

NORTHERN COLORADO WATER CONSERVANCY DISTRICT

**RESOLUTION
D-962-02-95**

**INTERIM GUIDELINES ON LIMITATIONS ON OWNERSHIP
OF COLORADO-BIG THOMPSON ALLOTMENT CONTRACTS FOR DOMESTIC OR
MUNICIPAL PURPOSES**

Whereas, the Board of Directors of the Northern Colorado Water Conservancy District (District) has determined that interim guidelines are appropriate for limitations on ownership of Colorado Big-Thompson (C-BT) units for domestic or municipal purposes while the District is considering revisions to its rules, regulations, and policies.

THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the District that in the period extending from the passage of this resolution until the Board of Directors adopts revised rules, regulations, or policies concerning limitations on the ownership of C-BT units, the following interim guidelines shall apply in the calculation and determination of the limitations on ownership of C-BT units used for domestic or municipal purposes:

1. For municipalities and domestic water purveyors, the limitation on unit ownership will be calculated and determined as the lesser of the following:

- a. The number of units calculated by utilizing the "existing guidelines," with the clarification that when applying the formula the yield used in the calculation is the average annual yield of the base water supply. Further, the demand used when applying the formula will be based on the entity's average annual demand calculated by the procedure noted in item 2 below. The formula used in the "existing guidelines" is:

$$\text{(Demand X 2) - Average Yield of Native Water Supplies = Max. No. of C-BT Units Allowed to be Owned}$$

- b. Or, the number of units determined by utilizing the "proposed guidelines," with the clarification that when applying the formula the yield used in the calculation is the firm annual yield of the base water supply, based on a one in fifty-year drought. Further, the demand used in the formula will be based on the entity's average annual demand calculated by the procedure noted in item 2 below. The formula used in the "proposed guidelines" is:

$$\text{Demand - Firm Yield of Native Water Supplies = Max. Volume of Firm Yield C-BT Water Allowed to be Owned*}$$

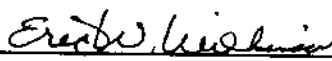
(*The maximum number of C-BT units allowed to be owned under the "proposed guidelines" shall be determined by dividing the volume of C-BT water allowed to be owned by .5 [50 percent quota] for variable quota contracts, and by .7 [70 percent quota] for fixed rate quotas.)

2. In calculating the average annual demand for an entity, the following guidelines will be used:
 - a. Calculate the last ten-year average annual per tap usage for each category of tap served by the entity;

- b. Multiply the per tap usage in each tap category calculated in accordance with subparagraph 2.a. immediately above by the number of existing taps in each category plus the number of taps in each category that the entity has a written commitment to serve. Only those taps for which commitments to serve have been issued, the facilities for which or the development of which has been previously approved by all governmental entities with jurisdiction over such facilities or development, shall be considered in this calculation.
3. C-BT units that are transferred to an entity to fulfill annexation requirements imposed by the entity may be transferred to the entity, even though the units transferred may result in exceeding the calculated ownership limitation. C-BT units purchased with "cash in lieu" funds acquired by the entity in accordance with annexation requirements will not be approved for transfer to the entity if the transfer would cause the ownership limitations to be exceeded.
4. Native water supplies that have been acquired by an entity as part of the annexation requirements but that have not been the subject of a change of water rights case will be considered part of the entity's base water supplies when performing the calculations described in item 1 above, unless those supplies are encumbered by lease back agreements that will provide for use of water by the entity from which the water was purchased for a period of more than five years from the date of the ownership limitation calculation.
5. The average annual and firm annual yield of Windy Gap Project water owned by the entity will be calculated to be 50 percent of the product of the number of Windy Gap units owned times 100 acre-feet per unit. This guideline is based on a policy of the District and Subdistrict favoring integrated operations of the C-BT Project and Windy Gap Project.
6. Interruptible supply contracts held by an entity for the use of C-BT Project water not owned by that entity in order to provide collateral water for borrowing of C-BT water to "firm" Windy Gap supplies as part of integrated operations of the C-BT and Windy Gap Projects will not be counted for purposes of determining whether an entity has exceeded its C-BT Project unit ownership limitation.

CERTIFICATE

I, Eric W. Wilkinson, do hereby certify that the above is a true and correct copy of a Resolution unanimously adopted by the Board of Directors of Northern Colorado Water Conservancy District at a regular meeting of said Board held in Loveland, Colorado, on February 10, 1995.


Secretary