

**2026 WATER LEASE AGREEMENT BETWEEN THE TOWN OF  
CASTLE ROCK AND THE CENTRAL COLORADO WATER  
CONSERVANCY DISTRICT**

**THIS WATER LEASE AGREEMENT** (the “Agreement”) is entered into March 3, 2026, by and between the Town of Castle Rock, Colorado, a home rule municipal corporation, acting by and through the Castle Rock Water Enterprise, as Lessor, whose address is 100 N. Wilcox Street, Castle Rock, Colorado 80104 (“Town”) and the Central Colorado Water Conservancy District, as Lessee, whose address is 3209 W 28th St, Greeley, CO 80634 (the “District”) (The Town and the District are collectively referred to as the “Parties”).

**RECITALS**

**WHEREAS**, pursuant to the decree in Case No. 89CW27, District Court, Water Division No. 1 (the “Decree”), the Town and other owners operate the Rothe-Sublette Recharge Project (the “Project”), which diverts water from the South Platte River at the Riverside Canal into recharge ponds that accrete water to the South Platte River to generate recharge credits (the “Recharge Credits”); and

**WHEREAS**, the Town owns the right to 60.4% of the first 1,275 acre-feet (AF), up to 770 AF annually, of Recharge Credits generated by the Project (the “Town Recharge Credits”); and

**WHEREAS**, recharge credits from the Project are used by the Town and the other owners to augment depletions from alluvial wells pursuant to the Decree; and

**WHEREAS**, the Decree authorizes the lease of excess recharge credits to third parties for use in judicially approved plans for augmentation; and

**WHEREAS**, the Town and the District have previously entered into that certain Intergovernmental Agreement dated September 17, 2024 (the “IGA”), whereby the Town provides the District with 1.5 AF of Town Recharge Credits annually in exchange for each 1.0 AF of the District’s water storage right in Chatfield Reservoir; and

**WHEREAS**, recently, the District approached the Town about leasing additional Town recharge credits to provide an alternative mechanism by which to meet its augmentation needs; and

**WHEREAS**, at present, the Town does not have any available means by which to use the Town Recharge Credits within its water system over the next year; and

**WHEREAS**, a lease with the District will allow the Town to generate revenue from the Town Recharge Credits that it would not otherwise be able to realize; and

**WHEREAS**, accordingly, the Town and the District desire to enter into a water lease agreement by which the District may lease up to 604 AF of excess Town Recharge Credits to support pumping from wells included in the District’s augmentation plan.

## TERMS AND CONDITIONS

**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 the District agree as follows:

1. Lease of Town Recharge Credits. The Town hereby leases to the District up to and including 604 AF in excess Town Recharge Credits for the period commencing July 1, 2025, through and including March 31, 2026 (“Leased Credits”).

2. Lease Price. The District shall pay to the Town an amount equal to \$140.00 per AF of Leased Water, up to a maximum amount of \$84,560.00. The District shall make payment for any Leased Credits used by the District within thirty (30) days following the issuance of an invoice from the Town.

3. Lease Term. The term of this Agreement shall commence upon its execution and expire March 31, 2026. By mutual written agreement of the Parties, this Agreement may be renewed on the same or on different terms.

4. District Obligations. The decreed uses of the Leased Credits include augmentation as set forth in Case No. 89CW27. It shall be the responsibility of the District to obtain any additional approvals necessary to use the Leased Credits for the District’s intended purposes, including but not limited to the approvals by the Colorado Division of Water Resources and the District Court, Water Division No. 1. The Town shall cooperate with the District in obtaining any required additional approvals. The Town makes no warranties or guarantees that such approvals can be obtained.

5. Town Obligations.

a. The Town shall deliver the Leased Credits to the District in accordance with the following monthly schedule:

Delivery Date	Amount (AF)
July 2025	92
August 2025	115
September 2025	104
October 2025	100
November 2025	48
December 2025	42
January 2026	36
February 2026	30
March 2026	36



11. Enforcement. In the event either Party commences any action to enforce the terms and provisions of the Agreement, the prevailing Party shall be entitled to its reasonable attorneys' fees and all costs incurred in connection with such action, including, but not limited to, expert witness fees.

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

**(signature page to follow)**

