

NORTHERN COLORADO WATER CONSERVANCY DISTRICT

RESOLUTION D-933-09-93

DROUGHT AND EMERGENCY POLICY

WHEREAS, the Northern Colorado Water Conservancy District (the "District") is implementing various water management programs, such as the fixed quota program, which necessitate review of the District's policies regarding drought management; and

WHEREAS, the fixed quota rule provides that the Board may reduce deliveries under a fixed quota in the event of a drought or other emergency, and this policy is for the purpose of providing guidance with regard to drought and emergency events which would trigger the rule's provision on curtailment; and

WHEREAS, modeling studies analyzed in the process of considering the fixed quota rule indicate that no reduction of deliveries of a 70 percent fixed quota would occur under historical circumstances of Colorado Big-Thompson Project (C-BT) operation. The drought of the mid-1950s when C-BT first went into a delivery mode was about a 1-in-50 year drought. Under this hydrologic condition the model predicts no shortages of available supply which would require reduction of delivery under the 70 percent fixed quota. However, a drought such as occurred in the 1930s, the equivalent of a 1-in-100 year drought, would require reductions of delivery of both the fixed and variable quotas. Under such circumstances fixed quota deliveries will be reduced in proportion to the variable quota curtailment; and

WHEREAS, the variable quota will be declared by the Board, in accordance with its standard practice, which involves an analysis of the water needs of the C-BT beneficiaries and of snow and soil moisture, predicted runoff, precipitation in the northern District area, usable water in storage in local reservoirs, and the available base water supply in the District, among other factors; and

WHEREAS, once the Board has estimated the desired quota as it would under normal circumstances, it will then determine whether a drought exists in light of prevailing water supply circumstances of the C-BT. Upon finding that water is not available in the system to satisfy the variable quota the Board has estimated and would otherwise desire to declare, the Board will then declare a quota that it determines it can fulfill, and will then curtail deliveries under both the variable and fixed quotas.

NOW, THEREFORE IT IS RESOLVED as follows:

Policy

In times of severe droughts, as defined by the inability of the District's existing or forecasted water supplies to meet its expected water demands, quota deliveries will be curtailed to levels which have a high probability of being fulfilled. All curtailments of deliveries will be shared proportionately among all classes of users, regardless of quota program, based on ownership of C-BT allotments. Fixed quota program allottees will be curtailed in a proportionate amount to the variable quota program allottees.

Implementation

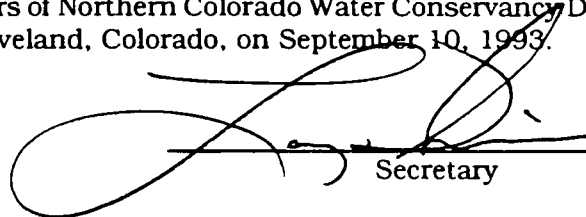
The curtailment to the two quota programs will be as follows: The ranges of quotas between the two programs will provide the basis of the proportionate reductions. The variable quota program allottees receive a quota that generally varies from 50 to 100 percent. Similarly, the fixed quota program allottees would generally (in every year of historical operations) receive 70 percent, but their allocation may vary from 70 percent down to 50 percent depending on the severity of the drought and some predetermined curtailment policy. Therefore, the two ranges are in the proportions of 50 to 20 or, put another way, for every 10 percent the variable quota allottees are curtailed, the fixed quota allottees would be curtailed 4 percent. And, for all allottees when the quota must be dropped below 50 percent, the curtailment would be shared equally and the eventual quota would be the same -- all allottees will receive the same allotment of water. This situation where there is not enough water to even deliver a 50 percent or lower quota has never occurred and did not occur in the worst year of the 1-in-100 year drought hydrology.

Other than a prolonged drought, the other emergency circumstance contemplated in this rule is a physical outage of the C-BT system preventing delivery of water.

This policy is to be implemented consistent with the fixed quota rule.

CERTIFICATE

I, Larry D. Simpson, do hereby certify that the above is a true and correct copy of a Resolution unanimously adopted by the Board of Directors of Northern Colorado Water Conservancy District at a regular meeting of said Board held in Loveland, Colorado, on September 10, 1993.


