchange releases from structures that may be built, controlled by or used by the County in the future, so long as the water service to the Water User pursuant to this Contract is not impaired by said action.

3. PURPOSE AND LOCATION OF USE: The Contract Water will be used to replace depletions from Water User's well and the Water User's well may be operated as an alternate point of diversion for the Blumenhein Well Nos. 1 and 2 water rights only for the uses described in **Exhibit B** hereto. The well will serve the Property only. Water User agrees that use of the Contract Water and Blumenhein Well Nos. 1 and 2 water rights must be consistent with the County's land use approvals and zoning for the Property, and with any covenants or restrictions of record affecting the Property.

Water User acknowledges that some stream reaches covered by the Augmentation Plan are at times controlled internally by water rights located on the stream reach. In accordance with paragraph 17.h. of the Augmentation Plan, no diversion located upstream of such controlling water rights shall be augmented under the Augmentation Plan unless the augmentation source is located upstream of such diversion, or unless the owner of the affected internally controlling water right consents to the use of the augmentation water described in the Augmentation Plan for replacement of out-of-priority depletions attributable to such diversion, or unless the diversion is included in an approved substitute water supply plan or plan for augmentation that is supplemental to this Augmentation Plan (e.g., a substitute water supply plan or augmentation plan that approves the use of other water rights or sources in addition to this Augmentation Plan

to replace depletions from the diversion). If Water User's diversion is located on an internally controlled stream reach, then Water User acknowledges that it is Water User's responsibility to ensure that all legal and administrative approvals, and any consent required under paragraph 17.h of the Augmentation Plan, are in place before the County is obligated to deliver Contract Water for Water User. Water User will provide the County with evidence of the said approval(s) and/or consent.

4. AUGMENTATION PLAN DOES NOT ADJUDICATE WATER RIGHT FOR WATER USER: Water User acknowledges that the decree for the Augmentation Plan does not adjudicate a priority or water right for Water User's well that may divert under the Augmentation Plan and that the Alternate Point Decree provides that Water User's well will be administered under the priority of the conditional water rights decreed for the Blumenhein Well Nos. 1 and 2. The County encourages Water User to consult independent legal counsel regarding the advisability of adjudicating a separate water right for the Water User's well. In the event that Water User elects to adjudicate a water right for the Water User's well, then Water User shall submit the proposed application to the County for review and written approval within a reasonable time before Water User proposes to file such application. The County's written approval shall not be unreasonably withheld. The County may in its discretion become a co-applicant in the prosecution of any application for the purpose of protecting its water rights and related policies. If the County does not become a co-applicant in the proceeding, then Water User shall provide the County with copies of all pleadings and other papers filed or submitted in the proceeding. Water User agrees to pay any costs reasonably incurred by the County with respect to Water User's application, including without limitation engineering costs and legal fees, whether or not the County joins as a co-applicant in the proceeding.

5. NO CHANGE OF CONTRACT WATER: Water User acknowledges and agrees that under no circumstances is it authorized to apply for or secure any change in the water rights for or associated with the Blumenhein Well Nos. 1 and 2 or the Contract Water, nor is it authorized to apply for or secure any amendment to the Alternate Point Decree or the Augmentation Plan.

6. COUNTY'S AMENDMENT OF AUGMENTATION PLAN: Water User acknowledges that the County reserves the right to amend the Alternate Point Decree and/or the Augmentation Plan, so long as the water service to the Water User pursuant to this Contract is not impaired by said action.

7. COUNTY'S CONDITIONAL WATER RIGHTS: Water User acknowledges that the Alternate Point Decree continued the conditional water rights for the Blumenhein Well Nos. 1 and 2 and that the Augmentation Plan decree adjudicated a conditional right of exchange for the County to operate the Augmentation Plan, and that the County is required to file periodic applications to the Water Court for findings of reasonable diligence and to make these conditional water rights absolute, in whole or in part. Water User acknowledges that execution of this Contract constitutes waiver of any notice by the Water Referee or Water Clerk of the said Water Court applications under Section 37-92-302(3)(c)(I), C.R.S. Water User further agrees to provide such information, including testimony, as may be reasonably requested by the County in the prosecution of said Water Court applications, or as may be needed for judicial approval of said Water Court applications.

8. WATER SHORTAGE: In the event that the County is unable, because of either legal or physical reasons, to exercise the Blumenheim Well Nos. 1 and 2 water rights in the full amount specified in the Alternate Point Decree or to deliver any or all of the full amount of the Contract Water, the County reserves the right to apportion the water available under the Alternate Point Decree and/or the Augmentation Plan among its several Water Users, including Water User.

