

# GASP NEWSLETTER

## JANUARY 2007

### TO ALL GASP MEMBERS:

As we enter 2007, it has become apparent just how difficult it is to end a one of a kind non-profit corporation.

During 2006, GASP paid out \$5,262,210 in dividends from the sale of GASP assets. This was paid \$4,143,211.28 in cash and \$1,118,998.72 in water distributions. There is presently \$2,135,785.44 in the bank from the sale of assets. This portion was set aside to insure GASP would be in a position to pay any taxes due at the corporate level. This includes all sale proceeds and interest not distributed to the membership. Contrary to what you may have heard, absolutely no sale money has been spent on operations, it has all gone to the membership or is still in this designated account. The corporation is still operating on money that was designated for dissolving the corporation before the sale of any asset was accomplished.

At the present time, GASP still faces two issues, the sale of the Ovid Reservoir and obtaining a ruling from the Internal Revenue Service concerning corporate tax liability.

At the time of this writing, GASP has an agreement in place to sell the Ovid Reservoir land, water decree and all engineering for \$865,000. This is basically what it has cost GASP so there will be no tax consequence on this sale. This will result in a dividend of approximately \$240 per unit, depending on closing costs. If this transaction is completed and it appears that an IRS solution is not in sight, these funds may be disbursed.

In February 2006, GASP applied to the Internal Revenue Service for a ruling on what part, if any, of the proceeds of sale of GASP assets would be taxable at the corporate level. This was done to protect both members and directors. If insufficient tax were paid, the IRS could attempt to collect back taxes from both members and directors. If excess tax were paid, members would lose the benefit of dividends. Through many twists and turns, the IRS has been reluctant to make a ruling. However, they get to decide the timeframe and tactics used. We believe that we are close to the point when some decision must be made. Whenever that decision is made the final disbursement can be sent. All that remains at that time is the final accounting procedures and the filing of dissolution papers.

Regardless of when these events occur, the GASP Office at 219 East Railroad Avenue in Fort Morgan will close on March 30, 2007. GASP will no longer have a paid staff and all business will be conducted on a contract basis. Post Office Box 974, Fort Morgan will remain open for any correspondence.

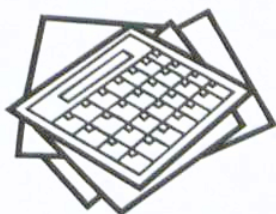




# GASP NEWS

July 2001

Volume 4 Issue 3



## Water Supply

It has been six months since the last newsletter was sent to you. It's time to bring the GASP membership up to date on recent developments. At the end of 2000, a significant drought year had concluded. At that time it looked as though the drought could continue right on into 2001. Well, things are not 100% perfect, but the water situation is not as bad as it could be.

The snowpack in the mountains reached about normal during the winter of 2000-2001. That meant that river flows were expected to be adequate and filling the reservoirs was expected. Because last year was so dry, reservoirs took more time than usual to fill. The water rights for reservoirs are earlier than any water rights for augmentation and that meant that while the lakes were filling, no augmentation recharge could proceed. It was not until late in the spring that recharge was finally allowed. Fortunately, timely spring rains allowed a good long period of recharge. Things look more normal now.



## What is the Answer?



As GASP made preparations for 2001, and with the memory of 2000 fresh in mind, some changes were made. In examining water supplies for augmentation and how delivery is made along with the precise location of where deliveries needed to go, weaknesses in the GASP plan could be examined and, if possible, fixed. During 2000, there were times when deliveries were difficult to get down the river because a senior ditch could take the water.

Last year, it was determined that even during the driest periods, excess augmentation supplies were available in some areas during some time periods. It was also noticed that at other times, the Central Colorado Water Conservancy District (CCWCD) in Greeley had similar circumstances. Excess supplies, when they are in the form of recharge or direct flow water are wasted. Excess supplies can be saved when they are in storage or when they can be pumped. GASP and CCWCD decided to offer each other their excess supplies in hopes that they would compliment each other's needs. That way, waste was reduced and both organizations had better augmentation plans. The arrangement works remarkably well and both organizations agreed to continue it into 2001.





## Another Example



In the area around Julesburg, supplies are very limited and the additional difficulties created by the river flow requirements of the compact with Nebraska require a firm and controllable water supply. That is why GASP has been working so hard to construct a reservoir in the area. Since delays have prevented the start of construction, another method is being tried. A well has been drilled that can pump water that is being used as an augmentation supply and delivered to a point

near the state line. Nebraska will see an increase in river flows. Not just any well works. The depletion effect of this well, because of its distance to the river will be delayed for some time. Hopefully the effect will not happen until the river is at a higher stage and will be less important, or even not important at all. There are considerable costs to a new well for drilling and electricity. GASP will have to have more funding in the future to support its continued operation.

## One more solution



In recent years, availability of augmentation supplies between Denver and Greeley has come under extreme pressure. Replacement water, in the form of wastewater from cities and towns is an acceptable supply, but only if the waters started out from somewhere other than the South Platte River Basin.

During 2001, GASP has entered into contracts with the City of Aurora and the Coors Brewing Company. Both have recognized the importance of agriculture and were eager to help. Even in these cases, the price of water is higher than it used to be and any arrangement is considered temporary. Be prepared for more shortages in the the future and higher prices too.

## Finally!

Earlier this year, each GASP member received a letter with our best estimates of augmentation coverage for this irrigation season. In most cases, improvements have been made. What should be concluded, however, is that much more needs to be done. With each passing year, it seems that incremental improvements, whether it be buying water, renting water, storing water or pumping water cost more and more. We will do the best we can.





The GASP Board of Directors are always eager to hear your thoughts. They can be reached at:

Jack Baier	Platteville	(303) 737-2295
Harry Bostron	Sterling	(970) 522-1630
Ed Burke	Brighton	(303) 655-4050
John Caneva	Fort Morgan	(970) 867-7947
Bill Condon	Sterling	(970) 522-2460
George Jenik	Sedgwick	(970) 463-5719
Dick Kingman	Highlands Ranch	(303) 470-8237
Bob Kula	Fort Morgan	(970) 867-6289
Bob Lingreen	Atwood	(970) 522-0071
Don Magnuson	Eaton	(970) 454-3011
Rob McClary	Sedgwick	(970) 463-5340
Phil Mortensen	Brush	(970) 842-2016
Carson Smart	Atwood	(970) 522-4137
Charles Snyder	Hillrose	(970) 847-3448
Robert Tuck	Hillrose	(970) 847-3707
Allyn Wind	Brush	(970) 842-3250





# GASP NEWS

January 2001

Volume 4 Issue 2

At the annual meeting of the membership of GASP held on November 27, 2000, a number of items were discussed. Some of the more important items are included in this newsletter for your information.



## Assessments



## Other changes in fees

Probably the most asked about issue deals with assessments. During the 2000 irrigation season, it became apparent how cash reserves are depleted when drought conditions exist. In order for GASP to be able to duplicate the 2000 year expenditures, a 30% increase in assessments would be needed. Some of the membership raised concerns that GASP should be buying more permanent dependable water rights. It was suggested and approved by the members that fees be raised enough to generate an additional \$100,000 to be used specifically for water and water development. This amount is in addition to the funding that is currently budgeted by GASP for permanent water. The end result is that fees will be raised 45%, and were set at \$245 per unit in the area below Kersey and \$325 in all other areas. This is the first increase in 4 years.



Some GASP customers have a small number of units and many wells. So many in fact that the clerical effort to keep track of the wells far exceeds the revenue produced by the units. To be more equitable, the board voted to have a surcharge on a GASP contract that allows for a \$50 per well fee when there are more than two wells per unit. Most GASP customers are not affected by this change, but if you have many wells and only a few units you may be charged more.

## Pumping Records

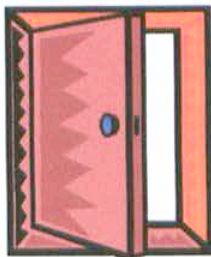


Each year, as GASP seeks approval for its plan, questions arise about the accuracy of the pumping records. Many GASP members have installed flow meters (about 20%) and others have used pump tests and hour meters. Still, questions about data accuracy persist. In order to satisfy all of the concerns, GASP will require that each well be equipped with a correctly installed and operating totalizing flow meter or have a test performed that will yield an accurate measure of water produced from power records. January 1, 2005, will be the deadline for compliance. This gives sufficient time (4 years) to get prepared.





## Door closing



For most of the years that GASP has been around, well users could join GASP at any time. Since new augmentation supplies are becoming extremely difficult to find, GASP has decided that no new membership will be allowed unless a full augmentation supply is brought in by the user with their application.

GASP has allowed under subscribed members to obtain more units when the purchase brings well augmentation into compliance. GASP will continue to allow members to update and correct their level of coverage. GASP will not, however, allow an increase in unit coverage if the need is due to a water supply shortfall arising from the sale of other water supplies on the property.

These measures are meant to assure existing members that their GASP coverage will not be diluted by new users that have never been part of GASP.

## One Last Thing



Have you ever given thought to what would happen if GASP cannot get enough water to handle your well? Water for augmentation seems to be in short supply and the GASP board of directors are having serious discussions about what to do. Please watch for further information about this development!

As always, if you have thoughts about these or other items, please call GASP at (970) 867-5298 or a director. Their names and phone numbers are listed below.



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# GASP NEWS

Fall 2000

Volume 4 Issue 1

## Drought



## What did GASP do?

2000 will long be remembered as the year when decades of abundant river flows came to a stop. Nearly all of the plains reservoirs were emptied. The river flow ceased in the lower reaches, irrigation wells ran continuously and the rains were light and seldom.

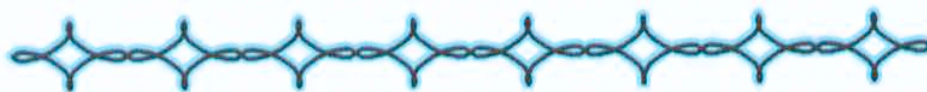


Operations at GASP became stressed in mid July when augmentation supplies were depleted. When demands exceeded the replacement waters already on hand, GASP went back to the entities that we normally get water from and, when possible, bought more. In some cases, GASP bought everything that was available. The time and place of the potential shortage areas dictated where and in what amounts water had to be purchased. Each supply that was obtained was used to its maximum potential.

## Effects of 2000



For many years, GASP has leased or made arrangements for enough augmentation water to cover twice the needs of a normal year. 2000 was so dry that even that amount ran out before the year was over. Consequently, the wells that GASP owns in the lower basin ran continuously from April through most of August. Energy costs were many times the normal expenses. When GASP rented more water late in the summer, that too caused unexpected and unusual expenses. Cash reserves were depleted to a level that would not allow GASP to operate another year with similar water problems.







## What can be done?



GASP has, in recent years, invested about 10% of the gross revenues in permanent water supplies. Even at that rate, it would be many years before a firm augmentation plan would be a reality. GASP continues to purchase and invest in those types of water supplies. Currently, GASP has other plans for buying water and for building a reservoir.

As anyone in Colorado knows, water prices are escalating at an alarming rate. Even though GASP buys some water each year, we can acquire less and less because of the price increases. As an example, a typical large irrigation well may need 100 acre feet of augmentation water. At from \$500 - \$5,000 per acre foot, it is likely that the augmentation supply could cost \$50,000 to \$500,000 for just that one well. There are about 3000 wells that are covered under GASP membership. GASP, in its current form, can afford to invest only about \$100,000 per year in permanent water.

GASP has 17 high capacity wells in the lower basin that are very effective in keeping river calls from curtailing pumping. Those wells are now at the age where they need to be rebuilt or undergo extensive maintenance. It will take 4 to 6 years to go through all of the wells. These are costly measures, but waiting for a complete failure is even more costly and is therefore not a good alternative.

Other expenses are also rising. Insurance, water assessments, legal fees, and administrative fees are all rising. Only increased revenues can address all these issues.

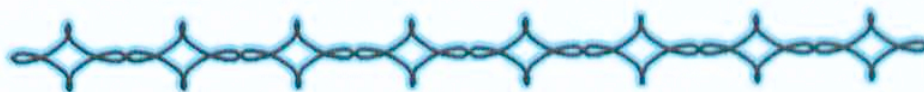
## New Fees

GASP has not had a fee increase in three years. This year, a substantial increase will be considered. Members should expect a 20 to 40 percent increase.



The ratio of upper basin to lower basin fees will remain constant. The current ratio is a reflection of the price of renting water in the upper river basin compared to the lower river basin.

Other fees will be increased for members with unusually high numbers of wells per unit of GASP owned. This increase will effect only a few members.







## What else?



## Some news is good!

GASP replaces water to the stream based on the pumped amount of each well. For several years we have encouraged members to install meters and run well tests to be certain of the amount of water pumped. Since well pumping and replacement is under increasing scrutiny from other water users, state agencies and now federal agencies, GASP will require methods that will yield accurate pumping amounts.

GASP has been operating for almost 30 years. During that time, new membership has been available to people who had wells and did not have an augmentation plan of their own. For GASP to continue, more certainty must be had in the planning efforts. Since taking more members lessens the ability of GASP to take care of existing members, no new membership is likely to be accepted.