Secretary

NORTHERN COLORADO WATER CONSERVANCY DISTRICT

**RESOLUTION
D-934-09-93**

**RULE REGARDING ELECTION BY WATER ALLOTMENT CONTRACT ALLOTTEES
TO RECEIVE DELIVERY OF COLORADO-BIG THOMPSON WATER UNDER A FIXED QUOTA**

WHEREAS, the Northern Colorado Water Conservancy District (the "District") is developing a fixed quota program for delivery of Colorado-Big Thompson ("C-BT") water to project allottees which will benefit District constituents through better management of project water; and

WHEREAS, in lieu of receiving delivery of C-BT water under the variable quota declared annually pursuant to the District's "declaration of quotas" rule, a contract allottee may, subject to Board approval, elect to receive delivery of C-BT water under a fixed quota of 0.7 acre-feet of water per unit.

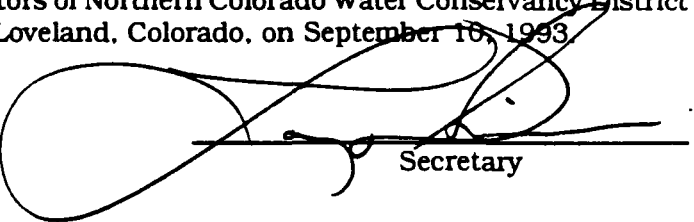
NOW, THEREFORE IT IS RESOLVED that the Board adopts its fixed quota delivery rule as follows:

1. The contract allottee must execute a contract supplement which provides that a designated amount of C-BT units under the allotment contract will receive delivery under a fixed quota of 0.7 acre-feet of water per unit for a period of ten consecutive years commencing November 1 following the date of execution of the contract supplement.
2. The contract allottee must agree that the units designated in the contract supplement cannot receive delivery under the variable quota of the "declaration of quotas" rule for the consecutive ten-year period. Likewise, a contract allottee who elects to receive delivery under the fixed quota will not receive supplemental quota allocations which may be established by the Board for delivery to allottees under the variable quota.
3. The contract allottee must agree that the allotment contract is subject to the contract supplement in the event the allotment contract is ever sold, leased, transferred, assigned, changed or otherwise disposed of, and that the contract supplement is binding on any successor in interest to the allotment contract.
4. The contract allottee must agree that delivery of water under the fixed quota shall be subject to a determination by the District Board that a drought or other emergency requires the District to adjust or reduce both the fixed and variable quota deliveries proportionally and that delivery of C-BT water is subject to the rules, regulations, criteria, and policies of the District. A policy on the declaration of a drought or other emergency will be adopted separately by the Board. Included in the policy is the method for the proportionate curtailment of quotas.
5. The contract allottee must agree to payment of such administrative charges as the Board shall establish for delivery under the fixed quota as specified in the contract supplement for the ten consecutive year period. A separate pricing structure will not be established for those allottees choosing to receive delivery of any or all of their C-BT units under the fixed quota. The contract allottee's election to receive delivery of C-BT water under the fixed quota shall not alter the rates otherwise payable by the allottee except as specified in the contract supplement.
6. The contract allottee must agree that the contract supplement shall not be interpreted or applied so as to diminish the rights of allottees who are entitled to deliveries under the variable quota.

7. The contract allottee must agree that all provisions of the allotment contract shall remain in effect, except as modified by the contract supplement.
8. Upon expiration of the ten-year consecutive term, any contract allottee may elect to enter into a new contract supplement for delivery under a fixed quota on such terms as may then be applicable under the District's rules, regulations, criteria, and policies, or the contract will automatically revert to delivery under the variable quota.
9. The Board, in its sole discretion, must approve each contract supplement.
10. This rule is effective September 10, 1993. Applications for the first year's program may be made between November 1 and December 31, 1993. Thereafter, applications shall be made by November 1 as provided in paragraph 1.

CERTIFICATE

I, Larry D. Simpson, do hereby certify that the above is a true and correct copy of a Resolution unanimously adopted by the Board of Directors of Northern Colorado Water Conservancy District at a regular meeting of said Board held in Loveland, Colorado, on September 16, 1993.



Secretary