SECTION 14

EXCESS WATER RESOURCE ALLOCATION PROGRAM

1400 BACKGROUND Based upon the Little Thompson Water District's policies to maximize beneficial use of its resources, the District may rent from time to time the following water resources.

1400.1 Colorado-Big Thompson Project (C-BT) water.

1400.2 Native, local irrigation company shares, including but not limited to, Handy Ditch Company, Highland Ditch Company, Consolidated Home Supply Ditch Company, Big Thompson Ditch and Manufacturing Company and the Supply Ditch Company.

1400.3 Little Thompson Water District allocated C-BT carryover capacity.

1400.4 Other waters as determined acceptable to the District on a case-by-case basis.

1401 AVAILABILITY District Staff will determine if water resource assets will be available for rent each year.

1401.1 The Staff decision will be based upon current and projected water supply including C-BT quota, District reserves in C-BT carryover and Dry Creek Reservoir,climate outlook, projected and actual water demands, and other factors.

1401.2 The Staff shall make an initial determination each year on May 1 and make additional considerations bimonthly throughout the remainder of the year depending on changing water resource conditions.

1401.3 The Staff will notify customers and the general public about available water resources through reasonable methods that may include the District website, customer newsletters, or by phone to those who have requested to be placed on a rental list.

1401.4 The Staff will provide regular water resource availability updates to the Board of Directors through monthly water resource reports.

1402 ALLOCATION District Staff will determine the quantity of each water resource, if any, that will be available for rent. Allocations will be made based primarily upon a wet acre-foot basis but may also be made by share. The District will specify the allocation method for eachwater resource available.

1403 VALUE The District will determine the value for water resource rentals and may adjust

the valuefrom time to time in order to be effective in making beneficial use of the water resource and maximizing the benefit for District customers.

1404 METHOD The District will determine the appropriate method to annually dispense water resources allocated for rent. Longer term rental agreements must be approved by the District Board of Directors. Appropriate rental methods may include:

1. Water resources rental of native irrigation company shares for rental contracts.
2. Water resource rental to District customers first, and then to the general public.
3. Water resource rental using a first-come, first-served approach based upon a rental request list started January 1 of each year.
4. Water resource rental either in full request amounts or by rationing.
5. Water resource rental using a bid format satisfying requests in order of highest bidder.
6. A combination of the above methods.

1405 CONDITIONS Successful water resource rentals will be based on the following:

1405.1 Water will be transferred for rental agreements only upon completion of a District rental contract and District receipt of rental funds.

1405.2 For native irrigation company shares, additional detailed water usage information including location, crop type, acres irrigated, and irrigation application method will be required.

1405.3 Water may be eligible for transfer to an irrigation company, another water utility company, or to a District bulk water customer account.

1405.4 Customer will be responsible to make all necessary arrangements for water delivery to the desired location. These efforts may include additional agreements, costsand water carriage losses borne by the customer.

~ END OF SECTION 14 ~

These Rules and Regulations were revised, adopted, and approved by the Little Thompson Board of Directors. on September 5, 1996.

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