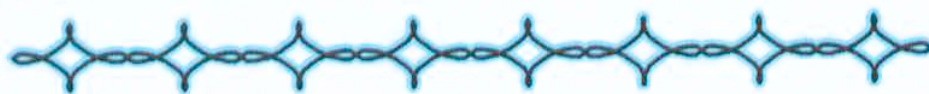
During 2000, the engineers at GASP helped two irrigation companies get loans and construct new diversion dams on the river. The two companies are the Jackson Lake Reservoir and Irrigation and Riverside Reservoir. Also, the Sterling Irrigation Company used their new diversion structure for the first time in 2000. GASP did all of the engineering work for that project too.

GASP believes that helping to build new and dependable diversion structures will allow companies to use their old river decrees more effectively and thereby reduce dependency on irrigation wells. That means that GASP needs to buy less replacement water. The irrigation companies pay for all of the construction and GASP is paid for the engineering fees.

## Conclusion

It is hoped that these remarks are well received. They should be somewhat alarming and a wake up call to all well users that more must be done if irrigation is to continue as we now know it.

The Board of Directors and Staff at GASP are doing more than ever to deal with these difficult issues, and members with constructive thoughts are encouraged to bring them forward for consideration.







## Postscript

Do you have water rights that are not being used? It may be that good water rights can be used to reduce GASP fees by letting GASP use your water rights to offset pumping injury. If you have some thoughts about this, call GASP and discuss it.

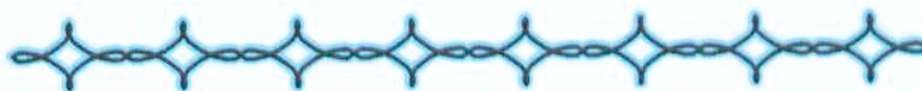
Do you know of places where water can be stored and allowed to percolate back into the aquifer? If you do, and they are large enough to be efficient, we would like to talk to you about it.



## Board of Directors



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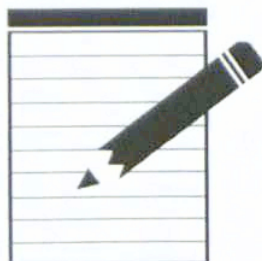




# GASP NEWS

Fall 1999

Volume 3 Issue 1



## Board of Directors

It has been almost a year since the last newsletter. We hope you will take a minute to read this edition and be brought up to date. If you have questions or comments, please call and we will do our best to help. Soon after the last newsletter, we received word that GASP president Bart Woodward was diagnosed with cancer, and despite his strength and all of our thoughts and prayers, he did not survive. We all miss his leadership and counsel and often think of him as our day to day activities blend into the subjects he felt so strongly about. Bart always had water users best interest at heart and all of us miss him a great deal.

The GASP board of directors reorganized by selecting new officers in April. The new GASP president is Phil Mortensen. Phil has been on the GASP board for many years and brings a considerable amount of experience to the position. He is the president of the Upper Platte and Beaver Ditch Company and has a farm near Brush.

The new vice president is Rob McClary. Rob has a farm near Julesburg and is on the board of directors of the Julesburg Irrigation District. Rob has been a GASP director for seven years.

The offices of secretary and treasurer did not change. The secretary is Bob Kula and the treasurer is John Caneva.

## Office Activities

The staff at GASP, headed by Dave King, has begun an extensive review of the membership files. As we have always maintained, our augmentation activities are only as good as the data used. We are continually looking for ways to improve the quality of our data, which originates from customer response on the annual renewal form. We are looking at all of our files, contract by contract, to find any source of error or confusion. In most cases, an on farm contact will be made to explain our process and review the information. If you have questions about your water usage, call Dave and set up an appointment.







## Engineering

All of the computer news from the past newsletters talked about getting equipment and preparing programs for operations. All of that activity is now complete. Brent Nation is an engineer who is in charge of keeping our records and billing programs in operation. He assists customers, when needed, in filling out the annual renewals and maintains the computer systems.

GASP employees have extensive experience in the field of engineering and surveying. A number of irrigation companies have expressed an interest in having GASP assist in the development of headgates and augmentation facilities. When time allows, we provide services to help. GASP is currently working with the Sterling Irrigation Company to construct an inflatable diversion dam at the headgate that should give better service than their old structure, which uses a sand dam and boards to divert water into the canal.

## A Message from the President



I was honored this last April to accept the position of President of GASP, but at the same time saddened by the circumstances that brought it on. Bart Woodward's untimely death made many of us in the water community step back and observe what an enormous void remained. It is, however, gratifying to see so many of the GASP board members and staff stepping forward and adjusting their schedules so that the water issues before us are adequately addressed.

GASP has been providing a valuable service to water users along the Platte River since 1972 and each year we gain in ability, but each year we are faced with more challenges. Available water supplies are more difficult to obtain through purchases or rental agreements and at the same time endangered species issues and regulations are more burdensome.

GASP is committed to providing ways to keep wells running for irrigation, commercial use, and municipal use. We need help from members and hope you will let us know your thoughts.



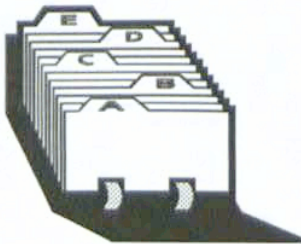


## Reservoir Project

GASP is continuing its efforts to construct a reservoir near Ovid. When considering all of the issues confronting us, like endangered species, river compacts, and augmentation, it is our opinion that a reservoir in that area is the best way to improve GASP's effectiveness. A project of this magnitude is larger than any we have ever undertaken. GASP has secured a loan commitment with the Colorado Water Conservation Board at a very low interest rate and terms favorable to our members. A construction date has not been set but we are moving ahead.

## Meetings

GASP holds regular board meetings and members are always welcome to attend. Call us at (970) 867-5298 to find out about our schedule. If you would like to talk to a director in your area, they are listed below.



John Caneva	Fort Morgan	970-867-7947
Bill Condon	Sterling	970-522-2460
Phil Mortensen	Brush	970-842-2016
Rob McClary	Sedgwick	970-463-5340
Geroge Jenik	Sedgwick	970-463-5719
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Carson Smart	Atwood	970-522-4137
Robert Lingreen	Atwood	970-522-0071
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Robert Tuck	Hillrose	970-847-3703





# GASP NEWS

Fall 1998

Volume 2 Issue 1

Since the last newsletter, there have been some significant changes at GASP. You should know what the changes are and let us know if you have comments.

## Water Project

GASP has determined that a major water supply is needed at the lowest portion of the South Platte River near the Colorado-Nebraska state line. If a water source can be developed there, Colorado and Colorado well users may be able to avoid expensive legal entanglements involved with the interstate river compact. GASP is investigating and developing plans for a storage reservoir that will help solve the problem. The cost is about \$1.7 million and a loan in that amount is being applied for. GASP members will be notified further for input and approval.

## Computers



All of the computers and software that were discussed in the last newsletter are here and installed. You may have noticed the new annual report forms that we now use. The information received will be stored in the new computers and now, stream flow analysis can be developed to see if GASP is getting the desired results in each section of the river. In the future, our printers will be able to print photos, forms, field sizes, and well locations and make record keeping easier and more accurate.

## Staff

The staff at GASP, since its beginning in 1971, has consisted of a secretary and a half-time manager. Additional work requires that GASP needs more help. Now the manager is full time and two new employees have been added this year. We hope to be able to spend more time with GASP members so we can gain a better understanding of your water use and you can see what we do with your resources.

## Water Purchases

During 1998, GASP bought water shares valued at \$95,000. We are continuing to buy more water each year so that we are less dependent on rented water.





## Where do your GASP fees go?



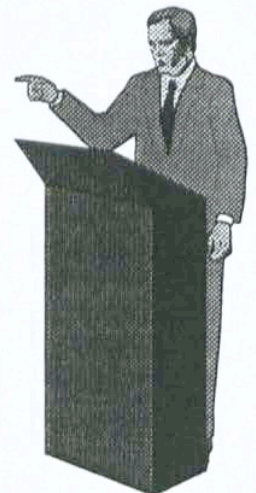
## A Message from the President, Bart Woodward

GASP acquires about 90,000 acre feet of water each year and uses it for augmentation of stream flows. The water we get is either owned by GASP or rented from those people with an excess or generated from well fields.

1998 costs show:

- ◊ 53% of revenues go for renting water
- ◊ 4% of revenues go for pumping (in good water years this is low and in bad water years it can go as high as 12%)
- ◊ 12% of revenues go for buying a permanent water supply
- ◊ 12% of revenues go for insurance, legal expenses, and other professional fees.
- ◊ 19% of revenues go for salaries, meetings, offices expenses, and miscellaneous items.

Historically, clouds which develop in the east bring gentle rains that are welcomed in a valley that suffers from too little of the heavenly irrigation water. Even a storm which brings hail also brings much needed moisture. Recently, however, there have been some ominous clouds gathering in the eastern skies and this time they bring something worse than hail and they certainly are not bringing fresh new water to add to our meager supplies.



In recent months, the Department of Interior, using the U. S. Fish and Wildlife Service, the EPA, the Corp of Engineers, the U. S. Forest Service, and to some extent, the State of Nebraska has begun to pour over into the State of Colorado. They come, not bringing new sources of water, but demanding water from our already short supplies to be used in the "Critical Habitat" area of central Nebraska to help recover four endangered species (the whooping crane, the piping plover, the least tern, and the pallid sturgeon).

They come armed with the Endangered Species Act (ESA) demanding water from historical Colorado supplies. They use federal permits, federal lands, and federal regulations to exert their demands.





Also, revealing themselves recently, are new pieces of information gathered from the Kansas v. Colorado case on the Arkansas River. Although the Kansas case does not directly affect the South Platte water users, it does serve to give us the opportunity to reflect on how we have operated the compact between Colorado and Nebraska in the past and to make appropriate changes if necessary in the future.

Your board of directors at GASP has been monitoring both of these events and trying to ascertain how they will effect the ability of our members to continue to use their wells as an integral part of their water supplies.

To say the least, it has brought new emphasis and increased scrutiny on the lower reaches of the South Platte River in Colorado.

Many of the articles in this newsletter give an indication of how the Board of Directors has and is responding to these new pressures.

Be assured that the Board of Directors and staff will do everything possible to keep our wells as a cost effective part of our water supply.

## Meetings



GASP has a monthly meeting and we value your input. If you have something to say, please attend. Call us at (970) 867-5298 to find out where the next meeting is or call a director and talk to them.

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Dick Kingman	Highlands Ranch	470-8237
Bob Kula	Fort Morgan	867-6289
Elmer Rothe	Greeley	352-6409
Charles Snyder	Brush	842-3540
Bart Woodward	Snyder	842-2935
Allyn Wind	Brush	842-4313
Ed Burke	Brighton	659-4050
Carson Smart	Atwood	522-4137
Robert Lingreen	Atwood	522-0071





# GASP NEWS

Spring 1997

Volume 1 Issue 1

## Water Matters

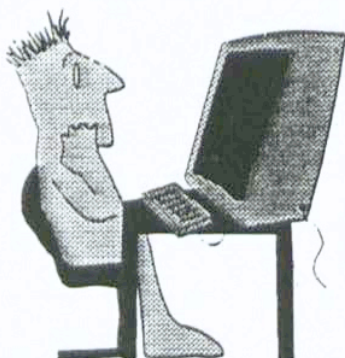
I'm sure that by now all South Platte River water users are aware of legal issues regarding well pumping. Did you know that on the Arkansas River in southeastern Colorado, well users are in danger of losing their pump rights? This could result because the State of Kansas sued Colorado and the courts found that wells impacted stream flows and that cannot continue to happen. Can wells be shut down here? What can we do to prevent it? How much will it cost? Is it worth it? All these questions come to mind.

## Record Keeping

G.A.S.P. has been providing for augmentation of your wells and others since 1972. By doing so, we believe depletions to the river have been minimized to a large extent. For the last 12 years or so you have provided G.A.S.P. with valuable documentation about your wells, your usage, and your pumping. We now have the ability to examine the effects of well pumping. In the future, however, as technology gets a better handle on the relationship of pumping and stream flow, we will probably need to get better, more detailed information from you so be prepared for a few changes.

## Computers

Getting ready to deal with more and better data on wells has led us at G.A.S.P. to realize that we need to upgrade our computer power. We are now purchasing and installing the best equipment that we can in order to do a better job. Our new upgrades will allow us to do pumping analysis in-house rather than rely on consultants for answers.



## Water Development

Because it costs so much to buy water, G.A.S.P. is looking at developing some projects of its own for augmentation. We are looking at developing recharge sites and maybe even building a new lake. Water rights have been applied for and engineering work is now underway.





## Statistics

In order to give you an idea of G.A.S.P.'s activities, consider this:

- G.A.S.P. has 1478 contracts with well owners in the South Platte River Basin.
- G.A.S.P. takes care of the augmentation for 3074 wells.
- G.A.S.P. customers pumped 281,344 acre feet of water in 1996.
- G.A.S.P. customers grew 187,673 acres of crops in 1996.
- G.A.S.P. leased 39,893.39 acre feet of water in 1996 for augmentation.
- G.A.S.P. owns:
  - 62 shares of Riverside Reservoir
  - 7 shares of Morgan Prewitt Reservoir Stock
  - 16 shares of Jackson Lake Stock
  - 36 shares of Burlington Wellington Stock
  - 5 shares of Union Reservoir Stock
  - Bacon Lake & Newell Lake (near Berthoud)
- Including the pumping capacity of our large wells in the lower basin, G.A.S.P. could have delivered 77,142.40 acre feet of water in 1996 for augmentation.

## What do you think?



If you have ideas about how G.A.S.P. can work better, please call a director near you and tell them what you think.

