



SOUTHEASTERN COLORADO

Water Conservancy District

"Your investment in water"

April 4, 2011

TO: Municipal Water Agencies within the confines of the Southeastern Colorado Water Conservancy District

CC: Board of Directors; Jim Broderick, Executive Director; Roy Vaughan, USBR; Steve Witte, Division Engineer; Burns, Figa & Will P.C.

FROM: Bob Hamilton, Director of Engineering & Resource Management

SUBJECT: Allocation of 2011 Municipal Fryingpan-Arkansas Project Water Return Flows

In accordance with the District's Water Allocation Principles, contract with the United States, Operating Principles, the Policy Concerning the Sale of Return Flows from Project Water, and appropriate Colorado water laws, the Colorado Water Conservancy Act, and the Water Activity Enterprise Act, the Board of the Southeastern Colorado Water Conservancy District, by and through its Water Activity Enterprise ("District") does hereby notify you of your opportunity to apply to purchase Fry-Ark Project water return flows (Return Flows) in 2011. Return Flows are required to be supplemental only to adjudicated waters and used only within the confines of the District boundaries.

Requests to purchase Return Flows must be received by 4:30 p.m. Thursday, April 28, 2011. Return Flow purchasers will be notified of their allocation on or about May 19, 2011.

Purchase and payment for Return Flows will be made in accordance with the enclosed **2011 MUNICIPAL RETURN FLOW SALES PROCESS**.

Delivery of Return Flows will be made in accordance with your approved plan for augmentation or substitute supply plan, and the **2011 MUNICIPAL RETURN FLOW SALES PROCESS**.

If Return Flows are not used by the specified dates, the allocations and sales will be canceled, and monies paid will be forfeited.

Any and all waters purchased are subject to all terms and conditions of the contract between the Southeastern Colorado Water Conservancy District and the United States in effect for 2011. Submission of an application for Return Flows constitutes acceptance of the price for Return Flows set forth in the **2011 MUNICIPAL RETURN FLOW SALES PROCESS**, and of all the terms and conditions of the "Enterprise Policy Concerning the Sale of Return Flows from Fryingpan-Arkansas Project Water," which is available on request or at www.secwcd.org, then click on Fry-Ark Allocation.

It is the intent of the Board of Directors that entities which do not buy Return Flows in any single year will not be precluded from doing so in the future, and will not be subject to prejudice thereby in the Board's review of the applications.

APPLICATIONS MUST BE RECEIVED BY 4:30 P.M. THURSDAY, APRIL 28, 2011

**SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT
2011 MUNICIPAL
RETURN FLOW SALES PROCESS**

Applicants will submit to the Southeastern Colorado Water Conservancy District, acting by and through its Water Activity Enterprise ("District") their total annual request for Fryingpan-Arkansas Project water return flows (Return Flows) to be used for replacement, exchange, or other purposes (April 2011 - March 2012). The request must also contain monthly estimates of amounts of Return Flows required.

The District will estimate the total Return Flows available (April 2011 - March 2012), and determine the maximum amount of Return Flows available for sale to each plan for each month (April 2011 - March 2012). Allocations will be made based on the District's "Allocation Principles" and the "Policy Concerning the Sale of Return Flows from Project Water."

Purchasers are required to pay for the first half (1/2) of their total purchase upon notification by the District of the amount of Return Flows approved. The rate for Return Flows is \$6.50 per acre-foot, which includes a \$0.50 per acre-foot Southeastern Colorado Water Activity Enterprise (WAE) surcharge. On or before July 15, 2011 purchasers must pay for the second half (1/2) of their total purchase, or any portion of the remaining amount required by their plan. Monthly maximum amounts of Return Flows available for plans that choose to pay for only a portion of their remaining Return Flows shall be reduced proportionally. **Return Flows not paid for by July 15, 2011** will become available for sale to other users.

Purchasers may deviate from their estimated monthly Return Flow requirements. However, plans may not exceed the monthly maximum amount of Return Flows available for their plan as determined by the District unless otherwise approved by the Enterprise. Return Flow purchases may not exceed the monthly maximums as set by the Enterprise unless additional Return Flows are available as determined by the Enterprise. Any additional Return Flows needed above the initial allocation must be purchased and paid for in full before being credited to the purchaser. Purchasers assume all risk associated when deviations from estimated monthly requirements for Return Flows by a plan result in such plan not being able to use all of their Return Flows purchased.

