

SOUTHEASTERN COLORADO WATER ACTIVITY ENTERPRISE
WATER ALLOCATION POLICY
FRYINGPAN-ARKANSAS PROJECT WATER

AMENDED February 19, 2026

- 1: Supplemental irrigation water will be sold exclusively to ditch or canal companies within the District with decreed water rights, and not to individuals under such a ditch or canal.
- 2: Project Water will be sold to municipalities and domestic water users associations within the District and will be supplemental only unless otherwise agreed upon by the Board of Directors.
- 3: Project Water will not be allocated for, nor can it be used for speculation.
- 4: To prevent waste of Project Water, deliveries will be reduced or suspended by the Board of Directors until such waste ceases.
- 5: All Project Water will be allocated equitably in accordance with the Allocation Principles, and subject to approval by the Board based on availability of water, and the merits of each individual application.
- 6: All Project Water sold will be measured by either Sugar Loaf Dam or Pueblo Dam, and transportation losses assigned by the Division Engineer will be the responsibility of the purchaser.
- 7: The selling price of Project Water for all classes of use shall be the same at the point of release. Additional costs which result from specific delivery works or District/Enterprise surcharges (O&M, Safety of Dams, etc.) will be added to the base cost of water.
- 8: Eighty (80) percent of any allocation of Project water purchased for agriculture must be used before November 15 (5-19-2011) of the current year. The remaining twenty (20) percent must be used by May 1 of the following year. If Project water allocations are not used by the specified dates, the allocation will be canceled, and monies paid will be forfeited. (Amended) It is the District's policy to accommodate reasonable requests for extension of these deadlines in circumstances where storage space is available and such extension will not impact storage under the Winter Water Storage Program and the Reoperations program (excess capacity contracts for eligible municipal entities within the District to store non-Project water in Project carryover space). In considering such request, the District will consider that water committed to augmentation plans often requires longer-term storage. Approved carry-over storage past May 1 of the following year of Project water allocated for agricultural shall be subject to appropriate evaporation and transportation charges, and to financial surcharges similar to those paid for municipal carryover storage.

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9: All agricultural water organizations requesting an allocation of Project water shall annually provide the District with a current shareholder/member list to be eligible to receive an allocation of Project water. (4-18-2013)

10. Any Reclamation administrative fee bills for landholders served by an agricultural water organization or bills for Project water at the full cost rate delivered by the agricultural water organization, that are received by the District, will be forwarded to the responsible agricultural water organization. It will be the agricultural water organization's responsibility to pay the District and have the option to forward these fees to the landholder. The agricultural water organization will not be eligible to receive Project water until these bills are paid. (4-18-2013)

11. Project Water purchased by a municipality or domestic water users' association shall be stored in the 163,100 acre-foot space set aside in the Allocation Principles. (Paragraph E). Carry-over storage for municipal and domestic purposes shall be subject to appropriate evaporation and transportation charges, and to financial surcharges imposed on such storage as duly adopted by the Southeastern Colorado Water Activity Enterprise. Water stored in carry-over space shall not be subject to reallocation.

12: An allocation will be made each year in order that Project water will be efficiently managed by the District and the entities. The allocation will be awarded at the May meeting of the Board of Directors. Payment must be received in full prior to the delivery of water, and not later than the dates set forth in the allocation application, or waters will be reallocated by the Committee to other entities. In the event additional water is made available to the District, eligible entities will be notified by mail. A written request will then be reviewed by the Allocation Committee, or the Board of Directors. Water allocated in a second allocation must be paid for in full within one week of notification of the amount allocated. (1-21-1993)

13: Staff shall determine an applicant's eligible irrigated acres for Project water in consultation with the Bureau of Reclamation. (4-15-2004)

14: Inasmuch as Fryingpan-Arkansas Project water is designed to supply supplemental water, the Board of Directors of the Southeastern Colorado Water Conservancy District declare that it is the Policy of the District not to replace with Project water decreed water sold by persons or entities. In applying this rule, the Board shall consider the total supply of the applicant and the percentage thereof sold or replaced. (2-19-81) Furthermore, Project water shall not be used to maintain or replace return flows from historical irrigation use of agricultural water rights in any change of such water rights from agricultural to municipal or other uses. (11-13-2008)

15: Delivery of your Project water can be made: (a) at your headgate on the Arkansas River; (b) by means of your wells as an alternate point of diversion, providing said wells have been adjudicated by the Water Court; (c) by exchange if such exchange is decreed or approved by the Division Engineer in writing. Your Project water also may be delivered for augmentation or replacement of depletions from your wells that are located and used within the District, provided that such use is pursuant to a decreed augmentation plan or a replacement plan or substitute supply plan approved by the Colorado State Engineer, that you pay the Southeastern Colorado Water Activity Enterprise a surcharge in an amount the

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Enterprise determines is sufficient to compensate for the absence of return flows from such fully consumptive use of Project water, and that a portion of any agricultural allocation held for such use may be released to make up for the absence of return flows from such use (4-20-2006).