John Caneva	Fort Morgan	867-7947
Bill Condon	Sterling	522-2460
Phil Mortensen	Brush	842-2016
Rob McClary	Sedgwick	463-5340
George Jenik	Sedgwick	463-5719
Harry Bostron	Sterling	522-1630
Robert Hessler	Sterling	522-7057
Jack Baier	Platteville	737-2295
Dick Kingman	Highlands Ranch	470-8237
Bob Kula	Fort Morgan	867-6289
Elmer Rothe	Greeley	352-6409
Charles Snyder	Brush	847-3540
Bart Woodward	Snyder	842-2935
Allyn Wind	Brush	842-4313
Ed Burke	Brighton	659-4050





**Groundwater Appropriators of the  
South Platte River Basin Inc.**

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

December 1, 2005

To: The Members of Groundwater Appropriators  
of the South Platte River Basin, Inc.

Dear Members:

In connection with the liquidation of the corporation, it will be necessary to update our records to include all members' taxpayer identification numbers. Therefore, please complete and return the enclosed form W-9 to GASP at your earliest convenience.

Sincerely,

Jack Odor  
GASP Manager



**Request for Taxpayer  
Identification Number and Certification**

Give form to the  
requester. Do not  
send to the IRS.

Print or type  
See Specific instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/  
Sole proprietor

☐ Corporation

☐ Partnership

☐ Other ▶

☐ Exempt from backup  
withholding

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

**Groundwater Appropriators of the South  
Platte River Basin, Inc  
P.O. Box 974, Ft. Morgan, CO 80701-**

List account number(s) here (optional)

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

or

Employer identification number

**Part II Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

**Sign  
Here**

Signature of  
U.S. person ▶

Date ▶

**Purpose of Form.**

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

**U.S. person.** Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding,
- or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or

- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.**

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.



4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

**Limited liability company (LLC).** If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

**Other entities.** Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

**Note.** You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

### Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

**Exempt payees.** Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,



7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt recipients 1 through 7 <sup>2</sup>

<sup>1</sup>See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup>However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a Federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.socialsecurity.gov/online/ss-5.pdf](http://www.socialsecurity.gov/online/ss-5.pdf). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses/](http://www.irs.gov/businesses/) and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.



## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

**Signature requirements.** Complete the certification as indicated in 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or single-owner LLC	The owner <sup>3</sup>
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner <sup>3</sup>
7. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply



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**Water Resources Archive  
Colorado State University Libraries**



**GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE RIVER BASIN, INC.**

**THIRTY THIRD ANNUAL MEETING  
MONDAY, DECEMBER 5, 2005  
THE COUNTRY STEAK OUT – 19592 EAST 8<sup>TH</sup> AVENUE  
FORT MORGAN, COLORADO  
1:30 P.M.**

**AGENDA**

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1. Call to Order and Welcoming Remarks by President Phil Mortensen
2. Distribution and Consideration of Minutes from Annual Meeting held December 15, 2004
3. Financial Report and Auditors Review for 2005 by Anderson, Lee & Company
4. Manager's Report of 2005 Operations
5. Board and Membership Discussion
6. Nominating Committee Report – Proxies
7. Election of Directors
8. Other Business
9. Adjournment



**GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE RIVER BASIN, INC.**

December 5, 2005

**TO GASP MEMBERS:**

The By-Laws of the GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE RIVER BASIN, INC. provides for an election of directors to be held each year.

At the October meeting of the Board of Directors, the following members of the Board were appointed as a Proxy and Nominating Committee:

Larry Rothe	(970) 867-7968 15160 Hwy 144 Ft. Morgan, CO 80701
Bill Condon	(970) 522-2460 PO Box 1745 Sterling, CO 80751
Philip Mortensen	(970) 842-2016 18633 MCR 26 Brush, CO 80723
Rob McClary	(970) 463-5340 14100 Cty Rd 13 5/10 Sedgwick, CO 80749

We are enclosing with this letter a list of the present Board of Directors and, of course, other names may be presented to the Nominating Committee prior to the election or nominations may be made from the floor at the annual election meeting.

The By-Laws provide that:

1. The Board shall consist of as many as 16 directors.
2. Each member is entitled to vote based on the number of units held.  
There is no cumulative voting, that is, each unit of the association is entitled to one vote for each nominee, not exceeding 4.
3. The By-Laws were amended and adopted on October 5, 1999 providing for four-year terms for Directors.

The Board realizes that it will be difficult for many members to be at the election and for that reason we are enclosing a Proxy for use by the Proxy and Nominating Committee. Please sign and return the proxy to us before December 5, 2005 if you cannot attend the election. If you have a preference, please express your choice to a member of the Nominating Committee.

Copies of the financial statement of 2005 will be available at the meeting or will be mailed to you upon request.

Please come to the meeting and election if possible and we will have someone available during the day to answer questions regarding the financing and operations of GASP. The meeting will be held at the Country Steak-Out, 19592 East 8<sup>th</sup> Avenue, Fort Morgan, Colorado, 1:30 P.M., December 5, 2005

**By: THE NOMINATING COMMITTEE**



# GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE RIVER BASIN, INC.

## BOARD OF DIRECTORS

---

TERM	NAME	TELEPHONE	ADDRESS
Term Expires 2005	George Jenik Dan Stromberger Jack Baier Carson Smart	(970) 463-5719 (970) 847-3239 (970) 737-2295 (970) 522-4137	5500 Cty Rd 28 – Sedgwick, CO 80749 35881 Hwy 6 – Hillrose, CO 80733 11776 Cty Rd 42 – Platteville, CO 80651 Rt. 1, Box 85 – Atwood, CO 80722
Term Expires 2006	Dave Knievel Bob Kula Charles Snyder Don Magnuson	(970) 483-6166 (970) 867-6289 (970) 847-3448 (970) 454-3011	2381 North I-76 Frontage Rd – Wiggins, CO 80654 PO Box 668 – Ft. Morgan, CO 80701 56525 Cty Rd P – Hillrose, CO 80733 404 Cottonwood – Eaton, CO 80615
Term Expires 2007	Allyn Wind Ed Burke Bob Lingreen Robert Tuck	(970) 842-4313 (303) 655-2102 (970) 522-0071 (970) 847-3707	17200 Beaver Creek Drive – Brush, CO 80723 1258 Brighton Drive – Brighton, CO 80601 1741 Cty Rd 14 – Atwood, CO 80722 33549 Rd. X.5 – Hillrose, CO 80733
Term Expires 2008	Larry Rothe Bill Condon Philip Mortensen Rob McClary	(970) 867-7968 (970) 522-2460 (970) 842-2016 (970) 463-5340	15160 Hwy 144 – Ft. Morgan, CO 80701 PO Box 1745 – Sterling, CO 80751 18633 MCR 26 – Brush, CO 80723 14100 Cty Rd 13 5/10 – Sedgwick, CO 80749



**33rd GASP ANNUAL MEETING  
DECEMBER 5, 2005  
ELECTION OF DIRECTORS FOR A FOUR YEAR TERM, ENDING IN 2009**

\_\_\_\_\_  
George Jenik

\_\_\_\_\_  
Dan Stromberger

\_\_\_\_\_  
Jack Baier

\_\_\_\_\_  
Carson Smart

\_\_\_\_\_  
Other Nominations



**MINUTES OF THE  
THIRTY-SECOND ANNUAL MEETING  
GROUNDWATER APPROPRIATORS  
OF THE  
SOUTH PLATTE RIVER BASIN, INC.**

**DECEMBER 15, 2004 2:00 P.M.**

Minutes of Annual Board Meeting held at the Country Steak Out in Fort Morgan, Colorado.

**DIRECTORS PRESENT**

President Phil Mortensen, Vice President Rob McClary, Secretary Bob Kula, Treasurer Allyn Wind, Directors Bill Condon, Bob Lingreen, Carson Smart, Ed Burke, Don Magnuson, Larry Rothe, Charles Snyder, Robert Tuck, Jack Baier, Dan Stromberger and Dave Knievel.

**OTHERS PRESENT**

Manager Jack Odor, Secretary Diana Malone, Staff Technician Dave King, Mike Lee with Anderson, Lee & Company, GASP legal counsel Charles Jacobs, Brent Nation and Heath Kuntz of Nation Engineering Services.

**OPENING**

**PRESIDENT'S REPORT**

President Mortensen began the meeting by welcoming those in attendance to the Thirty-second Annual Meeting of GASP. President Mortensen introduced the members of the board of directors, noting that director Bob Kula had been on the board for all 32 annual meetings. President Mortensen reported on the past year, noting the changes made by the board during the last year. He noted moves made by the board which they feel are in the best interest of the membership of GASP in attempting to retain as much of the GASP owned water assets in agriculture as can be managed. The board has retained a corporate attorney to guide them through the process now being encountered. Due to the importance of actions being taken by the membership, voting quotas and thresholds have been raised.

**MINUTES OF 31<sup>st</sup> ANNUAL MEETING**

**MOTION**

to dispense with the reading and approve the December 1, 2003 minutes as presented. Allyn Wind (Bob Lingreen) Motion Carried.



### **FINANCIAL REPORT**

Mike Lee with the accounting firm of Anderson, Lee & Company reported on the 2004 GASP financial review. Mr. Lee stated that the GASP finances are in good order, and reviewed the audit report, noting permanent water stock now owned by GASP as having a value based on actual purchase price of \$1,912,605. There were no water stock purchases during the year. The special assessment legal expense fund stands at \$236,471. Water rental decreased from \$81,711 in 2003 to \$22,444 in 2004. Mr. Lee also reported to the membership that GASP had cash and cash equivalents of \$629,267 on hand at the end of the fiscal year, October 31, 2004 and that total assets held by GASP are \$3,644,526. GASP had a total operating budget of \$474,293 for 2004 with revenue of \$375,795 for an operating income loss of \$98,498, GASP received other income in the amount of \$112,522, resulting in a net income of \$14,024. The balance in the water procurement fund was \$2,515, no funds were expended from this fund during the year.

### **MOTION**

to approve the 2004 audit review. Bob Kula (Dan Stromberger) Motion Carried.

### **MANAGER'S REPORT YEAR IN REVIEW**

Manager Jack Odor welcomed members and outlined the vote to be taken at this meeting. He told the membership that GASP's options are limited because of its non-profit status. GASP could continue to operate by leasing the water supplies to others. GASP could give all assets to another non-profit group. GASP can prepare a plan for dissolution to present to the membership for approval. That plan may include some things that could not be done otherwise. Under a plan, assets could be sold and the proceeds distributed to the membership, water assets could also be apportioned to the membership. The process must proceed one step at a time. He reviewed the events of the 2004 year. GASP operated under a limited substitute water supply plan, which expired on August 22. A group of water users has contracted for the use of the Sterling #1 wells owned by GASP. The Ovid Reservoir Company has been formed and stock sold. That group will owe GASP \$950,000 for the land, water decree and engineering. Manager Odor presented a power point demonstration showing GASP's water right assets, and how those rights may be apportioned according to membership. Groups may be formed to pool GASP units to increase the amount of supply and percentage of GASP membership. GASP units may still be sold to another GASP member. He announced that the water supplies would be leased to the highest bidder among GASP members for the 2005 season.



### **NOMINATING COMMITTEE**

Allyn Wind, Chairman of the nominating committee reported 1622 units present and 219 by proxy for 1841 total votes. That is over 50% and more than the 25% required for a voting quorum.

### **ELECTION OF DIRECTORS**

The Nominating Committee placed the names of current Directors Phil Mortensen, Rob McClary, Bill Condon and Larry Rothe for re-election to four year terms. There were no nominations from the floor.

### **MOTION**

to cease nominations and cast a unanimous ballot. Allyn Wind (Jack Baier) Motion Carried.

### **DIRECTORS ELECTED FOR A FOUR YEAR TERM**

Phil Mortensen      Rob McClary      Bill Condon      Larry Rothe

### **VOTE ON THE QUESTION**

President Mortensen asked those present to now mark their ballots for:

Proposal #1: GASP shall continue to operate in accordance with its Articles of Incorporation and Bylaws and pursue its general objectives of providing water resources to its members and others, or other consistent objectives to be stated in amendments to the Articles of Incorporation that may be proposed by the Board of Directors or the members, and submitted to membership vote.

OR

Proposal #2: GASP shall adopt a plan of liquidation under procedures prescribed by applicable law, including the orderly sale, transfer, or other disposition and liquidation of its assets, winding down its business operations and dissolving the corporation.

### **LEGAL COUNSEL REPORT**

GASP Corporate attorney Charles Jacobs addressed the membership concerning the process involved in the vote. He told the membership that the board brought this question to the membership seeking their wishes on the direction GASP should take. If the membership votes for a plan of dissolution, the board will begin working on a comprehensive plan to dissolve the corporation. When that plan is complete, it will be presented to the membership for approval.



**VOTING RESULTS**

Nominating Committee Chairman Allyn Wind reported the election results

For Proposal 1: **76**

For Proposal 2: **1751**

3 votes disallowed

11 votes not cast

**MOTION**

to adjourn. Allyn Wind

Meeting adjourned at 3:30 P.M.

