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## BOARD OF COUNTY COMMISSIONERS

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July 13, 2022

Tri-County Water Conservancy District  
647 N. 7th St., Montrose, CO 81401  
Attn.: Mike Berry, General Manager, Aaron Clay, Outside Counsel  
*Sent via Email*

Dear Tri-County Water Conservancy District,

Ouray County formally intends to enter into negotiations for a temporary, annually-recurring lease agreement or other similar contract(s) with the US Bureau of Reclamation (Bureau). As you know, Tri-County Water Conservancy District (Tri-County) operates the Ridgway Reservoir and Dam under a contract with the Bureau. Ouray County seeks to enter into a lease agreement to contract up to 4,000 Acre-Feet (AF) of water from Ridgway Reservoir. Of the 4,000 AF, 3,000 AF is irrigation water for the no-call agreement discussed further below and up to 1,000 AF is for municipal, industrial, and other beneficial uses within Ouray County.

Ouray County is currently engaged in the initial planning and negotiation stages for a county-wide and basin-wide water development project. Ouray County has contractually assumed the lead role in this project, in which settlement negotiations are ongoing in 2019CW3098, and which includes three basic project components: (1) use enlargement of a conditionally decreed 25,000 AF Ram's Horn Reservoir on the upper reaches of Cow Creek, intended in part to regulate and capture diurnal flows; (2) the Cow Creek Pipeline, which is an inter-basin diversion and conveyance pipeline for up to 20 cubic feet per second (CFS) from Cow Creek to Ridgway Reservoir, for storage of up to 13,750 AF into the Ridgway Reservoir and other beneficial uses; and (3) various exchanges, alternate points of diversion, and other necessary project components to help make the water developed in the project available for use throughout Ouray County.

Ouray County, along the other co-applicants in 2019CW3098, which are Tri-County, the Ouray County Water Users' Association (OCWUA), and the Colorado River Water Conservancy District (CRWCD), recently entered into a no-call agreement with Uncompahgre Valley Water Users' Association (UVWUA) for generalized drought relief throughout the Uncompahgre River Basin. UVWUA, one of the senior water users in the Uncompahgre River Basin, which owns multiple canals including the Montrose & Delta (M&D), and has an 1890 water right, has already placed at least one call on the Uncompahgre River this summer, and placed multiple calls last summer. This M&D call has resulted in significant hardships to upstream irrigators with junior rights such as OCWUA members. The no-call agreement relieves some of this pressure, and provides in part that if at any time that the co-applicants in 2019CW3098 are forecasted to deliver at least 3,000 AF of irrigation water from Ram's Horn Reservoir or Cow Creek Pipeline to Ridgway Reservoir, or have contracted for or re-allocated

3,000 AF of water in Ridgway Reservoir, UWWUA agrees not to place a call on the Uncompahgre River for that season. The no-call agreement also provides that UWWUA will support Ouray County and Tri-County on any necessary contracting, leasing, or authorizations from the Bureau to develop the storage water allocation for the irrigation water supply.

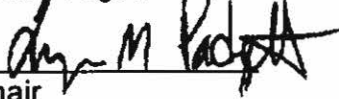
Due to the recent call placed by UWWUA as a result of ongoing shortage(s), Ouray County urgently seeks to enter into any necessary contracting, leasing, or other authorizations for un-allocated or re-allocated water in Ridgway Reservoir, in order to take the M&D call off, and relieve some of the significant pressures on upstream junior water users within the county. Ouray County anticipates this being a short-term agreement until other project components outlined in 2019CW3098, such as the Cow Creek pipeline, are able to meet our needs to remove the M&D call. The no-call agreement is structured in an alternative way, such that any or all of these project components, or any necessary contracted water or re-allocation from Ridgway Reservoir can prevent UWWUA from placing the call. In short, Ouray County has a temporary, urgent need to remove the M&D call in a time of ever increasing droughts and water shortages throughout the Western Slope and the southwest in general.

Ouray County formally seeks Tri-County's support to enter into any necessary contractual lease agreements with the Bureau necessary to remove the M&D call, with delivery of non-allocated or re-allocated water within Ridgway Reservoir to occur on an annual recurring basis, and a negotiable price on an AF basis subject to any necessary cap(s), to cover a share of the operation, maintenance, and administrative costs of Ridgway Reservoir. Ouray County does not anticipate any significant difficulties with supplemental appropriations for 2022 and annual appropriations for subsequent years, to support this temporary need for leased water while such a significant water development project is pending and ongoing.

Ouray County sincerely appreciates the partnerships in this region, and the willingness of both Tri-County and the Bureau to consider any such allocation or re-allocation agreements, at this time of critical need. Thank you very much for your consideration with any leasing or similar agreements to support our joint water development project and the various citizens who depend on the timely and adequate delivery and supply of water throughout the Uncompahgre River Basin.

Very Sincerely,  
Ouray County Board of County Commissioners

Lynn Padgett

  
Chair

Jake Niece

  
Vice-Chair

Ben Tisdell

  
Commissioner

Copies to: Counsel for CRWCD, Counsel for OCWUA