16: Emergency Allocation (2-19-2026)

a. The District Board has the discretion to make emergency allocations of Project water. An emergency is an unforeseen circumstance or combination of circumstances that requires prompt action and/or assistance. An emergency may include, but is not limited to, failure of a distribution system, failure of a dam or other structure; or water contamination as a result of a natural disaster, fire, epidemic, riot, drought of unusual severity, earthquake or other conditions which are, or are likely to contribute to an unanticipated need for additional water by the entity requesting the allocation.

b. A request for an emergency allocation will be considered on a case by case basis by the Allocation Committee. Factors to be considered by the Allocation Committee may include but are not limited to: (1) the extent to which the circumstance constitutes an emergency as defined above; (2) the need for immediate action; (3) other emergency needs within District boundaries; (4) water availability; and (5) impacts on public health and safety. Any decision on an emergency allocation shall be subject to ratification by the District Board at the next regularly scheduled Board meeting.

c. Each year between 1,200 and 1,500 acre feet of Project water shall be held in reserve for emergencies subject to water availability. If there are no emergency allocations in a particular year, up to 1,500 acre feet may be carried over for emergency allocation in the next year. Under no circumstances may the District hold more than 3,000 acre feet of Project water in storage for emergency purposes. (4-20-2006)

d. Of the emergency reserve described in subsection (c), the Board may designate a portion as a conditional allocation buffer. This buffer may be temporarily used to support increased initial Project water allocations, including but not limited to agricultural allocations, when and if hydrologic and operational conditions reasonably indicate sufficient supply. Use of the conditional allocation buffer shall not impair the District's ability to respond to Tier 1 public health and safety emergencies.

e. Emergency allocations may be evaluated using the following non-binding categories for guidance purposes only:

Tier 1: Public health and safety emergencies

Tier 2: Infrastructure failures or operational emergencies

Tier 3: Systemic supply shortfalls identified after initial

Nothing in this section shall limit the Board's discretion to act in the best interests of the District. (item 16. d & e added 2/19/26)

17: The District is not responsible for shortage of water, nor for "Acts of God", breaks in its works, or other contingencies affecting its operation. When such interruption occurs, reasonable time for repairs will be required for resumption of operation. (6-20-1963)

18: It is the intent of the Board that entities within the confines of the District which do not

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buy Project Water in any single year will not be prejudiced against in the future, and will not be placed in jeopardy for subsequent allocations.

19: Whenever the Board of Directors enters into programs involving test river runs, a program to notify all water users affected by the study will be worked out with the State Engineer and the Division Engineer.

20: The submission of an application for Project Water constitutes the Applicant's agreement that (a) it is subject and will comply with all applicable federal and state laws, including the Reclamation Reform Act of 1982 and the regulations thereunder, the District's decreed Water Allocation Principles, the District's Water Allocation Policy, relevant portions of the District's Contract with the United States, and the terms and conditions of the District accompanying letter, (b) it will hold harmless, indemnify and defend the District from liability, expenses or damages which the District, its directors, agents and employees may suffer arising from any failure of the Applicant to so comply, including any assessment of administrative costs against the District pursuant to 43 C.F.R., 426.24 (1995), and that it has no claims against the District for past provision of water. (2-15-1996)

21: Late Payment and Application (1-15-25)

A. Late Application Policy

- i. The Board acknowledges that applications may occasionally be received up to five business days after the published deadline. Any application submitted during this late period will be considered only if the applicant pays the late application fee specified in the Rate Sheet.
- ii. Applications received after the published deadline will be treated as late applications. The District will notify the applicant and provide an opportunity to submit the required late application fee. Failure to submit the fee upon notification will result in the application being ineligible for review.
- iii. The Board reserves the right to modify or waive this policy, either at its discretion or upon receipt of a written request for consideration.

B. Late Payment Policy

- i. The Board recognizes that, on occasion, payments for Project Water may be submitted after the published deadline. Once the late payment and any applicable charges are received, Project Water will be made available to the participant. All late payment fees are listed on the current Rate Sheet.
- ii. Once a request for Project Water is made, participants remain responsible for payment, even if they later withdraw from the allocation.
- iii. Failure to submit payment, including any applicable late fee, will result in the participant being deemed ineligible for all future Project Water allocations until the outstanding balance is paid in full.
- iv. The Board reserves the right to modify or waive this policy, either at its discretion or upon receipt of a written request for consideration.

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Appendix A: Reference Material:

The Board reserves the right to modify or waive this policy, either at its discretion or upon receipt of a written request for consideration. 2006 changes: Resolution 2006-03WR dated 4-20-2006, entire new paragraph 14. Resolution 2006-04WR dated 4-20-2006, last sentence of paragraph 13 expanded to include the portion after “such fully consumptive use of Project water,”

2008 changes: Resolution 2008-1WR dated November 13, 2006, paragraph 12 add the last sentence in paragraph 12 starting with “Furthermore,”

2013 changes: Resolution 2013-01WR dated April 18, 2013, inserting new paragraphs 9 and 10, and renumbering the following paragraphs accordingly.