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**PRESIDENT**

---

**SECRETARY**



## EXHIBIT A

### GASP OWNED ASSETS

WATER RIGHTS ASSET	SHARES
BURLINGTON DITCH/WELLINGTON RESERVOIR	36 Paired shares
CACHE LA POUDRE RESERVOIR	5
NEW CACHE LA POUDRE DITCH	6.5 shares and outlet structure
JACKSON LAKE	19
MORGAN-PREWITT	11
RIVERSIDE RESERVOIR PRIVATE RIGHTS	90.5
GREELEY #3 - decree 96 CW 658	26.25

BACON LAKE - GASP owns the land under Bacon Lake, decree 79CW345 and pumping rights in Newell Lal

OVID RESERVOIR - GASP owns decree 98CW295, the land with one well and preliminary engineering

#### GASP OWNED WELLS

STERLING A WELLS - GASP owns six well permits, hardware and decree W-7473

STERLING B WELLS - GASP owns four well permits, hardware and decree W-7954-75

SEDGWICK WELLS (PETERSEN CANAL) - GASP owns the hardware on three wells

GASP holds Rural Electric Cooperative capital credits totaling \$43, 745

GASP owns miscellaneous office supplies and furniture

**BUSINESS ENTITY DESIGNATION OF VOTING AGENT**  
**GROUNDWATER APPROPRIATORS OF THE SOUTH**  
**PLATTE RIVER BASIN, INC.**  
**("GASP")**

MEMBER:

ADDRESS:

CONTRACT NO:

UNITS:

I \_\_\_\_\_ hereby state that I am authorized to assign this proxy on behalf of the municipality, The State of Colorado, the United States, a corporation, limited liability company, partnership, trust or other business entity and I hereby authorize and nominate the **Proxy Committee** of the

**Groundwater Appropriators of the South Platte River Basin, Inc.**

Appointed by the President of said Corporation and approved by the Board of Directors as my proxy and authorize them in my absence at any meeting of members of said corporation to cast my vote for directors.

This proxy is counted until canceled in writing to the GASP Office: P. O. Box 974, Fort Morgan, CO 80701.

\_\_\_\_\_  
Signature

\_\_\_\_\_, 2005  
Date

\_\_\_\_\_  
Title



**INDIVIDUAL REVOCABLE PROXY**  
**GROUNDWATER APPROPRIATORS OF THE SOUTH**  
**PLATTE RIVER BASIN, INC.**  
**("GASP")**

MEMBER:

ADDRESS:

CONTRACT NO:

UNITS:

I hereby authorize and nominate the members of the **Proxy Committee** of the  
**Groundwater Appropriators of the South Platte River Basin, Inc.**

Appointed by the President of said Corporation and approved by the Board of  
Directors as my proxy and authorize them in my absence at any meeting of members  
of said corporation to cast my vote for directors.

This proxy is counted until canceled in writing to the GASP Office P.O. Box 974 Fort  
Morgan, CO 80701.

\_\_\_\_\_  
Signature

\_\_\_\_\_, 2005  
Date



Groundwater Appropriators of the  
South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

September 14, 2005

Dear GASP Member:

At the Special meeting held on September 12, 2005, the Membership voted to accept and approve the Plan of Liquidation presented for consideration. The vote was 2295 for and 148 against the proposed Plan. The Board of Directors will now take steps to implement the process prescribed by the Plan.

GASP encourages you to look at paragraph 5.5.2 of the plan which says:

**"The Members and Member groups shall be entitled to acquire, transfer or consolidate Membership Units only through and including October 28, 2005."**

If you intend to exercise your rights to acquire, transfer or consolidate Membership Units under this provision, you must do so by the deadline.

If you have questions concerning this or any provision in the Plan, please contact us for clarification.

Thank you for your attention to these very important matters. We will keep you informed throughout this process.

Jack Odor  
GASP Manager



**GROUNDWATER APPROPRIATORS  
OF THE SOUTH PLATTE RIVER BASIN, INC.**  
P.O. BOX 974  
Fort Mort Morgan, CO 80701-0974  
970-867-5298

August 15, 2005

TO: The Members of Groundwater Appropriators  
of the South Platte River Basin, Inc. ("GASP")

Dear Members:

As you know, the GASP Members did not approve the Plan of Liquidation (the "Plan") presented for consideration at the June 20 meeting even though almost 85% of those in attendance favored the plan. The approval failed because only 48% of the full membership voted for it and the by-laws require that more than 50% is needed. Since the turnout was less than needed at the June 20 meeting and the plan can not go forward without the required approval, the GASP Board believes it should provide the entire membership another opportunity to consider the plan at a time when and under conditions which will permit more Members to attend and vote.

Therefore, by Resolution adopted at a meeting of the GASP Board held on July 19, 2005 the GASP Board has decided to present the same Plan to the Membership at a Special Meeting of the Members of GASP on Monday, September 12, 2005, at the Country Steak Out, 19592 East 8<sup>th</sup> Avenue, Fort Morgan, Colorado. The meeting will begin at 9:00 a.m. and continue until 6:00 p.m., allowing an entire day for voting. Members or their proxy holders may cast their votes at any time during the Special Meeting. Also you may now direct your vote by mail to the proxy committee or another person. We hope that this too will increase voter turnout.

The purpose of the Special Meeting is once again to present the Plan for consideration by the Members. The GASP Board of Directors has not made any substantive modifications to the Plan except to change the dates of various events and actions to be taken under the Plan and to provide clarifications to some of the language.

In preparation for that meeting, we enclose copies of the following documents for your consideration:

1. Agenda with a schedule of approximate times specified for activities during the Special Meeting.

Members of GASP  
August 15, 2005  
Page 2

2. Amendments to the GASP Bylaws approved by the Board of Directors on October 5, 2004, and concerning voting requirements. To approve the Plan Members holding Membership Units that represent (a) two-thirds of those present at the Special Meeting in person or by proxy and (b) over 50% of the total issued and outstanding Membership Units must vote in favor of the Plan.
3. A summary disclosure of personal relationships and interest of the members of the Board of Directors.
4. Plan of Liquidation approved by the Board of Directors for presentation to the Members. The Plan describes a process by which GASP will make in kind liquidating distributions of some of its assets to Members, sell the balance of its assets at auction or through other methods, and ultimately distribute all of the sales proceeds to the Members after establishing various reserves for expenses and contingencies. If the Members approve the Plan, the board will endeavor to conduct the proposed auction as soon thereafter as is reasonably possible.
5. Proxy materials. GASP's Bylaws provide that Members may vote in person or by proxy. The Board of Directors has determined that all prior proxies and Business Entity Designations of Voting Agent cannot be used for voting at the Special Meeting. If you are an individual Member, we are providing the Individual Proxy described below. If you are a Business Entity Member, we are providing the Business Entity Designation of Voting Agent described below.
  - a. Individual Proxy. Individual Members who cannot attend the annual meeting may use this proxy to direct an individual or the Proxy Committee of the GASP Board to vote on his or her behalf as specified by the Member signing the Proxy. If an individual Member chooses to vote by proxy, the person he or she designates in the proxy must be present and must deliver the proxy to the voting officials at the Special Meeting. Members of the GASP Proxy Committee will be present throughout the Special Meeting. If you want to designate the GASP Proxy Committee to act as Proxy, you must complete the Proxy form, and initial your preference for your proxy to be used and deliver it in person or by mail to GASP at 219 East Railroad Avenue, P.O. Box 974, Fort Morgan, CO 80701-0974. We have included a self addressed envelope for your convenience. **The Proxy Committee must receive your Proxy on or before 4:00 P.M., September 9, 2005 to vote on your behalf.**



Members of GASP  
August 15, 2005  
Page 3

- b. Business Entity Designation of Voting Agent. Business entities may not vote using Individual Proxies. Each business entity that is a Member may vote only by completing the Business Entity Designation of Voting Agent. This document is to be used by Members that are municipalities, corporations, limited liability companies, partnerships, or other business entities, but not by individuals. This document must be signed by an authorized representative of the business entity and must nominate an individual or the Proxy Committee to vote at the Special Meeting. The individual designated in the Business Entity Designation of Voting Agent must be present and must deliver the Designation to the voting officials at the Special Meeting. If you want to designate the GASP Proxy Committee to act as Voting Agent, you must complete the Agent Designation form, and initial your preference for your proxy to be used and deliver it in person or by mail to GASP at 219 East Railroad Avenue, P.O. Box 974, Fort Morgan, CO 80701-0974. We have included a self addressed envelope for your convenience. **The Proxy Committee must receive your Designation of Voting Agent on or before 4:00 P.M., September 9, 2005 to vote on your behalf.**

We hope that the materials enclosed with this letter will provide adequate information to prepare for the Special Meeting.

We look forward to your participation at the Special Meeting.

Please contact us if you have questions.

Very truly yours,

A handwritten signature in cursive script that reads "Philip Mortensen". The signature is written in dark ink and is positioned above the printed name of the signatory.

Philip Mortensen, President

**GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE RIVER BASIN, INC.**

**SPECIAL MEMBERSHIP MEETING  
SEPTEMBER 12, 2005  
THE COUNTRY STEAK OUT – 19592 EAST 8<sup>TH</sup> AVENUE  
FORT MORGAN, COLORADO  
9:00 A.M. to 6:00 P.M.**

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1. Call to Order and Welcoming Remarks by President Phil Mortensen. (9:00 a.m.)
2. Board Presentation of Plan of Liquidation. (9:30 a.m.)
3. Member questions, comments and discussion of Plan of Liquidation. (10:00 a.m.)
4. Discussion of Voting Requirements. (10:00 a.m.)
5. Vote on Plan of Liquidation. (10:15 a.m. – 6:00 p.m.)
6. Vote Tabulation. (6:00 p.m.)
7. Closing Comments. (Immediately after vote tabulation.)
8. Adjournments.



**GROUNDWATER APPROPRIATORS  
OF  
THE SOUTH PLATTE RIVER BASIN, INC.  
(GASP)**

**DIRECTORS RESOLUTIONS  
(July 19, 2005)**

**RESOLVED**, that, the Board of Directors shall call and hold a Special Meeting of the Members of GASP to consider the Plan of Liquidation attached hereto and incorporated herein by reference; and

**FURTHER RESOLVED**, that the Special Meeting shall be held on Monday, September 12, 2005, commencing at 9:00 a.m. and continuing to 6:00 p.m., at the Country Steak Out, 19592 East 8<sup>th</sup> Avenue, Fort Morgan, Colorado; and

**FURTHER RESOLVED**, that, pursuant to Colorado Revised Statutes 1973 §7-134-102(2)(b), the Board of Directors will not recommend for or against adoption of the Plan of Liquidation; and

**FURTHER RESOLVED**, that the appropriate GASP officers, managers and administrative staff be and hereby are directed to provide to the Members written notice of the Special Meeting pursuant to the GASP Articles of Incorporation, Bylaws and applicable law, copies of these Resolutions, the Plan of Liquidation and all ancillary documents, and to take any and all additional actions necessary to schedule and conduct the Special Meeting.

**AMENDMENTS TO BYLAWS  
OF  
GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE  
RIVER BASIN, INC.**

Pursuant to Article VIII, Section 1 of the Bylaws of Groundwater Appropriators of the South Platte River Basin, Inc. revised as of October 7, 2003 (the "Bylaws"), the following amendments to the Bylaws were adopted by Resolution of the Board of Directors on October 5, 2004:

**ARTICLE IV, SECTIONS 4 AND 5 ARE DELETED IN THEIR ENTIRETY AND  
REPLACED WITH THE FOLLOWING:**

**Section 4. Voting - General.** Unless otherwise provided by law or the certificate of incorporation, each Member shall be entitled to one vote for each Membership Unit held by such stockholder. The Corporation issues one Membership Unit each Member for each 100 acre feet of water pumped by such Member. Each Member entitled to vote at a meeting of Members, or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such Member by proxy. Such a proxy may be prepared, transmitted and delivered in any manner permitted by applicable law.

**Section 5. Quorum.** At each meeting of members the holders of 25% of the issued and outstanding Membership Units entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business, except if otherwise required by applicable law. If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the Membership Units entitled to vote that are present, in person or by proxy, at the meeting may adjourn the meeting.

**Section 6. Voting – Directors.** Unless otherwise provided in the Articles of Incorporation, directors shall be elected by a plurality of the votes of the holders of Membership Units present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

**Section 7. Voting – General Business.** Unless otherwise provided by applicable law, the Articles of Incorporation or these bylaws, every matter concerning the corporation's general business shall be decided by the affirmative vote of the holders of a majority of the Membership Units entitled to vote thereon that are present in person or represented by proxy at the meeting.



**Section 8. Voting – Extraordinary Corporate Action.** Unless otherwise provided by applicable law, the Articles of Incorporation or these bylaws, every matter pertaining to Extraordinary Corporate Action shall be decided by the affirmative vote of the holders of Membership Units entitled to vote thereon, which Membership Units constitute at least (i) 66 2/3% of the Membership Units actually present or represented by proxy at the meeting, and (ii) a majority of the issued and outstanding Membership Units of the Corporation whether or not present. For purposes of this Section 8, Extraordinary Corporate Action means:

- a. Amendment of the Corporation's Articles of Incorporation;
- b. Sale of all or substantially all of the Corporation's Assets;
- c. The Corporation's merger or consolidation with another enterprise;
- d. Dissolution and liquidation of the Corporation; or
- e. Any other corporate action designated by the Board of Directors as an Extraordinary Corporate Action.

