

EDGEMONT RANCH METROPOLITAN DISTRICT WATER RIGHTS SUMMARY 10/01/13

OVERVIEW

ERMD serves Edgemont Ranch and Edgemont Highlands. When the development is completed there will be a total of 944 users. When all water rights are considered ERMD has rights representing in excess of the state standard of 10,000 gallons per month at the full build out of 944 homes. The current average use by the district is between 4000 gallons and 8000 gallon per month per household. The Districts water rights are dependent on "normal" water flows of the Florida River.

The District holds a number of water rights which give it the right to take a specified amount of water from the Florida River. These rights have different priorities which define the District's priority and limits if the river is "on call".

"On call" is a situation when there is insufficient water flow to supply all existing water rights. Water rights on the Florida each have a priority number, the lower the number the greater chance of being one of the rights holders who is able to draw water from the river. This means as the flow in the river becomes more limited, more right holders with higher priority numbers (junior water rights) will not be able to divert their approved water.

Currently the District holds F4, F9, F10, F30 and F40 rights on the Florida River which provide water to the district between May 1st and October 14th of each year. Historically, water right owners with F10 water or better have not been called out and have enjoyed reliable water diversions throughout the irrigation season. Water rights junior to F10 have historically been called out at some point during the irrigation season. However with the extended drought conditions in the southwest there is no guarantee that water flows in the Florida River will continue to be sufficient to provide continued reliability of water rights.

In the non-irrigation season October 18th through April 30th, the District diverts water from the Florida River under its Spring Valley Pipeline water right, which is a more junior water right. The District has a supplemental water agreement with the Florida Water Conservancy District to provide 11.5 acre feet of augmentation water to the River during the non-irrigation season to allow the District to continue diverting through its Spring Valley Pipeline water right in the event the Colorado Water Conservation Board places a call on the Florida River during the non-irrigation season.

The District is in the process of constructing a reservoir to provide substantial year round water storage for direct use or for augmentation releases to replace the District's depletions from the River. When this reservoir is completed the integrated systems water storage is expected to be approximately 16 million gallons. This storage will comprise water storage ponds of approximately 15 million gallon and two water tanks holding 1.2 million gallons. These storage facilities are a necessary part of the water processing system and should provide from 3 to 6 months supply of usable water.

FLORIDA RIVER WATER RIGHTS

Abling-Cash (F-4): 0.40 CFS (182 gallons per minute or 7 million gallons per month at full supply) can be diverted only from May 1 through October 31st (currently not available as it is being adjudicated in water court for diversion at Edgemont).

Harris-Patterson (F-9): 0.19 CFS (85.5 gallons per minute or 3.7 million gallons per month at full supply) can be diverted only from May 14th through October 14th.

McClure-Murray (F-10): 0.23 CFS (103.5 gallons per minute, or 4.4 million gallons per month at full supply) can be diverted only from May 1st through September 27th.

Abling-Cash (F-15): 0.25 CFS (112.5 gallons per minute or 4.4 million gallons per month at full supply) can be diverted only from May 1st through October 31st (currently not available as it is being adjudicated in water court for diversion at Edgemont)

Ogden Shirmer (F30 F 40): 1 CFS (450 gallons per minute or 19.4 million gallons per month) can be diverted only from May 16th through July 4th. This water right can be used to fill the Spring Valley Reservoir, described below.

OTHER WATER RIGHTS

Florida Water Conservancy District: The District has a 40 year contract with the conservancy to provide up to 11.5 acre feet (3.7 million gallons) of water from Lemon Dam, delivered via the Florida river for use as augmentation (augmentation is the net difference of water removed from the Florida river and the water returned to the river via the Districts waste water processing) if the river is on call between September 28th through May 14th.

Cliff House Well 1: This well is approved as a potential short term source of water. The water from this well requires significantly greater treatment than the Florida water source and is therefore considered a source of limited value and a last resort.

Spring Valley Pipeline: Decreed for 2.5 cfs in Case No. 83CW114. The District diverts under this water right during the non-irrigation season. This water right can also be used to fill and maintain a District reservoir.

Spring Valley Reservoir: Decreed for 124.6 acre-feet in Case No. 83CW19, and changed in Case No. 09CW34 to allow an alternate reservoir location. These rights include 5 acres of land proximate to the Florida River as well as all easements necessary to construct a reservoir which will hold approximately 40 acre feet of water or enough water to supply for 6 months at full build out of 944 homes. The construct this reservoir is planned to begin when there are over 600 homes built but the specific timing is dependent on the District finances.