The District does not guarantee to make up Return Flow shortfalls.

APPLICATIONS MUST BE RECEIVED BY 4:30 P.M. THURSDAY, APRIL 28, 2011

**SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT
APPLICATION FOR MUNICIPAL USAGE
2011 MUNICIPAL FRYINGPAN-ARKANSAS PROJECT WATER RETURN FLOWS**

TO: Board of Directors, Southeastern Colorado Water Conservancy District, acting by and through its Water Activity Enterprise (“District”):

We/I, the _____ (entity), hereby request _____ acre-feet of Fryingpan-Arkansas Project water return flows (Return Flows) in the 2011 allocation. We/I understand the Board of Directors of the District will allocate, and sell available waters as equitably as possible, based upon the merits of each application. Waters will be delivered in accordance with, and we accept the terms & conditions of the District “Policy Concerning Sale of Return Flows from Project Water,” and the notice from the District dated April 4, 2011 which accompanied this application.

In support of our request, and to comply with the need for information by the Board to meet the terms & conditions of their contract with the United States, Operating Principles, and the District Return Flow Sales Policy, we submit the following information:

We/I request an allocation of _____ acre-feet from the RETURN FLOW ACCOUNT. We/I request this allocation be made available on or about May 19, 2011. For Return Flows requested, we agree to pay \$6.50 per acre-foot, which includes an additional \$0.50 per acre-foot for the Water Activity Enterprise (WAE) surcharge. We/I will pay in accordance with the terms of the District’s notice dated April 4, 2011, which accompanied this application, and before use. This request to purchase Return Flows may be in addition to our 2011 request for Project water, as provided in Paragraph (11) ALLOCATION PRINCIPLES-FINDINGS, DETERMINATIONS, AND RESOLUTIONS. Return Flows must be used by April 1, 2012.

(Please include a monthly use schedule with your application)

In 2011 we will serve a population of _____. Census population is _____. Provide documentation if there is a noticeable difference in population serviced compared to census population.

Place of use is:

Pueblo _____ above Pueblo Res. _____ below Pueblo Res. _____ Fountain Valley _____.

Please list all municipal and domestic entities that you represent on a separate page.

Are you a member of a well users group such as AGUA, LAWMA or CWPDA?

YES _____ NO _____ If yes, please list the group _____

If yes, is this application for wells covered by the group’s augmentation plan?

YES _____ NO _____

Other uses: _____.

If supplementary information is required regarding our request, we agree to supply additional information as requested by the District.

ALLOCATION APPLICATIONS MUST BE RECEIVED BY 4:30 P.M. THURSDAY, APRIL 28, 2011

By signing this application, we acknowledge the District owns the Return Flows from Fryingpan-Arkansas Project water, and the District has maintained dominion and control over these Return Flows and has the right to sell these Return Flows. We acknowledge the District has not abandoned its rights to use and sell Return Flows from Fryingpan-Arkansas Project water. We agree not to assert the District has lost dominion or control over, or has abandoned or surrendered, the Return Flows from Fryingpan-Arkansas Project water.

The District Board will estimate the amount of Return Flows available for sale in a given year. The District Board may request a purchaser to provide accurate information from which to estimate the amount, timing, and location of Return Flows which the purchaser has requested.

As a municipal entity, do you wish to exercise your "First Right of Refusal" for the Return Flows generated by your use of Fryingpan-Arkansas Project water delivered from April 1, 2011 through March 31, 2012? YES _____ NO _____

If you are requesting to utilize Fryingpan-Arkansas Project water Return Flows that you generate under your "First Right of Refusal," you will be billed on a quarterly basis. This billing will be based on the amounts of measured and (where applicable) unmeasured Return Flows reported to the District and the Division Engineers office.

Please do not send payment until notified of the amount of water approved by the District's Board of Directors.

The following is information we feel should be considered by the Board of Directors in their evaluation of our request, and to set out our unusual circumstances involving our entity in 2012 (attach additional pages, if necessary.)

_____ Authorized Agent	_____ Address	_____ City	_____ State	_____ Zip
_____ Authorized agent, Title	_____ email	_____ Phone		
_____ Billing Contact <i>if different from above</i>	_____ email	_____ Phone		

ALLOCATION APPLICATIONS MUST BE RECEIVED BY 4:30 P.M. THURSDAY APRIL 28, 2011