



Regional Pool Program Rule

NORTHERN COLORADO WATER CONSERVANCY DISTRICT

(Effective Date: October 1, 2018)

I. Purpose

The Regional Pool Program (RPP) authorizes the Northern Colorado Water Conservancy District (Northern Water) Board of Directors (Board) in certain water years the ability to designate Colorado-Big Thompson Project (Project) water supplies allocated in a given water year, but not delivered, to be leased to water users within Northern Water during the subsequent water year.

The purpose of the RPP is to provide owners of Project allotment contracts greater flexibility in the management of their water supplies and potential users of Project water supplies greater certainty in meeting their needs for supplemental water.

II. Authority

The Board has sole discretion and authority to allocate Project water in accordance with the “Contract between the United States and the Northern Colorado Water Conservancy District Providing for the Construction of the Colorado-Big Thompson Project, Colorado” (dated July 5, 1938), and the Colorado Water Conservancy Act, C.R.S. §§ 37-45-101 et seq.

III. Definitions

The following definitions apply to the Regional Pool Program and associated Procedure.

Account Entity (or AE) – A term used by Northern Water to define one or more Project allottees that certify their Project water to the same quota account.

Allocation Threshold – A minimum target for total unallocated water in Project storage (or in storage in any other reservoir in which Northern Water is authorized to store Project water). For the purposes of the RPP the Allocation Threshold is initially defined as 200,000 acre-feet and may be modified by a resolution duly adopted at any regular Board meeting.

Allocated Water – For the purpose of the RPP, Allocated Water is the sum total of the amount of water designated for other programs or specific users that is stored within the Project at the time the Board is considering allocating water from the Regional Pool. Allocated Water includes, but is not limited to, Quota, Carryover (both eligible and certified), Windy Gap project water, Project Replacement water, water designated for the Upper Colorado Recovery Program (i.e. 5,412.5 water), non-Project storage accounts in Boulder Reservoir, water stored using a Carriage Contract, and future programs or storage contracts that may be adopted by the Board.

Annual Regional Pool Allocation Limitation – An annual limitation as to the maximum amount of Regional Pool water that can be allocated by the Board in any given water year. Although the annual allocation is limited, the Regional Pool will form each year and without limitation. The Annual Regional Pool Allocation Limitation is initially defined as 62,000 acre-feet and may be

modified by a resolution duly adopted at any regular Board meeting.

Authorized Use – The uses of the allocated Regional Pool water as adopted by the Board when the Regional Pool water is allocated. If the Board does not specify the Authorized Use when the Regional Pool water is allocated, the Regional Pool water may be used for all beneficial uses otherwise authorized for C-BT Project water.

Carryover Account - An account that is maintained by Northern Water for each AE that had a Quota Account in the previous water year and that has a Quota Account in the current water year. Northern Water will automatically establish this account on November 1 of the current water year. If, and when, an AE elects to certify all, or a portion, of its eligible carryover water from its previous water year's Quota Account the Carryover Account is credited an amount equal to the certified volume. Water can only be delivered from the Carryover Account during the current water year and for those uses and purposes consistent with all of Northern Water's rules, policies, procedures, and guidelines. Only under specific circumstances can carryover water be transferred from one AE's Carryover Account to another AE's Carryover Account.

Carryover Capacity - The potential maximum volumetric limitation of a given Carryover Account. Each Carryover Account has an automatically computed carryover capacity and is generally referred to as the "base Carryover Capacity." An AE may voluntarily increase or decrease its respective Carryover Capacity by utilizing Northern Water's Carryover Capacity Transferability Program (CCTP) as defined in the Carryover Capacity Transferability Program Rule. Any Carryover Capacity leased by an AE to increase its respective Carryover Capacity beyond the computed base carryover capacity is referred to as "supplemental carryover capacity." The amount of Carryover Water credited to an AE's Carryover Account must be less than, or equal to, the AE's respective carryover capacity. Carryover capacity is measured in acre-feet.

Carryover Water - The quantity of water in an AE's Carryover Account that has been carried over from the previous water year's Quota Account. This water is allocated and credited to the AE's Carryover Account in accordance with Northern Water's Annual Carryover Program Rule and Procedure. An AE may use its Carryover Water only after its eligible Carryover Water is certified. Furthermore, Carryover Water must be used by the holding AE and may only be transferred in specific circumstances. Any Carryover Water not used in the current water year will be cancelled from the AE's Carryover Account and revert back to the Project at the end of the water year.

Quota Account - An account established and maintained by Northern Water to administer the delivery of quota water. Water held within the Quota Account may consist of 1) water allocated by the Board in the current water year and/or 2) water annually transferred from the Quota Account of another AE. Only water remaining in a Quota Account at the end of the water year is eligible for carryover under the ACP.

Quota Water - Project water that is made available or allocated to an allottee owning a Project water allotment contract or contracts. The total volume of quota water in a given water year is the summation of the initial quota declaration, which takes effect on November 1 of the current water year, plus any subsequent supplemental quota declarations made by the Board. In all instances, allottees are required to certify to Northern Water that the AE (sometimes referred to as "carrier" or "delivery point") will be responsible for ordering and taking delivery of Project water.

Regional Pool – An amount of water residing within the Project in a given water year and accounted for by Northern Water. The Regional Pool is supplied by Project quota water allocated the previous water year but: 1) not utilized by an AE, 2) not transferred to another AE, or 3) not certified via Northern Water’s Annual Carryover Program.

Regional Pool Account - An account established and maintained by Northern Water to administer the delivery of RPP water to each water user successful in leasing RPP water in the current water year.

