

SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT
WATER ALLOCATION POLICY
FRYINGPAN-ARKANSAS PROJECT WATER

AMENDED April 15, 2004

- 1: Supplemental irrigation water will be sold exclusively to ditch or canal companies within the District with decreed water rights, and not to individuals under such a ditch or canal.
- 2: Project Water will be sold to municipalities and domestic water users associations within the District, and will be supplemental only unless otherwise agreed upon by the Board of Directors.
- 3: Project Water will not be allocated for, nor can it be used for speculation.
- 4: To prevent waste of Project Water, deliveries will be reduced or suspended by the Board of Directors until such waste ceases.
- 5: All Project Water will be allocated equitably in accordance with the Allocation Principles, and subject to approval by the Board on the basis of availability of water, and the merits of each individual application.
- 6: All Project Water sold will be measured by either Sugar Loaf Dam or Pueblo Dam, and transportation losses assigned by the Division Engineer will be the responsibility of the purchaser.
- 7: The selling price of Project Water for all classes of use shall be the same at the point of release. Additional costs which result from specific delivery works or District/Enterprise surcharges (O&M, Safety of Dams, etc.) will be added to the base cost of water.
- 8: Eighty (80) percent of any allocation of Project water purchased for agriculture must be used by November 1 of the current year. The remaining twenty (20) percent must be used by May 1 of the following year. If Project water allocations are not used by the specified dates, the allocation will be canceled, and monies paid will be forfeited. It is the District's policy to accommodate reasonable requests for extension of these deadlines in circumstances where storage space is available and such extension will not impact storage under the Winter Water Storage Program and the Reoperations program (excess capacity contracts for eligible municipal entities within the District to store non-Project water in Project carryover space). In considering such request, the District will consider that water committed to augmentation plans often requires longer-term storage. Approved carry-over storage past May 1 of the following year of Project water allocated for agricultural shall be subject to appropriate evaporation and transportation charges, and to financial surcharges similar to those paid for municipal carryover storage.
- 9: Project Water purchased by a municipality or domestic water users association shall be stored in the 163,100 acre-foot space set aside in the Allocation Principles. (Paragraph E). Carry-over storage for municipal and domestic purposes shall be subject to

appropriate evaporation and transportation charges, and to financial surcharges imposed on such storage as duly adopted by the Southeastern Colorado Water Activity Enterprise. Water stored in carry-over space shall not be subject to reallocation.

10: An allocation will be made each year in order that Project water will be efficiently managed by the District and the entities. The allocation will be awarded at the May meeting of the Board of Directors. Payment must be received in full prior to the delivery of water, and not later than the dates set forth in the allocation application, or waters will be reallocated by the Committee to other entities. In the event additional water is made available to the District, eligible entities will be notified by mail. A written request will then be reviewed by the Allocation Committee, or the Board of Directors. Water allocated in a second allocation must be paid for in full within one week of notification of the amount allocated. (1-21-93)

11: Staff shall determine an applicant's eligible irrigated acres for Project water in consultation with the Bureau of Reclamation. (4-15-04)

12: Inasmuch as Fryingpan-Arkansas Project water is designed to supply supplemental water, the Board of Directors of the Southeastern Colorado Water Conservancy District declare that it is the Policy of the District not to replace the Project water decreed water sold by persons or entities. In applying this rule, the Board shall consider the total supply of the applicant and the percentage thereof sold or replaced. (2-19-81)

13: Delivery of your Project water can be made: (a) at your headgate on the Arkansas River; (b) by means of your wells as an alternate point of diversion, providing said wells have been adjudicated by the Water Court; (c) by exchange if such exchange is decreed or approved by the Division Engineer in writing. Your Project water also may be delivered for augmentation or replacement of depletions from your wells that are located and used within the District, provided that such use is pursuant to a decreed augmentation plan or a replacement plan or substitute supply plan approved by the Colorado State Engineer, and that you pay the Southeastern Colorado Water Activity Enterprise a surcharge in an amount the Enterprise determines is sufficient to compensate for the absence of return flows from such fully consumptive use of Project water.

14: The District is not responsible for shortage of water, nor for "Acts of God", breaks in its works, or other contingencies affecting its operation. When such interruption occur, reasonable time for repairs will be required for resumption of operation. (6-20-63)

15: It is the intent of the Board that entities within the confines of the District which do not buy Project Water in any single year will not be prejudiced against in the future, and will not be placed in jeopardy for subsequent allocations.

16: Whenever the Board of Directors enters into programs involving test river runs, a program to notify all water users affected by the study will be worked out with the State Engineer and the Division Engineer.

17: The submission of an application for Project Water constitutes the Applicant's agreement that (a) it is subject and will comply with all applicable federal and state laws, including the Reclamation Reform Act of 1982 and the regulations thereunder, the

District's decreed Water Allocation Principles, the District's Water Allocation Policy, relevant portions of the District's Contract with the United States, and the terms and conditions of the District accompanying letter, (b) it will hold harmless, indemnify and defend the District from liability, expenses or damages which the District, its directors, agents and employees may suffer arising from any failure of the Applicant to so comply, including any assessment of administrative costs against the District pursuant to 43 C.F.R., 426.24 (1995), and © that is has no claims against the District for past provision of water. (2-15-96)

18: The Board has established a policy that applications received after the deadline, will not be considered. Failure to pay by the announced deadline, automatically voids the approved allocation. (1-21-93)