9. OTHER RULES: Water User's rights under this Contract shall be subject to policies, rules or regulations regarding the Alternate Point Decree and Augmentation Plan that the County may adopt or amend from time to time, provided that such shall be applied uniformly by the County among all Water Users who have contracted with the County to use water under the Alternate Point Decree and/or Augmentation Plan. Water User shall also be bound by all applicable law in the operation of the Alternate Point Decree and Augmentation Plan and this Contract.

Water User acknowledges that the Alternate Point Decree provides that the exercise of the Blumenheim Well Nos. 1 and 2 water rights at specific point(s) of diversion that were not in existence as of the date of the Alternate Point Decree may become subject to additional terms and conditions, if any, necessary to avoid injury to other water rights from well pumping at such additional locations.

10. NO OWNERSHIP OF COUNTY WATER RIGHTS: Nothing herein shall give the Water User any equitable or legal fee title interest or ownership in or to any of the Blumenheim Well Nos. 1 and 2 water rights or the Contract Water. Water User is entitled to the right to use the Blumenheim Well Nos. 1 and 2 water rights and Contract Water, subject to the limitations, obligations and conditions of the Alternate Point Decree, the Augmentation Plan, and this Contract.

11. COMPLIANCE WITH SECTION 404 OF THE CLEAN WATER ACT. Water User shall comply with Section 404 of the Clean Water Act and consult with the Army Corps of Engineers to complete any Section 404 compliance that may be required as a result of the construction of any facilities necessary for Water User to use the Blumenheim Well Nos. 1 and 2 water rights and Contract Water.

12. CONSERVATION PRACTICES: Water User shall implement and use commonly accepted conservation practices with respect to the use of the Blumenheim Well Nos. 1 and 2 water rights and Contract Water. Summit County encourages water conservation that promotes wise water use and encourages measures designed to reduce water demands. Water conservation includes, but is not limited to, the following: education, incentives, rates, meters, xeriscaping, restrictions, and water-efficient fixtures, appliances, and irrigation systems. Water User shall be bound by any water conservation plan hereafter adopted by the County, as the same may be amended from time to time.

13. WELL PERMIT: If Water User intends to divert through a well, then Water User shall be responsible for applying for, and complying with, the well permit from the Office of the State Engineer, Colorado Division of Water Resources. Water User acknowledges that the existence of this Contract does not guarantee that the State Engineer will issue the permit, and that by executing this Contract the County does not warrant or represent that Water User will

obtain a well permit. Water User must provide to the County a copy of Water User's valid well permit before the County is obligated to allow use of the Blumenhein Well Nos. 1 and 2 water rights or deliver Contract Water for Water User.

Except as provided in the Alternate Point Decree, Water User must comply with the well-spacing requirements set forth in Section 37-90-137(2)(b), C.R.S. as amended, if applicable, and Division of Water Resources Policy 2011-2. Consent of adjacent well owners or a hearing by the State Engineer may be required prior to issuance of a well permit for a well located less than six hundred feet from an existing well if the use of the well will exceed: ordinary household purposes inside three single-family dwellings; fire protection; the watering of poultry, domestic animals, and livestock; and the irrigation of not more than one acre of home gardens and lawns. Compliance with said statutory well-spacing criteria shall be an express condition of the use of the Blumenhein Well Nos. 1 and 2 water rights or Contract Water, and the County shall in no way be liable for Water User's failure to comply.

Water User acknowledges that by obtaining a well permit to operate under the Alternate Point Decree and Augmentation Plan, Water User may waive any right to operate the well under an exempt permit pursuant to Section 37-92-602, C.R.S., if applicable. The County encourages Water User to consult independent legal counsel regarding the advisability of applying for a well permit under the Alternate Point Decree and Augmentation Plan.

Water User acknowledges a continuous duty to maintain a valid well permit. Water User shall comply with all restrictions, conditions and limitations set forth in the well permit.

Within sixty days of completion of construction of the Water User's well(s) pursuant to a well permit, the Water User must notify the County, the District Court, Water Division 5 (Garfield County Courthouse, 109 8th St. Ste 104, Glenwood Springs, CO 81601), and the Colorado Division of Water Resources (1313 Sherman St., Ste. 821, Denver, CO 80203) of the precise location of the well(s), in each case referencing Water Court Case No. 07CW211.