Regional Pool Program (RPP) - A program administered by Northern Water that allows Northern Water, on behalf of allottees, to lease in certain water years any quota water allocated in the previous water year, but not used or transferred by an AE in the previous water year and which is in excess of the amount of carryover water certified by the AE pursuant to the Annual Carryover Program Rule and Procedure. Water accounted to the Regional Pool may only be allocated by the Board in accordance with the criteria specified within this Rule.

Replacement Water - Water that is credited to a water user’s Replacement Account each water year because of an existing Replacement Contract or other contractual obligation between Northern Water and the water user. Northern Water makes Replacement Water available to select water users in lieu of certain pre-existing water supplies that were interrupted due to Project construction and/or operation. AEs with Replacement Water must take delivery of Replacement Water prior to any Quota Water and/or Carryover Water. Replacement Water is not eligible for the ACP.

Transferred Water - Water that is transferred during the water year from the Quota Account of one AE into the Quota Account of another AE. The transfer of Project water is documented utilizing a “CD-4” card or via Northern Water’s computerized water accounting system. Such transfers must be done in accordance with all Northern Water rules, policies, guidelines, and procedures.

Unallocated Water – For the purpose of the RPP, Unallocated Water is the sum total of active water stored in Granby Reservoir, Horsetooth Reservoir, and Carter Lake Reservoir (and in storage in any other reservoir in which Northern Water is authorized to store Project water) as of November 15 of the water year in which the Board is considering allocating water from the Regional Pool minus all Allocated Water as defined in this Rule. The volume of Unallocated Water held within the Project is synonymous with the term “Project Reserves.”

Water Year - November 1 of one calendar year through the end of October 31 of the following calendar year.

IV. Current Leasing Program

Northern Water’s current annual leasing program allows an AE to lease all, or a portion, of its unneeded Project water allocation to other water users during that current water year for authorized beneficial use anywhere within Northern Water. The current leasing program will continue, subject to existing District criteria.

V. Regional Pool Program Description

- A. Regional Pool Formation. All water exceeding the defined capacity of an AE’s individual carryover account as of November 1 of each water year will be volumetrically reduced by ten percent (10%) and accounted to the Regional Pool. In addition, all carryover

water available to an AE, but not certified upon the close of the carryover certification period, will also be accounted to the Regional Pool. Northern Water will maintain a Regional Pool accounting system that will identify each AE that contributed water to the Regional Pool and the amount contributed.

- B. Allocation from the Regional Pool. During the period between January 1 and September 15 the Board will monitor unallocated water in the Project relative to the allocation threshold and determine the quantity of water that may be made available for lease from the Regional Pool in accordance with the following guidelines:
- (i). If the amount of unallocated water in the Project is less than the allocation threshold, none of the Regional Pool may be allocated by the Board;
 - (ii). If the amount of unallocated water in the Project is greater than the allocation threshold then all, or a portion, of the Regional Pool may be allocated by the Board. In this instance, the amount of water allocated from the Regional Pool may not exceed the lesser of: 1) the amount of unallocated water in the Project minus the allocation threshold, 2) the amount presently accounted in the Regional Pool, or 3) the annual Regional Pool allocation limitation minus the sum total of water previously allocated from the Regional Pool in the current water year.
- C. Competitive Leasing. If, and when, the Board allocates water from the Regional Pool, Northern Water will administer a program under which potential water users will have the opportunity to lease water from the Regional Pool on a competitive bid basis (i.e. water will be leased to the highest bidder or bidders). The Board reserves its discretion to define a volumetric limit any single bidder may lease from the Regional Pool and a minimum bid price on all water leased from the Regional Pool.

VI. Eligibility

To be eligible to lease Project water from the Regional Pool, the water user: 1) must have an authorized beneficial use for Regional Pool water within Northern Water; and 2) if an AE, must have fully exercised its option by signing up and paying for any and all carryover water available from the previous water year.

An AE that leases Regional Pool water is responsible for the internal accounting and administration of any such water. Northern Water may require all water users leasing water from the Regional Pool to provide an accounting of the actual use of such water. Any non-AE that leases water from the Regional Pool will be responsible for arrangements necessary to take physical delivery of Regional Pool water.

VII. Use

Project water leased and delivered from the Regional Pool must be placed to an Authorized Use within the water year it was leased from the Regional Pool. Upon Regional Pool allocation the Board may establish a delivery period for all Regional Pool water, after which time any remaining water will be accounted as unallocated water supplies of Northern Water.

All Regional Pool water is non-transferable. If unforeseen circumstances occur that result in the lessee not needing all, or a portion, of such leased water, the water may be re-assigned to Northern

Water. Northern Water reserves the option to again allocate or lease this water from the Regional Pool . If this same water is again leased, the associated proceeds will be reimbursed to the original Regional Pool lessee.

VIII. Annual Quota Determination

Any water allocated and subsequently leased from the Regional Pool will not be considered as an available regional water supply when determining the annual Project quota recommendation to the Board.

IX. Operational Spills

If no special terms or conditions are adopted at the time Regional Pool water is allocated, all Regional Pool water leased via the RPP and held within the Project at the time of an operational spill will be preserved and made available to the lessee following any such spill.

X. RPP Financial Transactions

Northern Water will pay all revenues obtained from the leasing of Regional Pool water, less any administrative fee imposed by Northern Water, to each of the contributing AEs that are eligible to receive Regional Pool revenues. AE's that contribute to the Regional Pool and subsequently lease water from the same Regional Pool will not be eligible to receive revenues from that year's allocations.