**Effective as of October 5, 2004**

**GROUNDWATER APPROPRIATORS  
OF  
THE SOUTH PLATTE RIVER BASIN, INC.**

**SUMMARY OF BOARD OF DIRECTORS' DISCLOSURES**

Under the provisions of Colorado Revised Statutes 1973 §7-134-102(2)(b)<sup>1</sup>, the GASP Board of Directors makes no recommendation for or against the Plan of Liquidation to be presented for Member consideration and voting at a Special Meeting called for this purpose on June 20, 2005. The basis for the Board of Directors' decision to make no recommendation for or against the Plan is that some or all of the members of the Board of Directors have or may have personal relationships or interests that may receive benefits depending upon the outcome of the Member vote on the Plan.

The following is a summary of relevant personal interests relationships of the members of the GASP Board of Director:

**Personal Activities**

- Ownership of wells and other water resources.
- Participation in water augmentation plans for self and others.
- Active participation in business involving water resources.
- Membership in various Districts including Julesburg Irrigation District, Central Colorado Water Conservancy District and Northern Colorado Water Conservancy District.
- Employment with City of Brighton.

**Ownership**

- Ownership interests in Western Mutual Ditch Company.
- Ownership interests in Fort Morgan Ditch.
- Ownership interests in Bijou Ditch.
- Ownership interests in Upper Platte & Beaver Canal Company.
- Ownership interests in Schneider Ditch.
- Ownership interests in Lower Platte & Beaver Canal Company.
- Ownership interests in South Platte District.
- Ownership interests in Morgan Prewitt Reservoir Company.
- Ownership interests in Logan Prewitt Reservoir Company.
- Ownership interests in Colorado Big Thompson and Handy Ditch

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<sup>1</sup> Colorado Revised Statutes 1973 §7-134-102(2)(b) provides in part: The board of directors shall recommend the proposal to dissolve to the members unless the board of directors determines that, because of conflict of interest or other special circumstances, it should make no recommendation and communicates the basis for its determination to the members...."



Ownership interests in Julesburg Irrigation District.  
 Ownership interests in the Ovid Reservoir Company.  
 Ownership interests in Hillrose Irrigation District.  
 Ownership interests in Pioneer Water and Irrigation, Inc.  
 Ownership interests in Snyder-Smith Ditch Company.  
 Ownership interests in Layton Lateral Company.  
 Ownership interests in Badger-Beaver Well Owners, LLC  
 Ownership interests in Riverside Irrigation District.  
 Ownership interests in Bijou Irrigation Co.  
 Ownership interests in Weldon Valley Ditch Co.  
 Ownership interests in Ft. Morgan Reservoir & Irrigation Co.  
 Ownership interests in Parachute Ranch, Inc.  
 Ownership interests in Great Plains Resources, Inc.  
 Ownership interests in Nevada Ditch Company.  
 Ownership interests in Larimer Weld Irrigation Company  
 Ownership interests in Owl Creek Irrigation  
 Ownership interests in For Farr Lateral.  
 Ownership interests in Gale Lateral.  
 Ownership interests in Chambers Ditch Co.  
 Ownership interests in Davis Bros Ditch Co.

#### **Directorships**

Directorship in Logan Prewitt Operating Committee  
 Directorship in Lower South Platte Water Conservancy District.  
 Directorship in Upper Platte and Beaver Canal Company.  
 Directorship in Morgan Prewitt Reservoir Company.  
 Directorship in Lower Platte & Beaver Canal Company.  
 Directorship in Ovid Reservoir Company.  
 Directorship in Hillrose Irrigation District.  
 Directorship in Pioneer Water and Irrigation, Inc.  
 Directorship in Snyder-Smith Ditch Company.  
 Directorship in The Irrigationists Association.  
 Directorship in Northern Colorado Water Conservancy District.  
 Directorship in Ditch and Reservoir Company Alliance.  
 Directorship in Colorado Water Congress.  
 Directorship in Chambers Ditch Co.

**GROUNDWATER APPROPRIATORS  
OF  
THE SOUTH PLATTE RIVER BASIN, INC.  
PLAN OF LIQUIDATION**

This Plan of Liquidation (the "Plan") is dated July 19, 2005, and approved for submission to the Members of Groundwater Appropriators of the South Platte River Basin, Inc. ("GASP") in accordance with resolutions adopted by the Board of Directors on July 19, 2005.

**BACKGROUND**

A. At the annual meeting of the Members of GASP held on December 15, 2004, the Board of Directors presented to the Membership two alternative proposals concerning GASP's future direction. The first proposal contemplated that GASP would continue conducting its affairs in accordance with its Articles of Incorporation and Bylaws; amended to conform to the current state of the law as it applies to GASP's essential purpose. The second proposal contemplated submitting to the Members a plan of liquidation and dissolution of GASP.

B. The Members approved the second proposal in the following form:

**Proposal Two:** GASP shall adopt a plan of liquidation under the procedures prescribed by applicable law, including the orderly sale, transfer, or other disposition and liquidation of its assets, winding down its business operations and dissolving the corporation.

C. In accordance with the Members' vote, the Board of Directors prepared this Plan for submission to the Members at a Special Meeting called for the purpose of considering the Plan, and scheduled for June 20, 2005 (the "Meeting"). Members holding only approximately 60% of the Membership Units entitled to vote on the Plan attended the Meeting. Although Members holding approximately 85% of the Membership Units present at the Special Meeting voted to approve the Plan, the vote was insufficient to approve the Plan.

D. Because the Meeting was not well attended, the Board of Directors decided to submit this Plan to the Members at a Special Meeting called for the purpose and scheduled for **September 12, 2005** (the "Second Meeting").

E. In accordance with the GASP Bylaws, if Members holding Membership Units which (1) comprise 66 2/3% or more of the Membership Units attending the Second Meeting in person or by proxy and (2) a majority of the outstanding Membership Units held by all Members, vote to adopt the Plan at the Second Meeting, the Plan will constitute the adopted Plan of GASP as of the date of the Second Meeting, or such later date as may be specified in the approval.

F. As provided for in C.R.S. §7-34-102(2)(b), the Board of Directors makes no recommendation for or against the Members' adoption of the Plan. The Board of Directors



makes no such recommendation because substantially all of its members either serve on other boards of directors that may have independent interests in the outcome of the Members' vote, or have personal interests that might be served depending on the outcome of the vote. The particulars of the conflicting interests of the members of the Board of Directors are on file at the offices of the company and are available for inspection by the Members upon reasonable request. The Board of Directors has provided to the Members a separate written summary of the individual relationships that form the basis for the Board's decision to make no recommendation.

THEREFORE, based upon the foregoing Background, the Board of Directors has devised the following Plan for consideration of the Members:

1. Purpose. This is a plan of complete liquidation of the corporation and distribution of its assets, as contemplated by C.R.S. §7-34-102(2) and §331 of the Internal Revenue Code of 1986, as amended.
2. Secretary of State Filings. The officers of GASP shall prepare and file with the Secretary of State the documents necessary to initiate the process of dissolution and liquidation contemplated by this Plan.
3. Cessation of Business. Upon adoption of this Plan, GASP shall cease to carry on its business in the ordinary course, except insofar as is necessary for the winding up of its business, paying and discharging debts, and distributing its remaining assets to the Members in accordance with this Plan.
4. Payment of Debts. GASP shall pay, discharge or make adequate provision for all of its debts, liabilities, and other obligations.
5. Remaining Assets. All of the remaining property and assets of GASP shall be distributed to the Members pro-rata based on Membership Units in accordance with the following procedure:
  - 5.1. All Members in good standing as of May 16, 2005, shall be entitled to participate in the Plan in proportion to their Membership Units as reflected on the GASP books and records (the "Participating Membership Units").
  - 5.2. The Members and Member groups shall be entitled to acquire, transfer or consolidate Membership Units only through and including October 28, 2005.
  - 5.3. After the Membership Unit transfers have been completed and approved by the Board, GASP will prepare and make available for inspection a certified list of participating Members identifying all Members by name, address and a description of the Membership Units held by each Member by number and percentage of all outstanding Membership Units (the latter the "Membership Percentage").
  - 5.4. On or before November 10, 2005 the GASP Board will provide to all Members holding Participating Membership Units a description of GASP's assets in the form attached hereto as **Exhibit A** and incorporated herein by reference.



5.5. The GASP Board will then entertain Member requests to receive all or part of their allocable liquidation distributions in kind, by exchanging all or part of their Membership Units for particular GASP assets. The GASP Board must receive all such requests on or before December 2, 2005.

5.6. The GASP Board will consider such requests using the following guidelines:

5.6.1. A Member's Membership Percentage when applied to an asset or assets a Member requested to be distributed in kind must be equivalent to a whole number of transferable interests in the requested asset. For clarity, the following examples illustrate this calculation:

(a) Member A's Membership Percentage is 10%

Member A requests in kind distribution shares in Asset 1, in which GASP owns 10 shares.

Member A is entitled to request in kind distribution of 1 share of Asset 1, ie, 10% of GASP's ownership in Asset 1.

(b) Member B's Membership Percentage is 10%.

Member B requests in kind distribution of shares in Asset 2, in which GASP owns 23 shares.

Member B is entitled to request in kind distribution of 2 shares of Asset 2, ie, the number of shares equivalent to Member B's Membership Percentage, rounded down to a whole number of transferable shares of Asset 2.

5.6.2. If the requesting Member's Membership Percentage equates to a whole number of transferable shares in the Asset requests (as calculated using the method described in Subsection 5.6.1), the GASP Board will approve the request. The GASP Board will not make the requested and approved in kind distributions until it has completed the auction and sale process described below.

5.6.3. After the GASP Board has processed all requests for in kind liquidation distributions, it will sell the remaining GASP assets in an orderly and timely manner either by negotiating for private sales, by placing the assets for sale at auction (with or without reserve), or by establishing a liquidating trust to manage such sales. All Purchasers of GASP assets will acquire such assets "as is, where is, with all faults" and in their condition as of the date of sale. GASP will make no representations or warranties of any kind concerning the assets it sells. In particular, without limitation, GASP will make no warranty concerning the fitness of any asset sold for the particular purpose of the purchaser.



5.6.4. The sales prices for the GASP assets sold in this sales process shall be deemed to be the values of all such assets for liquidation purposes.

5.6.5. After the GASP Board tabulates all approved in kind distributions, and sells all remaining GASP assets, the GASP Board will complete the liquidation distributions by determining the value of each Membership Unit. The value of each Membership Unit will be the total value of all GASP assets established by the auction/sale process, divided by the total number of Participating Units. For clarity, the following illustrates the calculations that the GASP Board will use to determine the value of each Participating Membership Unit:

For each GASP owned asset, apply the following calculations, which are illustrated based on the facts contained in the example stated in Section 5.6.1(a) above:

GASP owns 10 shares of Asset 1.

Member A previously requested in kind distribution of 1 share of Asset 1.

In the auction/sales process, GASP sells 9 shares of Asset 1 for an average price of \$1,000 per share, or a total of \$9,000.

Therefore, the value of GASP's total ownership interest in Asset 1 is \$10,000, ie \$1,000, the price established in the auction/sale process, multiplied by 10, the total number of shares GASP owns in Asset 1.

Add the values of all GASP assets, calculated using this procedure plus the cash available for liquidating distributions, and divide by the total number of Participating Membership Units. This yields the value of each Participating Unit.

5.6.6. The GASP Board will then make all liquidating distributions to Members holding Participating Membership Units. The GASP Board will distribute to each Participating Member such Member's Membership Percentage multiplied by sum of (a) the total value of the GASP assets sold in the auction/sale process, and (b) the remaining cash held by GASP after deducting the reserves established under Subsection 5.6.9, below, minus the value of the in kind distribution made to such Member. For clarity, the following example illustrates the calculation of a Participating Member liquidating distribution:

Member A's Membership Percentage is 10%

Member A requested an in kind liquidating distribution of 1 share of Asset 1.

The auction/sale process established a value of \$1,000 per share for shares of Asset A.



The total value of all of GASP's assets, established through the auction/sale process, plus cash (minus reserves) is \$100,000.

Member A is entitled to liquidating distributions of \$10,000, being 10% of the value of the assets and cash available for distribution.

The GASP Board, therefore, distributes to Member A 1 share of Asset 1 (value \$1,000) plus \$9,000 in cash for a total of \$10,000.

5.6.7. The GASP Board may make partial or interim liquidating distributions in its discretion, but shall assure that each Member receives equal value for each Participating Membership Unit.

**5.6.8. All Members who receive in kind liquidating distributions of GASP assets will acquire such assets "as is, where is, with all faults" and in their condition as of the date of sale. GASP will make no representations or warranties of any kind concerning the assets it sells. In particular, without limitation, GASP will make no warranty concerning the fitness of any assets sold for the particular purpose of the Member receiving such assets.**

5.6.9. The GASP Board shall be entitled to establish and set aside a reasonable amount of funds and/or property to satisfy claims against GASP including, without limitation, tax obligations, expenses of administering the Plan and distributing or selling GASP assets, collection and defense of GASP assets, and anticipated dispute resolution costs including attorneys' fees, costs and disbursements. In the event that the GASP Board retains any funds after satisfying the purposes for which it establishes such reserves, it shall distribute the remaining balance at such time as the GASP Board determines in its sole discretion, to the Participating Members pro rata to their Membership Percentages, provided however, that, if the GASP Board determines that the amount finally remaining for such distribution is not large enough to justify the administrative expense of distribution, ie, \$10,000 or less, the GASP Board is authorized to distribute such remaining amount to a charity of its choice.

6. Tax Filings. As soon as practicable, and as required by the Internal Revenue Code and relevant regulations, GASP shall prepare and file with the Internal Revenue Service and relevant state agencies all necessary tax filings reflecting GASP's liquidation.

