

**TOWN OF CASTLE ROCK/JOULE, INC.  
SPOT WATER LEASE AGREEMENT**

THIS SPOT WATER LEASE AGREEMENT ("Agreement") is entered into \_\_\_\_\_, 2018 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 Joule, Inc., as Lessee, whose address is: 10554 S. Perry Park Road, Larkspur, Colorado 80104, 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");

**WHEREAS**, the Town anticipates it will have Surplus Water available from time to time in 2018; and

**WHEREAS**, Joule, Inc. 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 administrative exchange to be coordinated with the Division of Water Resources to fill Joule, Inc.'s Turtle Rock Pond and/or Ratcliff Pond located on Spring Creek, a tributary to West Plum Creek and Plum Creek.

**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 Joule, Inc. agree as follows:

1. The Town hereby leases to Joule, Inc. a total of 7.00 acre-feet (AF) annually of the Surplus Water ("Leased Spot Water"), which will be made available as follows:

- A. 2.18 AF on July 18, 2018;
- B. 2.2146 AF on July 19, 2018;
- C. 0.0346 AF per day from July 20 to July 31, 2018;
- D. 0.0313 AF per day from August 1 to August 31, 2018;
- E. 0.0240 AF per day from September 1 to September 30, 2018;
- F. 0.0161 AF per day from October 1 to October 31, 2018.

2. Deliveries.

A. Amount. The Town shall provide Joule, Inc. each day with flow measurement data at the discharge point for the Leased Spot Water for the preceding day. Notwithstanding the notice requirements below, the Town may provide flow measurement data by phone, fax, email or other suitable means to assure effective delivery management. Actual day-to-day deliveries of Leased Spot Water to Joule, Inc. will vary and are in the Town's sole discretion, provided that the Town guarantees a minimum of 0.01 AF will be available daily. Joule, Inc. may verify at any time the accuracy of the flow measurement device used by the Town to measure the Leased Spot Water at the discharge point.

B. Location. The point of delivery of the Leased Spot Water shall be at the Plum Creek Water Reclamation Authority ("PCWRA") outfall to East Plum Creek. Joule, Inc. shall bear any transit losses the Water Commissioner imposes between the PCWRA outfall and Joule, Inc.'s point of use. The exchange point for this water is the confluence of West Plum Creek and East Plum Creek, which is 4.5 miles below PWCRA following the stream channel.

C. Acceptance of Deliveries. Subject to the non-refundable payment obligation below, Joule, Inc. may either accept or decline delivery of any portion of the Leased Spot Water the Town delivers to Plum Creek in accordance with this Agreement. Acceptance of delivery will be confirmed only by inclusion of Leased Spot Water in substitute water supply plan or augmentation plan accounting described below.

D. Accounting. Joule, Inc. must provide the Town with a weekly accounting of the water and on the 1<sup>st</sup> of each month it uses this supply as an exchange. Joule, Inc. must supply the Town its exchange accounting on a monthly basis, no later than the fifteenth day of the month following the month of accounting, or on a more frequent basis and at the times required to report to the water commissioner or division engineer as required by the Division of Water Resources.

### 3. Fees and Costs.

A. Lease Rate. Joule, Inc. shall pay to the Town \$300.00 per acre foot for each acre-foot of Leased Spot Water measured at the point the Leased Spot Water is discharged from the PCWRA into Plum Creek, and used for exchange by Joule, Inc..

B. Lease Development Fee. Joule, Inc. will be responsible for a \$2,500 lease development fee to cover the Town staff time and costs to develop the Spot Water Lease.

The Lease Development Fee (\$2,500) is due to the Town at the time of execution of this Agreement, which is not effective until such payment is made. The Town will reconcile the accounting for deliveries made through December 31 each year and send an invoice to Joule, Inc. for the balance due as necessary.

4. Quality of Leased Water. Leased 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, Joule, Inc. acknowledges that water meeting the requirements of this paragraph is suitable for exchange purposes and will accept such water as meeting the terms of this Agreement.

5. Lease Term. The term of this Agreement shall commence on its execution and expire December 31, 2018. By mutual written agreement of the Parties, this Lease Agreement may be renewed on the same or on different terms.

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

7. 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  
Attn: Director of Castle Rock Water  
100 N. Wilcox Street  
Castle Rock, CO 80104

With copy to: Town of Castle Rock  
Attn: Town Attorney  
100 N. Wilcox Street  
Castle Rock, CO 80104

If to Joule, Inc.: Joule, Inc.  
Attn: Jami Jensen  
10554 S. Perry Park Road  
Larkspur, Colorado 80104

9. 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. The execution of the Agreement by the Town as lessor and Joule, Inc. as lessee constitutes the execution of a binding lease agreement by those Parties on the terms and conditions contained herein.

**LESSOR:**

**ATTEST:**

**TOWN OF CASTLE ROCK**

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

\_\_\_\_\_  
Jennifer Green, Mayor

**Approved as to form:**

**Approved as to content:**

\_\_\_\_\_  
Robert J. Slentz, Town Attorney

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

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

The foregoing instrument as acknowledged before me this \_\_ day of \_\_\_\_\_, 2018 by Lisa Anderson as Town Clerk and Jennifer Green as Mayor of the Town of Castle Rock, Colorado.

Witness my official hand and seal.  
My commission expires:

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

**LESSEE:**

Joule, Inc.

By: \_\_\_\_\_  
Jami Jensen

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

The foregoing instrument as acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2018 by  
Joule, Inc.

Witness my official hand and seal.  
My commission expires:

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