

NORTHERN COLORADO WATER CONSERVANCY DISTRICT

POLICY REGARDING CONVERSION OF TEMPORARY USE PERMITS TO SECTION 131 CONTRACTS

Allottees holding Colorado-Big Thompson Project Temporary Use Permit water allotments shall convert all Temporary Use Permits held on December 31 of any year (hereinafter referred to as "the subject Temporary Use Permits") to an annually renewable perpetual contract for the right to use Colorado-Big Thompson Project water under C.R.S. 37-45-131 (Section 131 Contract). This conversion must be completed by the March Board of Directors Meeting of the following year.

District staff will send the necessary applications to accomplish this conversion to the subject Temporary Use Permit allottees no later than December 31 of each year. The applications must be returned to the District no later than March 1 of the following year. Under the existing Board Policy, the subject Temporary Use Permits expire on March 1 of any given year. Submitted applications for conversion will be presented to the District Board of Directors for its approval at the March Board Meeting.

The collection of the annual assessments for subject Temporary Use Permit allotment contracts will be as follows:

1. After Board approval for converting the subject Temporary Use Permits to the Section 131 Contracts in March, a statement will be sent to the allottee requesting payment of the annual assessment for the subject Temporary Use Permit allotment units for the then current water year. This payment will be due in full within 15 days from the date of receipt of the statement.
2. In August, an annual assessment notice for all C-BT Section 131 Contract units owned prior to the most recent conversion plus the subject Temporary Use Permits which were converted to Section 131 Contracts by the Board of Directors during its immediately preceeding March meeting will be sent to the allottee. The assessment notice will advise the allottee that the annual assessment for the following water year will be due October 1. All annual assessments for allotments held under the Section 131 Contracts are to paid in advance and are due on or before October 1 of each year, which is 31 days prior to the start of the new water year.

If an application to convert the subject Temporary Use Permits held by an allottee on December 31 to the Section 131 Contract has not been received and approved by the Board of Directors at the Board Meeting held in March of the following calendar year, all supplemental quotas for the current water year will be withheld from certification until the subject Temporary Use Permits are converted to Section 131 Contracts by action of the Board of Directors. If the subject Temporary Use Permits have not been converted to Section 131 Contracts by action of the Board of Directors on or before November 1, all quota water which would otherwise be available to the C-BT Project allotment contract units included in the subject Temporary Use Permits will be withheld from certification for

delivery until the subject Temporary Use Permits are converted to Section 131 Contracts by action of the Board of Directors. All quota water withheld, and not certified for delivery, will be certified for delivery following the approval of the conversion of the subject Temporary Use Permits to Section 131 Contracts by the Board of Directors, but only if the conversion is approved prior to the end of the water year for which the quota water was declared.