7. Tax Disclosure. After satisfying or providing for all debts and obligations of GASP, the GASP Board intends to distribute all of its assets to Members in good standing pro rata in value in proportion to each Member's Membership Units. **THE GASP BOARD MAKES NO WARRANTY, REPRESENTATION OR COMMENT ON THE MEMBERS' ACTUAL, EXPECTED OR POTENTIAL TAX EFFECTS AND CONSEQUENCES OF THIS PLAN. THE GASP BOARD ADVISES EACH MEMBER TO SEEK TAX ADVICE FROM TAX ADVISORS OF HIS/HER/ITS CHOICE CONCERNING SUCH TAX**



**MATTERS. AS AN EXPRESS CONDITION OF THEIR PARTICIPATION IN THIS PLAN AND THEIR RECEIPT OF LIQUIDATING DISTRIBUTIONS, MEMBERS MUST WAIVE ANY AND ALL CLAIMS AGAINST GASP, ITS OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, AGENTS AND CONSULTANTS WITH RESPECT TO ANY TAX EFFECTS AND CONSEQUENCES OF THE PLAN.**

8. Articles of Dissolution. Upon completion of the Plan as set forth above, GASP will prepare and file Articles of Dissolution with the Secretary of State of Colorado, and shall thereafter cease doing business.

9. Administrative Provisions.

9.1. Length or Duration of Plan. The estimated time for completing this Plan is approximately twelve (12) months after Member approval, concluding on or before September 12, 2006. The Board of Directors may reduce or extend this period and all of other time periods and deadlines set forth in this Plan in its sole discretion.

9.2. Employees/Staff/Consultants. Throughout the duration of the Plan, GASP may continue to employ Jack L Odor, Dave King, and Diana Malone to administer and implement the Plan, at the same compensation and with the same employment benefits as currently paid and provided. The Board also shall have the authority to engage attorneys, accountants and other consultants to assist in administering the Plan.

9.3. Executory Contracts. GASP will use its best efforts to terminate, settle, or resolve disputes with respect to all pending contracts and other obligations, to which it is a party.

9.4. Accounting. GASP will keep full books and records showing the economic circumstances of the plan, which shall be open at reasonable times for inspection by the Members or their representatives.

9.5. Insurance. GASP will maintain all necessary insurance for its operations and will continue to pay the premium for directors' and officers' liability insurance for the individual directors, including tail coverage if available.

9.6. Indemnity. GASP will continue to indemnify and hold harmless its officers, directors, employees and agents in accordance with its Articles of Incorporation and applicable Colorado law for actions taken in connection with adopting, implementing and administering this Plan.

9.7. Reports. The Company will issue reports to the Members as needed for the duration of the Plan.

9.8. Disposition of GASP Records. The GASP Board will make provision to preserve GASP's historical records for a reasonable time after the Plan has been completed.

9.9. Plan Approval and Adoption. This GASP Board will present this Plan for consideration by the Members at a special meeting called for this purpose to be held on September 12, 2005. Approval and adoption of this Plan by the Members shall be the Members' authorization for the GASP Board to do and perform or cause the GASP officers and employees to do and perform any and all acts, and to make, execute, deliver or adopt any and all agreements, resolutions, conveyances, certificates and other documents of every kind which are deemed necessary, appropriate or desirable, in the absolute discretion of the GASP Board, to implement and administer this Plan and the transactions contemplated in the Plan.

9.10. Amendment. This Plan may be amended only by a written amendment, approved by the GASP Board for submission to the Members, submitted to and approved by the Members.

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## EXHIBIT A

### **GASP OWNED ASSETS**

WATER RIGHTS ASSET	SHARES
BURLINGTON DITCH/WELLINGTON RESERVOIR	36 Paired shares
CACHE LA POUDRE RESERVOIR	5
NEW CACHE LA POUDRE DITCH	6.5 shares and outlet structure
JACKSON LAKE	19
MORGAN-PREWITT	11
PIONEER - decree 81 CW 407	128
RIVERSIDE RESERVOIR PRIVATE RIGHTS	90.5
GREELEY #3 - decree 96 CW 658	26.25

BACON LAKE - GASP owns the land under Bacon Lake, decree 79CW345 and pumping rights in Newell Lake

OVID RESERVOIR - GASP owns decree 98CW295, the land with one well and preliminary engineering

#### **GASP OWNED WELLS**

PROCTOR WELL - GASP owns well permit and hardware

STERLING A WELLS - GASP owns six well permits, hardware and decree W-7473

STERLING B WELLS - GASP owns four well permits, hardware and decree W-7954-75

SEDGWICK WELLS (PETERSEN CANAL) - GASP owns the hardware on three wells

GASP holds Rural Electric Cooperative capital credits totaling \$43, 745

GASP owns miscellaneous office supplies and furniture

**NOTIFICATION  
OF  
VOTE TABULATION**

**SPECIAL MEETING OF THE MEMBERS  
OF  
GROUNDWATER APPROPRIATORS  
OF THE SOUTH PLATTE RIVER BASIN, INC.  
HELD JUNE 20, 2005**

June 21, 2005

Dear Members:

The following voting activity occurred at the Special Meeting of the Members of Groundwater Appropriators of the South Platte River Basin, Inc. ("GASP"), held on June 20, 2005, to consider a Plan of Liquidation (the "Plan") presented by the Board of Directors:

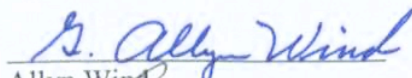
1. **2057** Membership units were present, in person or by proxy;
2. **1713** Membership units, comprising **83.3%** of the Membership units present and **48.2%** of all of the outstanding Membership units entitled to vote, voted in favor of the Plan; and
3. **344** Membership units, comprising **16.7%** of the Membership units present and **9.7%** of all of the outstanding Membership units entitled to vote, voted against Plan.


Pursuant to the GASP Bylaws as amended effective October 4, 2004, the Member votes in favor of the Plan were not sufficient to approve the Plan. Although the number of votes exceeded two-thirds of the Membership units present, in person or by proxy, the number of votes did not exceed 51% of all of the outstanding Membership units of GASP.

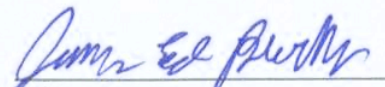
Very truly yours,

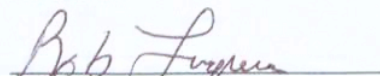
Groundwater Appropriators  
of the South Platte River Basin, Inc.

By: The Proxy Committee

  
Allyn Wind

  
Robert Tuck

  
Ed Burke

  
Bob Lingreen



**GROUNDWATER APPROPRIATORS  
OF THE SOUTH PLATTE RIVER BASIN, INC.**

P. O. Box 974  
Fort Morgan, CO 80701-0974  
970-867-5298

May 3, 2005

TO: The Members of Groundwater Appropriators  
of the South Platte River Basin, Inc. ("GASP")

Dear Members:

We will conduct a Special Meeting of the Members of GASP on Monday, June 20, 2005, at the Country Steak Out, 19592 East 8<sup>th</sup> Avenue, Fort Morgan, Colorado, beginning at 1:30 p.m. The purpose of the meeting is to present a Plan of Liquidation (the "Plan") for consideration by the Members. The GASP Board of Directors drafted the Plan in accordance with the Members' approval of Proposal Two at the GASP Annual Meeting held on December 15, 2004. Proposal Two stated the following:

GASP shall adopt a plan of liquidation under procedures prescribed by applicable law, including the orderly sale, transfer, or other disposition and liquidation of its assets, winding down its business operation and dissolving the corporation.

In preparation for that meeting, we enclose copies of the following documents for your consideration:

1. Agenda.
2. Draft Minutes from the 2004 GASP Annual Meeting.
3. Amendments to the GASP Bylaws approved by the Board of Directors on October 5, 2004, and concerning voting requirements.
4. A list of the current members of the Board of Directors of GASP.
5. A summary disclosure of personal relationships and interests of the members of the Board of Directors.
6. Resolution of the Board of Directors approved on May 3, 2005, authorizing the Board to present the Plan for the Members' consideration.
7. Plan of Liquidation approved by the Board of Directors for presentation to the Members. The Plan describes a process by which GASP will make in kind liquidating distributions of some of its assets to Members, sell the balance of its assets at auction or through other methods, and ultimately distribute all of the sales proceeds to the Members after establishing various reserves for expenses and contingencies. If the Members approve

the Plan, the Board will endeavor to conduct the proposed auction on or about November 1, 2005, or as soon thereafter as is reasonably possible.

8. Proxy materials. GASP's Bylaws provide that Members may vote in person or by proxy. The Board of Directors has determined that all prior proxies and Business Entity Designations of Voting Agent cannot be used for voting at the Special Meeting. If you are an individual Member, we are providing the Individual Proxy described below. If you are a Business Entity Member, we are providing the Business Entity Designation of Voting Agent described below.
  - a. Individual Proxy. Individual Members who cannot attend the annual meeting may use this proxy to authorize a person to vote on his or her behalf. If an individual Member chooses to vote by proxy, the person he or she designates in the proxy must be present and must deliver the proxy to the voting officials at the Special Meeting.
  - b. Business Entity Designation of Voting Agent. Business entities may not vote using Individual Proxies. Each business entity that is a Member may vote only by completing the Business Entity Designation of Voting Agent. This document is to be used by Members that are municipalities, the State of Colorado, the United States, corporations, limited liability companies, partnerships, or other business entities, but not by individuals. This document must be signed by an authorized representative of the business entity and must nominate an individual to vote at the Special Meeting. The individual designated in the Business Entity Designation of Voting Agent must be present and must deliver the Designation to the voting officials at the Special Meeting.

9. Sample Ballot.

We hope that the materials enclosed with this letter will provide adequate information to prepare for the Special Meeting.

We look forward to your participation at the Special Meeting.

Please contact us if you have questions.

Very truly yours,

Phil Mortensen, President



**GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE RIVER BASIN, INC.**

**SPECIAL MEMBERSHIP MEETING  
JUNE 20, 2005  
THE COUNTRY STEAK OUT – 19592 EAST 8<sup>TH</sup> AVENUE  
FORT MORGAN, COLORADO  
1:30 P.M.**

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1. Call to Order and Welcoming Remarks by President Phil Mortensen.
2. Board Presentation of Plan of Liquidation.
3. Member questions, comments and discussion of Plan of Liquidation.
4. Discussion of Voting Requirements.
5. Vote on Plan of Liquidation.
6. Vote Tabulation.
7. Closing Comments.
8. Adjournments.

**DRAFT**

**MINUTES OF THE  
THIRTY-SECOND ANNUAL MEETING  
GROUNDWATER APPROPRIATORS  
OF THE  
SOUTH PLATTE RIVER BASIN, INC.**

**DECEMBER 15, 2004 2:00 P.M.**

Minutes of Annual Board Meeting held at the Country Steak Out in Fort Morgan, Colorado.

**DIRECTORS PRESENT**

President Phil Mortensen, Vice President Rob McClary, Secretary Bob Kula, Treasurer Allyn Wind, Directors Bill Condon, Bob Lingreen, Carson Smart, Ed Burke, Don Magnuson, Larry Rothe, Charles Snyder, Robert Tuck, Jack Baier, Dan Stromberger and Dave Knievel.

**OTHERS PRESENT**

Manager Jack Odor, Secretary Diana Malone, Staff Technician Dave King, Mike Lee with Anderson, Lee & Company, GASP legal counsel Charles Jacobs, Brent Nation and Heath Kuntz of Nation Engineering Services.

**OPENING**

**PRESIDENT'S REPORT**

President Mortensen began the meeting by welcoming those in attendance to the Thirty-second Annual Meeting of GASP. President Mortensen introduced the members of the board of directors, noting that director Bob Kula had been on the board for all 32 annual meetings. President Mortensen reported on the past year, noting the changes made by the board during the last year. He noted moves made by the board which they feel are in the best interest of the membership of GASP in attempting to retain as much of the GASP owned water assets in agriculture as can be managed. The board has retained a corporate attorney to guide them through the process now being encountered. Due to the importance of actions being taken by the membership, voting quotas and thresholds have been raised.

**MINUTES OF 31<sup>st</sup> ANNUAL MEETING**

**MOTION**

to dispense with the reading and approve the December 1, 2003 minutes as presented. Allyn Wind (Bob Lingreen) Motion Carried.



**DRAFT**GASP 32<sup>nd</sup> Annual Meeting

Page 2

**FINANCIAL REPORT**

Mike Lee with the accounting firm of Anderson, Lee & Company reported on the 2004 GASP financial review. Mr. Lee stated that the GASP finances are in good order, and reviewed the audit report, noting permanent water stock now owned by GASP as having a value based on actual purchase price of \$1,912,605. There were no water stock purchases during the year. The special assessment legal expense fund stands at \$236,471. Water rental decreased from \$81,711 in 2003 to \$22,444 in 2004. Mr. Lee also reported to the membership that GASP had cash and cash equivalents of \$629,267 on hand at the end of the fiscal year, October 31, 2004 and that total assets held by GASP are \$3,644,526. GASP had a total operating budget of \$474,293 for 2004 with revenue of \$375,795 for an operating income loss of \$98,498, GASP received other income in the amount of \$112,522, resulting in a net income of \$14,024. The balance in the water procurement fund was \$2,515, no funds were expended from this fund during the year.

**MOTION**

to approve the 2004 audit review. Bob Kula (Dan Stromberger) Motion Carried.

