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Conservancy Dist. + Ouray County Water
Users Assn



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**MEMORANDUM OF UNDERSTANDING
AMONG
OURAY COUNTY, COLORADO; TRI-COUNTY WATER CONSERVANCY DISTRICT
AND THE OURAY COUNTY WATER USERS ASSOCIATION**

This Memorandum of Understanding (MOU) is among the Board of County Commissioners of Ouray County ("County"), Colorado, Tri-County Water Conservancy District ("Tri-County"), and the Ouray County Water Users' Association ("OCWUA").

PREMISES for MOU

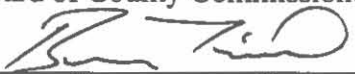
- A. OCWUA is a Section 501(c)(4) organization, registered in the State of Colorado, and comprised of water users in the Upper Uncompahgre River Basin within Ouray County, including farmers, ranchers, commercial facility owners, the Town of Ridgway, the City of Ouray, Tri-County, and the County of Ouray. The purpose of the OCWUA is to protect and develop water rights in Ouray County for the benefit of those living in and visiting Ouray County.
- B. Tri-County Water Conservancy District is a political subdivision of the state of Colorado, formed under the laws of Colorado and, specifically, the Conservancy District Act. Its purpose is to carry out projects provided for in the Colorado River Storage Project Act, including the Dallas Creek Project, and to be the entity to contract with the Bureau of Reclamation for repayment of project costs. Tri-County also provides water to users within Ouray, Montrose and Delta counties.
- C. Ouray County is a political subdivision of the state of Colorado. The County provides services, as authorized and mandated by the state constitution and state statutes, including, but not limited to, control, maintenance and operation of county roads, judicial facilities, clerk and recorder, treasurer, elections, social services, land use, weed control, public health, law enforcement and emergency services. Prior to approving any subdivision in the county, the Board of County Commissioners must determine that an adequate water supply exists to provide water to the development.
- D. Tri-County is the owner of multiple water rights in Ouray County, primarily related to the original Dallas Creek Project. The water rights also include the conditional rights related to potential future projects i.e.: Dallas Divide Reservoir, Dallas Divide Reservoir Enlargement, Ram's Horn Reservoir, and Sneva Reservoir ("Water Rights"). Tri-County operates the Ridgway Dam and Reservoir under a contract with the US Bureau of Reclamation.
- E. Tri-County has maintained diligence on its conditional Ouray County water rights. Tri-County has experienced increasing resistance from Ouray County property owners in the maintenance and development of the water rights. Tri-County desires to utilize the water rights to cover water shortages in Ouray County and embraces a joint venture to ensure that the development of these water rights meets the most needs. Both the County and OCWUA are anxious to play leading roles in moving forward with development of the water rights to address current and future water needs and shortages in Ouray County.
- F. All three parties to this Agreement are partners in a draft study by Wright Water Engineers to determine water needs and shortages in Ouray County for all purposes, including domestic, irrigation and other agricultural uses, industrial, road and bridge, municipal, and recreational, in-stream uses.

That draft study concluded that the County has unmet needs currently and will need additional water supplies for the future, in particular storage.

G. Because the County is a governmental entity with the ability to obtain grants, enter into intergovernmental agreements, tax and bond, the parties hereto agree that the County should take the lead in moving forward with development of the water rights, and future due diligence efforts, in consultation with Tri-County and OCWUA.

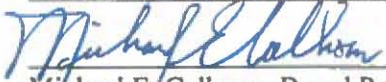
1. **IT IS HEREBY AGREED BY THE PARTIES THAT:** The County will assume the lead role in coordinating with the various water interests in Ouray County, including, but not limited to, the OCWUA, Tri-County, recreational interests, other water users in Ouray County, and other stakeholders as they are identified, with a goal of continuing the engineering efforts, investigating funding sources and other efforts to develop the Water Rights.
2. If a specific project agreed to by the Parties requires that the County own any of the Water Rights, Tri-County will convey the Water Rights to the County, with an appropriate right of reverter to Tri-County. As appropriate, Tri-County and the other parties may be Co-Applicants in future filings in the Water Court.
3. Ouray County will annually inform Tri-County and OCWUA on the efforts it has taken toward putting the Water Rights to beneficial use in the previous year.
4. The parties may agree in the future that another entity is better suited for the lead role in development of the Water Rights, and may terminate this Agreement in favor of another Agreement with a new entity.
5. The parties understand and acknowledge that solutions to a full water supply for all beneficial uses in Ouray County, as identified and described in the Wright Water Resources Draft Report dated 2016, and revisions thereto, may be varied and may include the Water Rights, as well as other strategies for ensuring a full water supply. The parties hereto agree to cooperate in pursuing such solutions for storage, new water supplies, changes in existing water rights, and conservation measures as appropriate.
6. This MOU shall become effective upon the date of the last signature by the authorized representative of all parties.
7. The Agreement shall remain in full force and effect for so long as the parties to this Agreement continue to meet their respective obligations. Any party to this Agreement may, however, terminate its participation in this Agreement **60 days** after providing written notice of such termination to the other parties to this Agreement. The duties and obligations of the MOU shall not be assigned, delegated or subcontracted by any party without the express written consent of the other parties. No party shall bind any other party without expressed written consent of the other parties.
8. This Agreement shall not be considered a multiple year fiscal obligation of Ouray County, and all obligations of Ouray County under this Agreement are subject to the availability and appropriation of funds by the Board of County Commissioners.

Board of County Commissioners of Ouray County



Ben Tisdel, Chair
October 10, 2017
Date

Tri-County Water Conservancy District



Michael E. Calhoun, Board President

August 16, 2017

Date

Ouray County Water Users' Association



Daris Jutten, Board President

10-31-17

Date