

**TOWN OF CASTLE ROCK/UNITED WATER AND SANITATION DISTRICT
SPOT WATER LEASE AGREEMENT**

THIS SPOT WATER LEASE AGREEMENT (“Agreement”) is entered into _____, 2022, by and between the Town of Castle Rock, a home rule municipal corporation, acting by and through the Town the Castle Rock Water Enterprise (“Town”), as Lessor, whose address is 100 N. Wilcox Street, Castle Rock, Colorado 80104 and United Water and Sanitation District (“United”), as Lessee, whose address is 8301 E. Prentice Ave. #120, Greenwood Village, Colorado 80111, collectively referred to as the Parties.

RECITALS

WHEREAS, the Town owns certain water in the Chatfield Basin that is reusable and fully consumable after its first use for municipal purposes by the Town. From time to time, a certain amount of this water is surplus to the needs and obligations of the Town (“Surplus Water”); and

WHEREAS, the Town anticipates it will have Surplus Water available from time to time in 2022; and

WHEREAS, United desires to lease a certain portion of the Surplus Water from the Town in accordance with the terms and conditions of this Agreement for use as an augmentation source for municipal purposes for its partners.

AGREEMENT

NOW THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and United agree as follows:

1. Water Rights Lease. The Town hereby leases to United a minimum of 20 acre-feet (AF) of Surplus Water and up to 400 AF total (“Leased Spot Water”), which will be made available as follows:

A. Between March 2, 2022 and December 31, 2022 with no additional water released thereafter.

2. Deliveries.

A. Amount. The Town has approximately 1,000 AF of water within its Chatfield Storage Account. The Leased Spot Water will be withdrawn from the Town’s Storage Account upon coordination with the Colorado Department of Natural Resources – Division of Water Resources, who will make the requested release from Chatfield Reservoir.

B. Location. Release from Chatfield Reservoir into the main stem of the South Platte River.

C. Delivery to United. United will take delivery of the Leased Spot Water at any facility United owns, operates, or in which United has the legal ability to store water on the South Platte River. United shall bear all transit losses.

D. Accounting. United must provide the Town with a copy of the water accounting showing the date(s) and quantities of the release of Leased Spot Water. This information will also be used to confirm and update the Town's Chatfield accounting forms.

3. Lease Rate. United shall pay to the Town **\$7,100.00** for the minimum lease of twenty (20) AF of Leased Spot Water. Additional leased quantities shall be paid at the rate of \$355 per acre foot. Payment for the minimum lease quantity shall be made within ten days following mutual execution of this Agreement and is non-refundable. Payment for the total quantity leased, less the initial payment, shall be made 10 days following the final day of the release, as described in Section 1.A. The Town shall invoice United and payment shall be remitted to Castle Rock Water; 175 Kellogg Court; Castle Rock, CO 80129; ATTN: Matt Benak, Water Resources Manager.

4. Quality of Leased Spot Water. Leased Spot Water shall be delivered "as is," but shall be of a quality that meets all standards and effluent limitations specified in Colorado Discharge Permit System Permit No. CO-0038547, as amended, or in any other discharge permit issued by the Water Quality Control Division or by the U.S. EPA authorizing discharges from the Plum Creek Water Reclamation Authority facility, such quality to be measured at the authorized discharge point(s) specified in any such discharge permit. By entering into this Agreement and utilization of the Leased Spot Water, United acknowledges that water meeting the requirements of this paragraph is suitable for augmentation purposes and will accept such water as meeting the terms of this Agreement.

5. Lease Term. The term of this Agreement shall commence upon its execution and expire December 31, 2022. By mutual written agreement of the Parties, this Agreement may be renewed on the same or on different terms.

6. Lessee's Obligations. United's obligations under this Agreement are limited to making the payments as described in paragraph 3 above.

7. Notice. All notices which may be required to be given by either Party to the other shall be made in writing and either hand delivered or sent by first class United States mail, postage prepaid, addressed as follows, or by facsimile, or via electronic means:

If to Town: Town of Castle Rock (Castle Rock Water)
Attn: Water Resources Manager (Matt Benak)
175 Kellogg Court
Castle Rock, CO 80109

with copy to: Town of Castle Rock
Attn: Town Attorney (Mike Hyman)
100 N. Wilcox Street

Castle Rock, CO 80104

If to United: United Water and Sanitation District
Attn: Drew Damiano
8301 E. Prentice Ave. #120
Greenwood Village, CO 80111

with copy to: Arista H. Shippy
DiNatale Water Consultants
5777 Central Avenue, Suite 228
Boulder, CO 80301
arista@dinatalewater.com

with copy to: Tod Smith
Law Office of Tod J. Smith, LLC
5777 Central Ave., Suite 228
Boulder, Colorado 80301
tod@tjs-law.com

8. Assignment. Lessee may not assign its rights hereunder without the prior written consent of Lessor, which may be withheld in Lessor's sole discretion. In the event that Lessor consents to an assignment of Lessee's rights hereunder, the assignee shall execute an assumption agreement pursuant to which it shall assume Lessee's obligations hereunder. The terms of such assumption agreement must be approved by Lessor.

9. Entire Agreement. This Agreement represents the entire Agreement between the Parties on the matters set forth herein and supersedes all prior negotiations, representations or agreements respecting said matters whether written or oral.

10. Binding Effect. The execution of the Agreement by the Town as Lessor and United as Lessee constitutes the execution of a binding lease agreement by the Parties on the terms and conditions contained herein and may not be modified except in writing signed by both Parties. This Agreement shall be binding on the Parties' respective successors and assigns.

11. Controlling Law. This Agreement shall be governed under, and construed pursuant to the laws of the State of Colorado.

[Signature Page to Follow]