14. MEASURING DEVICE OR METER AND ACCOUNTING BY WATER USER: Water User agrees to provide, at its own expense, a totalizing flow meter to continuously and accurately measure at all times all water diverted pursuant to the terms of this Contract. Water User will record the meter readings on a monthly basis, and, upon the request of the County, will provide the County with an accounting of Water User's use of water on form(s) acceptable to the County, specifically for the purpose of enabling the County to prove the use of the County's water rights and to account for Water User's use of water under the Alternate Point Decree and Augmentation Plan. Water User shall submit its accounting forms and records to the County promptly upon request, and shall assist the County as it may reasonably request in presenting and/or verifying such evidence of use in court or before administrative agencies by testimony of Water User or its authorized and informed officers or agents.

By signing this Contract, Water User hereby specifically permits the County, through its authorized agent, to enter upon Water User's property during ordinary business hours for the purposes of determining Water User's actual use of water.

15. BENEFIT AND TRANSFER OF CONTRACT: This Contract is for the benefit of the Property, and the benefits and burdens hereof shall run with the title to the Property. Any

successor in title to the Property shall be deemed to have assumed the obligations of this Contract. Within 30 days of transfer of title to the Property, the transferee shall notify the County, in writing, of the transfer and of the transferee's mailing address.

16. PAYMENT: In addition to the \$300.00 application fee Water User has already paid, in order for the County's obligations under this Contract to be effective, Water User shall pay \$_____ to the County on the execution of this Contract.

Any quantity of the Blumenhein Well Nos. 1 and 2 water rights or Contract Water not delivered to or used by Water User shall revert to the County. Such reversion shall not entitle Water User to any refund of payment made for such water.

17. CONTRACT TERMINATION:

A. Term: The term of this Contract is perpetual, subject to termination as provided herein.

B. Termination by County: The County may terminate this Contract if, after 30 days' prior notice to Water User of any of the following events of default, the Water User fails to correct the default:

1. Water User has violated or breached any of the terms of this Contract;

2. Any judicial or administrative proceedings initiated by Water User pose the threat to injure or adversely affect the Alternate Point Decree, the Augmentation Plan, the County's water rights, or other interests of the County; or

3. The Water User takes any action that frustrates or adversely affects the implementation or operation of the Alternate Point Decree or the Augmentation Plan.

C. Termination by Water User: Water User may terminate this Contract in its entirety for any reason by notifying the County in writing of the termination at least 45 days before the anniversary date of this Contract (the date the County manager signed this Contract).

D. Notice of Termination: If the Contract is terminated for any reason, the County may notify all interested parties of the termination, including, but not limited to, the State Division of Water Resources, and may record a notice of such termination in the Office of the Summit County Clerk and Recorder. Any sums paid by Water User shall be non-refundable.

18. ENFORCEABILITY: If any portion of this Contract is ruled unconstitutional or unenforceable, the enforceability of the other provisions shall not be affected.

19. NOTICE: All notices required or appropriate under or pursuant to this Contract shall be given in writing mailed or delivered to the parties at the following addresses:

Summit County: Summit County Government
Manager's Office
208 E. Lincoln Avenue
P.O. Box 68
Breckenridge, CO 80424

Water User: «FIRST_NAME» «ORIGINAL_NAME»
«MAILING_»
«CITY_ST_ZIP»

Either party may, by written notice given in accordance with this provision, change the address to which notices to it shall be mailed or delivered.

20. AMENDMENTS: This Contract, together with the exhibits attached hereto, is the entire agreement between the parties. No amendment or modification 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.

21. RECORDING: The County will record this contract or the Memorandum of Contract relating to this Contract (executed contemporaneously herewith) in the real property records of the Summit County Clerk and Recorder.

22. COLORADO LAW: This Agreement shall be construed under and governed by the laws of the State of Colorado.

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Water User:

«FIRST_NAME» «ORIGINAL_NAME»

Water User's Address:

«MAILING_»
«CITY_ST_ZIP»

STATE OF)
) ss.
COUNTY OF)

Subscribed and sworn to before me this _____ day of _____, 2014,
by «FIRST_NAME» «ORIGINAL_NAME»

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

Water User:

«FIRST_NAME» «ORIGINAL_NAME»

Water User's Address:

«MAILING_»
«CITY_ST_ZIP»

STATE OF)
) ss.
COUNTY OF)

Subscribed and sworn to before me this _____ day of _____, 2014,
by «FIRST_NAME» «ORIGINAL_NAME»

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

BOARD OF COUNTY
COMMISSIONERS OF SUMMIT
COUNTY

By: Gary Martinez
Title: County Manager

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

Subscribed and sworn to before me this _____ day of _____, 2014,
by Gary Martinez as County Manager.