**MANAGER'S REPORT****YEAR IN REVIEW**

Manager Jack Odor welcomed members and outlined the vote to be taken at this meeting. He told the membership that GASP's options are limited because of its non-profit status. GASP could continue to operate by leasing the water supplies to others. GASP could give all assets to another non-profit group. GASP can prepare a plan for dissolution to present to the membership for approval. That plan may include some things that could not be done otherwise. Under a plan, assets could be sold and the proceeds distributed to the membership, water assets could also be apportioned to the membership. The process must proceed one step at a time. He reviewed the events of the 2004 year. GASP operated under a limited substitute water supply plan, which expired on August 22. A group of water users has contracted for the use of the Sterling #1 wells owned by GASP. The Ovid Reservoir Company has been formed and stock sold. That group will owe GASP \$950,000 for the land, water decree and engineering. Manager Odor presented a power point demonstration showing GASP's water right assets, and how those rights may be apportioned according to membership. Groups may be formed to pool GASP units to increase the amount of supply and percentage of GASP membership. GASP units may still be sold to another GASP member. He announced that the water supplies would be leased to the highest bidder among GASP members for the 2005 season.

**DRAFT**

GASP 32<sup>nd</sup> Annual Meeting

Page 3

**NOMINATING COMMITTEE**

Allyn Wind, Chairman of the nominating committee reported 1622 units present and 219 by proxy for 1841 total votes. That is over 50% and more than the 25% required for a voting quorum.

**ELECTION OF DIRECTORS**

The Nominating Committee placed the names of current Directors Phil Mortensen, Rob McClary, Bill Condon and Larry Rothe for re-election to four year terms. There were no nominations from the floor.

**MOTION**

to cease nominations and cast a unanimous ballot. Allyn Wind (Jack Baier) Motion Carried.

**DIRECTORS ELECTED FOR A FOUR YEAR TERM**

Phil Mortensen      Rob McClary      Bill Condon      Larry Rothe

**VOTE ON THE QUESTION**

President Mortensen asked those present to now mark their ballots for:

Proposal #1: GASP shall continue to operate in accordance with its Articles of Incorporation and Bylaws and pursue its general objectives of providing water resources to its members and others, or other consistent objectives to be stated in amendments to the Articles of Incorporation that may be proposed by the Board of Directors or the members, and submitted to membership vote.

OR

Proposal #2: GASP shall adopt a plan of liquidation under procedures prescribed by applicable law, including the orderly sale, transfer, or other disposition and liquidation of its assets, winding down its business operations and dissolving the corporation.

**LEGAL COUNSEL REPORT**

GASP Corporate attorney Charles Jacobs addressed the membership concerning the process involved in the vote. He told the membership that the board brought this question to the membership seeking their wishes on the direction GASP should take. If the membership votes for a plan of dissolution, the board will begin working on a comprehensive plan to dissolve the corporation. When that plan is complete, it will be presented to the membership for approval.



**DRAFT**

GASP 32<sup>nd</sup> Annual Meeting

Page 4

**VOTING RESULTS**

Nominating Committee Chairman Allyn Wind reported the election results

For Proposal 1: **76**

For Proposal 2: **1751**

3 votes disallowed

11 votes not cast

**MOTION**

to adjourn. Allyn Wind

Meeting adjourned at 3:30 P.M.

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**PRESIDENT**

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**SECRETARY**

**AMENDMENTS TO BYLAWS  
OF  
GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE  
RIVER BASIN, INC.**

Pursuant to Article VIII, Section 1 of the Bylaws of Groundwater Appropriators of the South Platte River Basin, Inc. revised as of October 7, 2003 (the "Bylaws"), the following amendments to the Bylaws were adopted by Resolution of the Board of Directors on October 5, 2004:

**ARTICLE IV, SECTIONS 4 AND 5 ARE DELETED IN THEIR ENTIRETY AND REPLACED WITH THE FOLLOWING:**

**Section 4. Voting - General.** Unless otherwise provided by law or the certificate of incorporation, each Member shall be entitled to one vote for each Membership Unit held by such stockholder. The Corporation issues one Membership Unit each Member for each 100 acre feet of water pumped by such Member. Each Member entitled to vote at a meeting of Members, or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such Member by proxy. Such a proxy may be prepared, transmitted and delivered in any manner permitted by applicable law.

**Section 5. Quorum.** At each meeting of members the holders of 25% of the issued and outstanding Membership Units entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business, except if otherwise required by applicable law. If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the Membership Units entitled to vote that are present, in person or by proxy, at the meeting may adjourn the meeting.

**Section 6. Voting – Directors.** Unless otherwise provided in the Articles of Incorporation, directors shall be elected by a plurality of the votes of the holders of Membership Units present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

**Section 7. Voting – General Business.** Unless otherwise provided by applicable law, the Articles of Incorporation or these bylaws, every matter concerning the corporation's general business shall be decided by the affirmative vote of the holders of a majority of the Membership Units entitled to vote thereon that are present in person or represented by proxy at the meeting.



**Section 8. Voting – Extraordinary Corporate Action.** Unless otherwise provided by applicable law, the Articles of Incorporation or these bylaws, every matter pertaining to Extraordinary Corporate Action shall be decided by the affirmative vote of the holders of 662/3% the Membership Units entitled to vote thereon that are present in person or represented by proxy at the meeting, on the condition that such Members hold a majority of the issued and outstanding Membership Units of the Corporation. For purposes of this Section 8, Extraordinary Corporate Action means:

- a. Amendment of the Corporation's Articles of Incorporation;
- b. Sale of all or substantially all of the Corporation's Assets;
- c. The Corporation's merger or consolidation with another enterprise;
- d. Dissolution and liquidation of the Corporation; or
- e. Any other corporate action designated by the Board of Directors as an Extraordinary Corporate Action.

**Effective as of October 5, 2004**

**G.A.S.P.  
OFFICERS & DIRECTORS FOR 2005**

**OFFICERS**

PHIL MORTENSEN ... PRESIDENT  
 ROB McCLARY ... VICE PRESIDENT  
 BOB KULA ... SECRETARY  
 ALLYN WIND ... TREASURER

**DIRECTORS**

Allyn Wind (970) 842-4313	17200 Beaver Creek Drive Brush, CO 80723
Ed Burke (303) 655-2000	22 South 4 <sup>th</sup> Avenue Brighton, CO 80601
Bill Condon (970) 522-2460	PO Box 1745 Sterling, CO 80751
Phil Mortensen (970) 842-2016	18633 Morgan Cty Rd 26 Brush, CO 80723
Rob McClary (970) 463-5340	14100 Cty Rd 13 5/10 Sedgwick, CO 80749
George Jenik (970) 463-5719	5500 Cty Rd 28 Sedgwick, CO 80749
Jack Baier (303) 737-2295	11776 Cty Rd 42 Platteville, CO 80651
Bob Kula (970) 867-6289	PO Box 668 Ft. Morgan, CO 80701
Charles Snyder (970) 847-3448	56525 Cty Rd P Hillrose, CO 80733
Robert Lingreen (970) 522-0071	1741 Cty Rd 14 Atwood, CO 80722
Carson Smart (970) 522-4137	PO Box 85 Atwood, CO 80722
Don Magnuson (970) 454-3011	404 Cottonwood Eaton, CO 80615
Robert Tuck (970) 847-3707	33549 Rd X.5 Hillrose, CO 80733
Larry Rothe (970) 645-2427	15160 No. 16, Hwy 144 Ft. Morgan, CO 80701
Dan Stromberger (970) 847-3239	35881 Hwy 6 Hillrose, CO 80733
Dave Knievel (970) 483-6166	2381 I-76 Frontage Rd. Wiggins, CO 80654



**GROUNDWATER APPROPRIATORS  
OF  
THE SOUTH PLATTE RIVER BASIN, INC.**

**SUMMARY OF BOARD OF DIRECTORS' DISCLOSURES**

Under the provisions of Colorado Revised Statutes 1973 §7-134-102(2)(b)<sup>1</sup>, the GASP Board of Directors makes no recommendation for or against the Plan of Liquidation to be presented for Member consideration and voting at a Special Meeting called for this purpose on June 20, 2005. The basis for the Board of Directors' decision to make no recommendation for or against the Plan is that some or all of the members of the Board of Directors have or may have personal relationships or interests that may receive benefits depending upon the outcome of the Member vote on the Plan.

The following is a summary of relevant personal interests relationships of the members of the GASP Board of Director:

**Personal Activities**

- Ownership of wells and other water resources.
- Participation in water augmentation plans for self and others.
- Active participation in business involving water resources.
- Membership in various Districts including Julesburg Irrigation District, Central Colorado Water Conservancy District and Northern Colorado Water Conservancy District.
- Employment with City of Brighton.

**Ownership**

- Ownership interests in Western Mutual Ditch Company.
- Ownership interests in Fort Morgan Ditch.
- Ownership interests in Bijou Ditch.
- Ownership interests in Upper Platte & Beaver Canal Company.
- Ownership interests in Schneider Ditch.
- Ownership interests in Lower Platte & Beaver Canal Company.
- Ownership interests in South Platte District.
- Ownership interests in Morgan Prewitt Reservoir Company.
- Ownership interests in Logan Prewitt Reservoir Company.
- Ownership interests in Colorado Big Thompson and Handy Ditch

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<sup>1</sup> Colorado Revised Statutes 1973 §7-134-102(2)(b) provides in part: The board of directors shall recommend the proposal to dissolve to the members unless the board of directors determines that, because of conflict of interest or other special circumstances, it should make no recommendation and communicates the basis for its determination to the members...."

Ownership interests in Julesburg Irrigation District.  
 Ownership interests in the Ovid Reservoir Company.  
 Ownership interests in Hillrose Irrigation District.  
 Ownership interests in Pioneer Water and Irrigation, Inc.  
 Ownership interests in Snyder-Smith Ditch Company.  
 Ownership interests in Layton Lateral Company.  
 Ownership interests in Badger-Beaver Well Owners, LLC  
 Ownership interests in Riverside Irrigation District.  
 Ownership interests in Bijou Irrigation Co.  
 Ownership interests in Weldon Valley Ditch Co.  
 Ownership interests in Ft. Morgan Reservoir & Irrigation Co.  
 Ownership interests in Parachute Ranch, Inc.  
 Ownership interests in Great Plains Resources, Inc.  
 Ownership interests in Nevada Ditch Company.  
 Ownership interests in Larimer Weld Irrigation Company  
 Ownership interests in Owl Creek Irrigation  
 Ownership interests in For Farr Lateral.  
 Ownership interests in Gale Lateral.  
 Ownership interests in Chambers Ditch Co.  
 Ownership interests in Davis Bros Ditch Co.

#### **Directorships**

Directorship in Logan Prewitt Operating Committee  
 Directorship in Lower South Platte Water Conservancy District.  
 Directorship in Upper Platte and Beaver Canal Company.  
 Directorship in Morgan Prewitt Reservoir Company.  
 Directorship in Lower Platte & Beaver Canal Company.  
 Directorship in Ovid Reservoir Company.  
 Directorship in Hillrose Irrigation District.  
 Directorship in Pioneer Water and Irrigation, Inc.  
 Directorship in Snyder-Smith Ditch Company.  
 Directorship in The Irrigationists Association.  
 Directorship in Northern Colorado Water Conservancy District.  
 Directorship in Ditch and Reservoir Company Alliance.  
 Directorship in Colorado Water Congress.  
 Directorship in Chambers Ditch Co.



**GROUNDWATER APPROPRIATORS  
OF  
THE SOUTH PLATTE RIVER BASIN, INC.  
(GASP)**

**DIRECTORS RESOLUTIONS  
(May 3, 2005)**

**RESOLVED**, that, the Board of Directors shall call and hold a Special Meeting of the Members of GASP to consider the Plan of Liquidation attached hereto and incorporated herein by reference; and

**FURTHER RESOLVED**, that the Special Meeting shall be held on June 20, 2005, commencing at 1:30 p.m., at the Country Steak Out, 19592 East 8<sup>th</sup> Avenue, Fort Morgan, Colorado; and

**FURTHER RESOLVED**, that, pursuant to Colorado Revised Statutes 1973 §7-134-102(2)(b), the Board of Directors will not recommend for or against adoption of the Plan of Liquidation; and

**FURTHER RESOLVED**, that the appropriate GASP officers, managers and administrative staff be and hereby are directed to provide to the Members written notice of the Special Meeting pursuant to the GASP Articles of Incorporation, Bylaws and applicable law, copies of these Resolutions, the Plan of Liquidation and all ancillary documents, and to take any and all additional actions necessary to schedule and conduct the Special Meeting.

**GROUNDWATER APPROPRIATORS  
OF  
THE SOUTH PLATTE RIVER BASIN, INC.  
PLAN OF LIQUIDATION**

This Plan of Liquidation (the "Plan") is dated May 3, 2005, and approved for submission to the Members of Groundwater Appropriators of the South Platte River Basin, Inc. ("GASP") in accordance with resolutions adopted by the Board of Directors on March 3, 2005.

**BACKGROUND**

A. At the annual meeting of the Members of GASP held on December 15, 2004, the Board of Directors presented to the Membership two alternative proposals concerning GASP's future direction. The first proposal contemplated that GASP would continue conducting its affairs in accordance with its Articles of Incorporation and Bylaws; amended to conform to the current state of the law as it applies to GASP's essential purpose. The second proposal contemplated submitting to the Members a plan of liquidation and dissolution of GASP.

