

## RMWUA Class B-1 Shares

### Explanation of LCWUA Water Delivered by RMWUA

#### History of LCWUA (RMWUA) Class B-1 and B-2 Shares

The Paonia Project is composed of the Paonia Reservoir and the Fire Mountain Canal, completed in 1962. Prior to completion, some decrees on Leroux Creek were delivered to ditches that ran water onto Rogers Mesa. At the project's completion, owners of these legacy decrees had the option of trading some or all of their holdings into the LCWUA in exchange for shares of Fire Mountain stock.

The traded water holdings were moved upstream on Leroux Creek to irrigate lands above the Fire Mountain Canal, benefitting the new stockholders of the water. This was conducted through a complex decree: Civil Action No. 5091.

The water holdings traded in to LCWUA became available for subscription from landowners above the Fire Mountain Canal. This water constitutes LCWUA Class B-1 and B-2 shares. These are the same shares as RMWUA Class B-1 and B-2.

#### LCWUA (RMWUA) Shares

LCWUA (RMWUA) Class B-2 – This share class represents early season water which runs from junior decrees traded into the LCWUA and runs until Leroux Creek drops down to 61.35 CFS. 61.35 CFS initiates a change to “late season” in the water year. Once the late season commences, B-2 is shut off.

LCWUA (RMWUA) Class B-1 - These shares represent reservoir water derived from the Paonia Project. Delivery of these shares occurs in late season at the conclusion of B-2 delivery. Delivery occurs in either 3 or 4 day runs, on a call basis. One share basis is equal to one day of run at ½ CFS (0.99175 Acre Feet).

#### Class B-1 “Prorated” Water

LCWUA reservoirs are usually full in the early season. LCWUA also owns some of the flow in Leroux Creek. Available reservoir overflow plus the LCWUA Leroux flow is used first to fill early orders. All of this water must be turned into the ditch system, whether it is ordered or not.

For most years, there is more flow available than needed to fill orders for at least the first few turns of the season. The difference (excess available) becomes the “Pro-Rated” B-1 water, flowing early in the “late season”. The duration of “Pro-Rated” water varies from year to year. In a very rare year, prorating may not be necessary.

This water is delivered by LCWUA to RMWUA whether it is called for or not. Water delivered to the RMWUA ditch system that is not ordered by RMWUA B-1 shareholders becomes “prorated” among all RMWUA B-1 shareholders. Their total annual B-1 allocation is reduced by this prorated amount.

When the flow in Leroux Creek drops to a point where there are more orders than available flow, water is turned from the reservoir system to make up the difference. At this point, “prorated” water concludes and late “by call only” B-1 water commences.

#### Class B-1 “Percentage”

The LCWUA board uses a number of factors to determine what percentage of the base 0.5 CFS/day/share allocation may actually be delivered to B-1 shareholders. Factors include, but are not limited to, amount of runoff, reservoir volume, transit loss, “prorate” water, etc. A poor precipitation year will result in a low percentage. A heavy precipitation year will result in a higher percentage.

“Percentage” example: A shareholder owns 40 shares of B-1 and the declared percentage is 75%, then the shareholder has 15 CFS/day/share basis of water in their account for that year. (40 shares x 0.75 x 0.5 CFS/day/share)

**Class B-1 Delivery**

B-1 shares may be called any time during the water year, after the conclusion of the B-2 “early” run. Delivery occurs in either 3 or 4 day runs, per the call schedule below. Call forms must be completed in their entirety. Forms are available at the metal collection boxes provided at:

- Redlands Mesa Grange - 27953 Redlands Mesa Rd
- Northwest Corner – 24991 Redlands Mesa Rd at North Rd intersection

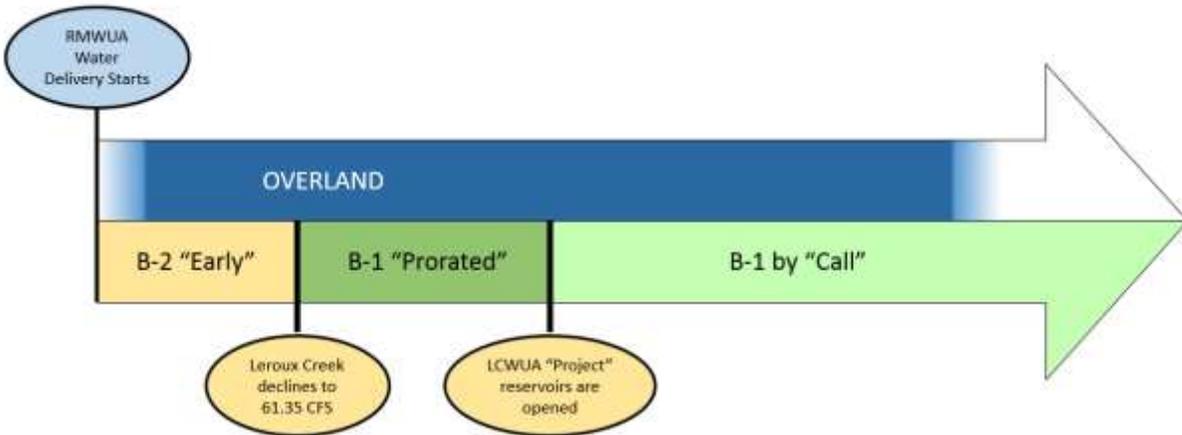
Completed Call Form Placed in Collection Box	Box will be Set
Wednesday by 6pm	Friday
Sunday by 6pm	Tuesday

One share has a base value equal to one day of run at ½ CFS. Calls can be made in CFS increments with a 1/8 CFS minimum. Calls may also be made in Acre Feet with a 1/4 Acre Foot minimum. 1/2 CFS/24 hours equals 0.99175 Acre Feet.

B-1 “Prorated” – B-1 water is automatically delivered during the “prorated” segment of the water year. Prorated water is automatically deducted from the shareholder’s account.

B-1 Post-“Prorated” by Call – This water is only available by call.

Delivery of B-1 shares after the conclusion of the B-2 and Overland runs is not guaranteed due to shrinkage loss in dry ditches. Users are encouraged to pool deliveries with other shareholders to increase likelihood of delivery via a greater run volume.



RMWUA Water Year “Flow” Chart