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

SAMPLE

EXHIBIT A

«LEGAL DESCRIPTION OF PROPERTY»

According to the recorded plat thereof, County of Summit, State of Colorado

SAMPLE

EXHIBIT B
SUMMIT COUNTY WATER SUPPLY CONTRACT PRICING*
 Bill's Ranch Area (Revised July 2014)

Description of Use		1A	1B	2	3	4	5
		Total well pumping (acre feet per year as defined in decree)	Consumptive Use (acre feet per year as defined in decree)	Cost per Acre Foot of consumptive use	Cost of Water Rights	Application Fee	Total Cost
Single Family Residential Use							
Each water user must pay the appropriate total cost in section 1 (column 5), plus any additional water uses in sections 2 through 5.							
1	On septic tank / leach field system	0.314	0.031	60,000	\$1,860	\$300	\$2,160
	On central sewer in Snake River, Ten Mile & Lower Blue Basins	0.314	0.016	60,000	\$960	\$300	\$1,260
	On central sewer in Upper Blue Basin & treated at the South Blue Wastewater Treatment Plant (south of Goose Pasture Tarn)	0.314	0.016	60,000	\$960	\$300	\$1,260
	On central sewer in Upper Blue Basin & treated at Iowa Hill or Farmers Korner Wastewater Treatment Plant (north of Goose Pasture Tarn)	0.314	0.016	80,000	\$1280	\$300	\$1,580
Additional Amount for Accessory Unit							
2	On septic tank / leach field system	0.269	0.027	60,000	\$1,620		
	On central sewer	0.269	0.013	60,000	\$780		
Additional Amount for Landscaping Irrigation							
3	500 square feet	0.0208	0.017	60,000	\$1,020		
	1000 square feet	0.0416	0.034	65,000	\$2,210		
	1500 square feet	0.0624	0.051	70,000	\$3,570		
	2000 square feet	0.0832	0.068	75,000	\$5,100		
	2500 square feet	0.1040	0.085	80,000	\$6,800		
	3000 square feet	0.1248	0.102	85,000	\$8,670		
	3500 square feet	0.1456	0.119	90,000	\$10,710		
	4000 square feet	0.1664	0.136	95,000	\$12,920		

Additional Amount for Domestic Livestock							
4	Each head of livestock	0.012	0.012	60,000	\$720		
Additional Amount for Ponds / Hot Tubs							
5	Each 100 square feet (multiply the length of the pond or hot tub by the width, in feet).	0.0044	0.0044	60,000	\$264		

***This rate schedule is for residential property only. Rates for commercial property are determined on a case-by-case basis.**

Procedure for determining your total fee:

- 1) Determine if your residence is on a septic tank / leach field system or connected to central sewer. If central sewer, determine the appropriate basin and wastewater treatment plant. This is your initial fee. **Each water user must pay the appropriate total cost in section 1 (column 5), plus any additional water uses in sections 2 through 5.**
- 2) If you have an accessory dwelling unit, add the cost of water rights fee from section 2.
- 3) If you have outside landscaping, determine the square feet and add the cost of water rights fee from section 3.
- 4) If you have livestock, multiply each head of livestock by the cost of water rights fee from section 4.
- 5) If you have a pond or hot tub, multiply each 100 square feet by the cost of water rights fee in section 5
- 6) **Your total cost for the water supply contract is the sum of sections 1 through 5.**

Example: How to calculate the total fee:

Description of Use	Fee:
1) Indoor primary residential use on central sewer , treated at Farmers Korner	\$1,580
2) With an accessory dwelling unit	\$780
3) With 1000 square feet of landscaping	\$2,210
4) With 1 horse	\$720
5) With hot tub (up to 100 square feet)	\$264
6) Total Fee equals the sum of sections 1-5	\$5,554

Column Explanations:

- 1) Total pumping and consumptive use for the described use decreed in Water Court Case No. 95CW122.
- 2) The cost per acre-foot varies by use.
- 3) The cost of water rights reimburses the County for the water rights and facilities that must be dedicated to cover your uses.
- 4) The application fee covers the administrative cost of processing the application, and reimburses the County for a portion of the legal and engineering fees incurred by the County in connection with the Augmentation Plan.