

POLICY RESOLUTION

REGARDING DISPARATE OWNERSHIP

ADOPTED BY:

THE CENTRAL COLORADO WATER CONSERVANCY DISTRICT; AND

THE GROUND WATER MANAGEMENT SUBDISTRICT OF THE CENTRAL COLORADO WATER CONSERVANCY DISTRICT; AND

THE WELL AUGMENTATION SUBDISTRICT OF THE CENTRAL COLORADO WATER CONSERVANCY DISTRICT

WHEREAS, the Central Colorado Water Conservancy District ("CCWCD") is a quasi-municipal corporation and political subdivision of the State of Colorado organized and existing as a water conservancy district pursuant to §37-45-101, et. seq. C.R.S. and is authorized and empowered thereby to furnish water to lands within its boundaries; and

WHEREAS, the Ground Water Management Subdistrict of the Central Colorado Water Conservancy District ("GMSD") is a quasi-municipal corporation and political subdivision of the State of Colorado organized and existing as a water conservancy district pursuant to §37-45-101, et. seq. C.R.S. and is authorized and empowered thereby to furnish water to lands within its boundaries; and

WHEREAS, the Well Augmentation Subdistrict of the Central Colorado Water Conservancy District ("WAS") is a quasi-municipal corporation and political subdivision of the State of Colorado organized and existing as a water conservancy district pursuant to §37-45-101, et. seq. C.R.S. and is authorized and empowered thereby to furnish water to lands within its boundaries; and

WHEREAS, The Boards of CCWCD, GMSD, and WAS are aware that as a matter of law, it is possible for the ownership of a well structure, the water right adjudicated to a well, and the lands served by a well to be owned by different parties; and

WHEREAS, disparate ownership of a well, the well's water right and the lands served by the well gives rise to administrative and legal issues making the issuance, administration and enforcement of Class B, C and D contracts difficult; and

WHEREAS the Boards desire to create a policy governing the issuance, administration and enforcement of Class B, C and D contracts in the context of disparate ownership;

NOW, THEREFORE, it is declared to be the policy of CCWCD, GMSD and WAS that:

1. The issuance of Class B, C and D contracts is limited to circumstances where there is at least one Common Owner of the well structure, the water right associated with the well and the lands served by the well. For purposes of this policy, the "Common

Owner” requirement shall mean that the same person, persons or entity holds a documented interest in the well, the water and the lands served by the well at the time the contract is issued.

2. Class B, C and D contract holders shall be required to comply with the “Common Owner” rule for the life of the contract. Any transfer of interest that eliminates common ownership shall be grounds for immediate cancellation of the Class B, C or D contract unless:
 - a. The lands served by the well are annexed or otherwise included into the boundaries of a Title 32 Water and Sanitation District, a Metropolitan District which provides non-potable water services, or a Water District as the same are defined under Section 32-1-103 C.R.S. (hereinafter collectively “District”); and
 - b. The ownership of the well and water right associated with the well is transferred to said District as part of the inclusion of the land within the District; and
 - c. The well will continue to be used for irrigation of the lands historically irrigated by the well; and
 - d. Both the land upon which water from the well is beneficially used and the well continue to be located within the boundaries of CCWCD and either GMSD or WAS depending upon which subdistrict augments the well; and
 - e. The District does not apply for approval of a change in point of diversion or type or place of use for the well in Water Court or with the State Engineer’s office; and
 - f. The District takes such steps as are necessary under the Colorado Water Conservancy Act to obtain an allotment of water under Class C and allow for the levy and collection of special assessments upon lands within the District which will be benefitted by said allotment; and
 - g. The allotment of water and subsequent use of the well by the District will not result in a violation of the Water Conservancy Act, CCWCD, GMSD and/or WAS contracts and decrees, particularly the augmentation plans decreed in Case Nos. 02CW335 and 03CW99, and any other policy, rule or regulation of CCWCD, GMSD and/or WAS.
3. In circumstances where there is a Common Owner, but ownership of the well, the water right, and/or the lands is further fragmented, all owners of record of the well structure, the water right and the lands served by the well shall be signatories to the Class B, C or D contract, in addition to the Common Owner, unless the owner of the well is a District that satisfies the requirements of paragraph 2 above.
4. This policy shall be effective immediately and shall replace the policy regarding Disparate Ownership dated May 13, 2008. It shall apply to all requests for new Class B, C and D contracts and all requests to re-issue or amend Class B, C and D contracts after the effective date below.

5. The Boards recognize that one or more existing Class B, C or D contracts may have been entered into in a manner inconsistent with this policy prior to its adoption. So long as there is no change in ownership, these contracts may be renewed annually without regard to the "Common Owner" rule adopted herein. These contracts shall become subject to the Common Owner rule at the time a change in ownership occurs requiring the re-issuance of the contracts.

DATED this 20th day of November, 2008.



Gary Herman,
President of the Board of Directors of
Central Colorado Water Conservancy District

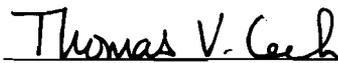
Ground Water Management Subdistrict of the
Central Colorado Water Conservancy District

Well Augmentation Subdistrict of the Central
Colorado Water Conservancy District

CERTIFICATE

I, Thomas V. Cech, do hereby certify that the above is a true and correct copy of a Resolution adopted by the Board of Directors of the Central Colorado Water Conservancy District, the Ground Water Management Subdistrict of the Central Colorado Water Conservancy District and Well Augmentation Subdistrict of the Central Colorado Water Conservancy District on the 20th day of November, 2008.

(SEAL)



Thomas V. Cech
Executive Secretary