

_____, 2017

Meeker, CO 81641

RE: Yellow Jacket Water Conservancy District – Conceptual Reservoir Location

To whom it may concern:

Thank you for taking the time to meet with the Yellow Jacket Water Conservancy District (“District”) in July to discuss the potential reservoir location on your property. The Board recognizes that this request may seem burdensome. However, it would like to try and work with you on a potential solution that would allow the District to “park” the water right while it works on plans to determine whether such a structure is even feasible on your property.

As we have discussed, the planning and construction of a reservoir can take years, if not decades to permit and construct. The District also has limited finances at this time to construct such a project. It would need to find partners willing to help finance the project. Moving the water right to your property does not mean that the reservoir will be constructed in the immediate future. Rather, the District would need to negotiate with you, or a subsequent owner on the acquisition of the property as well as obtain the necessary permits and governmental approvals.

Putting the water storage right on your property would not give the District any property rights in the property or prevent you from doing anything to your property. It would not prevent you from selling or transferring the property. Instead, the District would be a potential purchaser if and when you do decide to sell.

Also, these are conditional water rights. That means that the District is required to go to water court every six years and demonstrate that it has been reasonably diligent in the development of the conditional rights. There is the risk to the District that these water rights would be cancelled in the next or some subsequent diligence case and these water rights would be of no further force and affect.

The District would like to enter into an agreement with you that would allow it to move the water rights. Under that agreement, the District would agree to pay you a fee of \$500 per year, subject to the successful change of water right in the water court. ~~This fee would be considered as partial payment toward the ultimate purchase of your property should the District move forward with the project.~~ The final purchase price would be determined at the time that you and the District decide to transfer the property. In the event the District decides not to proceed with the project, the water rights are cancelled, or you sell the property to a third-party other than the District, you would keep whatever amounts have been paid to date.

Based on the many unknowns and current financial status of the District, the Board feels that this is a reasonable offer and would be a benefit to you as well as to the other residents of Rio Blanco County.

The District Board would like meet with you to discuss your thoughts on this matter. Please contact us at your earliest convenience at 970-878-4410. Thank you for your time and consideration in this matter.

Addressee
RE:
Date
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Sincerely,

Kelley Sheridan
YJWCD – Board President