

**TOWN OF CASTLE ROCK/CENTRAL COLORADO WATER CONSERVANCY  
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 Central Colorado Water Conservancy District (“Central”), as Lessee, whose address is 3209 W 28th St, Greeley, CO 80634, 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 2023; and

**WHEREAS**, Central desires to lease a certain portion of the Surplus Water from the Town in accordance with the terms and conditions of this Agreement for municipal use.

**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 Central agree as follows:

1. Water Rights Lease. The Town hereby leases to Central Surplus Water up to 500 AF total (“Leased Spot Water”), which may be made available as follows:

A. Between January 1, 2023 and December 31, 2023 with no additional water released thereafter.

2. Deliveries.

A. Amount. The Town may have water available within its Chatfield Storage Account to lease up to 500 AF to Central in 2023. The Leased Spot Water will be withdrawn from the Town’s Storage Account upon coordination with the Colorado Department of Natural Resources – Division of Water Resources.

B. Location. Release will consist of a book-over from Castle Rock’s Chatfield Storage Account into Central’s Chatfield Storage Account.

C. Delivery to Central. Central will take delivery of the Leased Spot Water within its Chatfield Storage Account. Deliveries will be made by mutual agreement of the Parties.

D. Accounting. Central 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. Leased quantities shall be paid at the rate of \$90 per acre-foot. Payment for quantities leased shall be made thirty (30) days following the issuance of an invoice from Castle Rock. The Town shall invoice Central 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 (PCWRA) 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, Central acknowledges that water meeting the requirements of this paragraph is suitable for its 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, 2023. By mutual written agreement of the Parties, this Agreement may be renewed on the same or on different terms.

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

7. Town's Obligations. The Town shall allow Central to divert, store, use, reuse, and successively reuse to extinction and make all decreed uses of all Leased Spot Water, and shall confirm to Central's satisfaction that all Leased Spot Water is decreed for all such uses and has been recognized and is administered by the Colorado State Engineer for all such uses.

8. 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 Central:                      Central Water and Sanitation District  
   Attn: Randy Ray, Executive Director  
   3209 W 28th St  
   Greeley, CO 80634

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

10.   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.

11.   Binding Effect. The execution of the Agreement by the Town as Lessor and Central 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.

12.   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.

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

**(signature page to follow)**

**LESSOR:**

**ATTEST:**

**TOWN OF CASTLE ROCK**

\_\_\_\_\_  
Lisa Anderson, Town Clerk

\_\_\_\_\_  
Jason Gray, Mayor

**Approved as to form:**

**Approved as to content:**

\_\_\_\_\_  
Michael J. Hyman, Town Attorney

\_\_\_\_\_  
Mark Marlowe, Dir. of Castle Rock Water

**LESSEE:**

Central Water and Sanitation District

By: \_\_\_\_\_  
Randy Ray, Executive Director

**STATE OF COLORADO**            )  
  ) *ss.*  
**COUNTY OF DOUGLAS**        )

The foregoing instrument as acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
2022 by \_\_\_\_\_ as \_\_\_\_\_ of the Central Colorado Water Conservancy  
District.

Witness my official hand and seal.  
My commission expires:

\_\_\_\_\_  
Notary Public