B. The Members approved the second proposal in the following form:

**Proposal Two:** GASP shall adopt a plan of liquidation under the procedures prescribed by applicable law, including the orderly sale, transfer, or other disposition and liquidation of its assets, winding down its business operations and dissolving the corporation.

C. In accordance with the Members' vote, the Board of Directors prepared this Plan for submission to the Members at a Special Meeting called for the purpose of considering the Plan, and scheduled for June 20, 2005 (the "Meeting").

D. In accordance with the GASP Bylaws, if Members holding Membership Units which (1) comprise 66 2/3% or more of the Membership Units attending the Meeting in person or by proxy and (2) a majority of the outstanding Membership Units held by all Members, vote to adopt the Plan at the Meeting, the Plan will constitute the adopted Plan of GASP as of the date of the Meeting, or such later date as may be specified in the approval.

E. As provided for in C.R.S. §7-34-102(2)(b), the Board of Directors makes no recommendation for or against the Members' adoption of the Plan. The Board of Directors makes no such recommendation because substantially all of its members either serve on other boards of directors that may have independent interests in the outcome of the Members' vote, or have personal interests that might be served depending on the outcome of the vote. The particulars of the conflicting interests of the members of the Board of Directors are on file at the offices of the company and are available for inspection by the Members upon reasonable request. The Board of Directors has provided to the Members a separate written summary of the individual relationships that form the basis for the Board's decision to make no recommendation.



THEREFORE, based upon the foregoing Background, the Board of Directors has devised the following Plan for consideration of the Members:

1. Purpose. This is a plan of complete liquidation of the corporation and distribution of its assets, as contemplated by C.R.S. §7-34-102(2) and §331 of the Internal Revenue Code of 1986, as amended.

2. Secretary of State Filings. The officers of GASP shall prepare and file with the Secretary of State the documents necessary to initiate the process of dissolution and liquidation contemplated by this Plan.

3. Cessation of Business. Upon adoption of this Plan, GASP shall cease to carry on its business in the ordinary course, except insofar as is necessary for the winding up of its business, paying and discharging debts, and distributing its remaining assets to the Members in accordance with this Plan.

4. Payment of Debts. GASP shall pay, discharge or make adequate provision for all of its debts, liabilities, and other obligations.

5. Remaining Assets. All of the remaining property and assets of GASP shall be distributed to the Members pro-rata based on Membership Units in accordance with the following procedure:

5.1. All Members in good standing as of May 16, 2005, shall be entitled to participate in the Plan in proportion to their Membership Units as reflected on the GASP books and records (the "Participating Membership Units").

5.2. The Members shall be entitled to acquire or transfer Membership Units only through and including August 31, 2005.

5.3. After the Membership Unit transfers have been completed and approved by the Board, GASP will prepare and make available for inspection a certified list of participating Members identifying all Members by name, address and a description of the Membership Units held by each Member by number and percentage of all outstanding Membership Units (the latter the "Membership Percentage").

5.4. On or before September 15, 2005 the GASP Board will provide to all Members holding Participating Membership Units a description of GASP's assets in the form attached hereto as **Exhibit A** and incorporated herein by reference.

5.5. The GASP Board will then entertain Member requests to receive all or part of their allocable liquidation distributions in kind, by exchanging all or part of their Membership Units for particular GASP assets. The GASP Board must receive all such requests on or before September 30, 2005.

5.6. The GASP Board will consider such requests using the following guidelines:



5.6.1. A Member's Membership Percentage when applied to an asset or assets a Member requested to be distributed in kind must be equivalent to a whole number of transferable interests in the requested asset. For clarity, the following examples illustrate this calculation:

(a) Member A's Membership Percentage is 10%

Member A requests in kind distribution shares in Asset 1, in which GASP owns 10 shares.

Member A is entitled to request in kind distribution of 1 share of Asset 1, ie, 10% of GASP's ownership in Asset 1.

(b) Member B's Membership Percentage is 10%.

Member B requests in kind distribution of shares in Asset 2, in which GASP owns 23 shares.

Member B is entitled to request in kind distribution of 2 shares of Asset 2, ie, the number of shares equivalent to Member B's Membership Percentage, rounded down to a whole number of transferable shares of Asset 2.

5.6.2. If the requesting Member's Membership Percentage equates to a whole number of transferable shares in the Asset requests (as calculated using the method described in Subsection 5.6.1), the GASP Board will approve the request. The GASP Board will not make the requested and approved in kind distributions until it has completed the auction and sale process described below.

**5.6.3. After the GASP Board has processed all requests for in kind liquidation distributions, it will sell the remaining GASP assets in an orderly and timely manner either by negotiating for private sales, by placing the assets for sale at auction (with or without reserve), or by establishing a liquidating trust to manage such sales. All Purchasers of GASP assets will acquire such assets "as is, where is, with all faults" and in their condition as of the date of sale. GASP will make no representations or warranties of any kind concerning the assets it sells. In particular, without limitation, GASP will make no warranty concerning the fitness of any asset sold for the particular purpose of the purchaser.**

5.6.4. The sales prices for the GASP assets sold in this sales process shall be deemed to be the values of all such assets for liquidation purposes.

5.6.5. After the GASP Board tabulates all approved in kind distributions, and sells all remaining GASP assets, the GASP Board will complete the liquidation distributions by determining the value of each Membership Unit. The value of each Membership Unit will be the total value of all GASP assets established by the auction/sale process, divided by the total number of Participating Units. For clarity, the following illustrates the calculations that the



GASP Board will use to determine the value of each Participating Membership Unit:

For each GASP owned asset, apply the following calculations, which are illustrated based on the facts contained in the example stated in Section 5.6.1(a) above:

GASP owns 10 shares of Asset 1.

Member A previously requested in kind distribution of 1 share of Asset 1.

In the auction/sales process, GASP sells 9 shares of Asset 1 for an average price of \$1,000 per share, or a total of \$9,000.

Therefore, the value of GASP's total ownership interest in Asset 1 is \$10,000, ie \$1,000, the price established in the auction/sale process, multiplied by 10, the total number of shares GASP owns in Asset 1.

Add the values of all GASP assets, calculated using this procedure plus the cash available for liquidating distributions, and divide by the total number of Participating Membership Units. This yields the value of each Participating Unit.

5.6.6. The GASP Board will then make all liquidating distributions to Members holding Participating Membership Units. The GASP Board will distribute to each Participating Member such Member's Membership Percentage multiplied by sum of (a) the total value of the GASP assets sold in the auction/sale process, and (b) the remaining cash held by GASP after deducting the reserves established under Subsection 5.6.9, below, minus the value of the in kind distribution made to such Member. For clarity, the following example illustrates the calculation of a Participating Member liquidating distribution:

Member A's Membership Percentage is 10%

Member A requested an in kind liquidating distribution of 1 share of Asset 1.

The auction/sale process established a value of \$1,000 per share for shares of Asset 1.

The total value of all of GASP's assets, established through the auction/sale process, plus cash (minus reserves) is \$100,000.

Member A is entitled to liquidating distributions of \$10,000, being 10% of the value of the assets and cash available for distribution.

The GASP Board, therefore, distributes to Member A 1 share of Asset 1 (value \$1,000) plus \$9,000 in cash for a total of \$10,000.



5.6.7. The GASP Board may make partial or interim liquidating distributions in its discretion, but shall assure that each Member receives equal value for each Participating Membership Unit.

5.6.8. **All Members who receive in kind liquidating distributions of GASP assets will acquire such assets "as is, where is, with all faults" and in their condition as of the date of sale. GASP will make no representations or warranties of any kind concerning the assets it sells. In particular, without limitation, GASP will make no warranty concerning the fitness of any assets sold for the particular purpose of the Member receiving such assets.**

5.6.9. The GASP Board shall be entitled to establish and set aside a reasonable amount of funds and/or property to satisfy claims against GASP including, without limitation, tax obligations, expenses of administering the Plan and distributing or selling GASP assets, collection and defense of GASP assets, and anticipated dispute resolution costs including attorneys' fees, costs and disbursements. In the event that the GASP Board retains any funds after satisfying the purposes for which it establishes such reserves, it shall distribute the remaining balance at such time as the GASP Board determines in its sole discretion, to the Participating Members pro rata to their Membership Percentages, provided however, that, if the GASP Board determines that the amount finally remaining for such distribution is not large enough to justify the administrative expense of distribution, ie, \$10,000 or less, the GASP Board is authorized to distribute such remaining amount to a charity of its choice.

6. Tax Filings. As soon as practicable, and as required by the Internal Revenue Code and relevant regulations, GASP shall prepare and file with the Internal Revenue Service and relevant state agencies all necessary tax filings reflecting GASP's liquidation.

7. Tax Disclosure. After satisfying or providing for all debts and obligations of GASP, the GASP Board intends to distribute all of its assets to Members in good standing pro rata in value in proportion to each Member's Membership Units. **THE GASP BOARD MAKES NO WARRANTY, REPRESENTATION OR COMMENT ON THE MEMBERS' ACTUAL, EXPECTED OR POTENTIAL TAX EFFECTS AND CONSEQUENCES OF THIS PLAN. THE GASP BOARD ADVISES EACH MEMBER TO SEEK TAX ADVICE FROM TAX ADVISORS OF HIS/HER/ITS CHOICE CONCERNING SUCH TAX MATTERS. AS AN EXPRESS CONDITON OF THEIR PARTICPATION IN THIS PLAN AND THEIR RECEIPT OF LIQUIDATING DISTRIBUTIONS, MEMBERS MUST WAIVE ANY AND ALL CLAIMS AGAINST GASP, ITS OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, AGENTS AND CONSULTANTS WITH RESPECT TO ANY TAX EFFECTS AND CONSEQUENCES OF THE PLAN.**

8. Articles of Dissolution. Upon completion of the Plan as set forth above, GASP will prepare and file Articles of Dissolution with the Secretary of State of Colorado, and shall thereafter cease doing business.

9. Administrative Provisions.



9.1. Length or Duration of Plan. The estimated time for completing this Plan is approximately twelve (12) months after Member approval, concluding on or before June 30, 2006. The Board of Directors may extend this period and all of other time periods and deadlines set forth in this Plan in its sole discretion.

9.2. Employees/Staff/Consultants. Throughout the duration of the Plan, GASP will continue to employ Jack L Odor, Dave King, and Diana Malone to administer and implement the Plan, at the same compensation and with the same employment benefits as currently paid and provided. The Board also shall have the authority to engage attorneys, accountants and other consultants to assist in administering the Plan.

9.3. Executory Contracts. GASP will use its best efforts to terminate, settle, or resolve disputes with respect to all pending contracts and other obligations, to which it is a party.

9.4. Accounting. GASP will keep full books and records showing the economic circumstances of the plan, which shall be open at reasonable times for inspection by the Members or their representatives.

9.5. Insurance. GASP will maintain all necessary insurance for its operations and will continue to pay the premium for directors' and officers' liability insurance for the individual directors, including tail coverage if available.

9.6. Indemnity. GASP will continue to indemnify and hold harmless its officers, directors, employees and agents in accordance with its Articles of Incorporation and applicable Colorado law for actions taken in connection with adopting, implementing and administering this Plan.

9.7. Reports. The Company will issue reports to the Members as needed for the duration of the Plan.

9.8. Disposition of GASP Records. The GASP Board will make provision to preserve GASP's historical records for a reasonable time after the Plan has been completed.

9.9. Plan Approval and Adoption. This GASP Board will present this Plan for consideration by the Members at a special meeting called for this purpose to be held on June 20, 2005. Approval and adoption of this Plan by the Members shall be the Members' authorization for the GASP Board to do and perform or cause the GASP officers and employees to do and perform any and all acts, and to make, execute, deliver or adopt any and all agreements, resolutions, conveyances, certificates and other documents of every kind which are deemed necessary, appropriate or desirable, in the absolute discretion of the GASP Board, to implement and administer this Plan and the transactions contemplated in the Plan.

9.10. Amendment. This Plan may be amended only by a written amendment, approved by the GASP Board for submission to the Members, submitted to and approved by the Members.

## EXHIBIT A

### GASP OWNED ASSETS

WATER RIGHTS ASSET	SHARES
BURLINGTON DITCH/WELLINGTON RESERVOIR	36 Paired shares
CACHE LA POUDRE RESERVOIR	5
NEW CACHE LA POUDRE DITCH	6.5 shares and outlet structure
JACKSON LAKE	19
MORGAN-PREWITT	11
PIONEER - decree 81 CW 407	128
RIVERSIDE RESERVOIR PRIVATE RIGHTS	90.5
GREELEY #3 - decree 96 CW 658	26.25

BACON LAKE - GASP owns the land under Bacon Lake, decree 79CW345 and pumping rights in Newell Lake

OVID RESERVOIR - GASP owns decree 98CW295, the land with one well and preliminary engineering

#### GASP OWNED WELLS

PROCTOR WELL - GASP owns well permit and hardware

STERLING A WELLS - GASP owns six well permits, hardware and decree W-7473

STERLING B WELLS - GASP owns four well permits, hardware and decree W-7954-75

SEDGWICK WELLS (PETERSEN CANAL) - GASP owns the hardware on three wells

GASP holds Rural Electric Cooperative capital credits totaling \$43, 745

GASP owns miscellaneous office supplies and furniture



## ***SAMPLE BALLOT***

**THIS SAMPLE BALLOT IS FOR INFORMATIONAL PURPOSES ONLY  
THIS IS NOT AN OFFICIAL BALLOT. DO NOT VOTE THIS BALLOT.  
DO NOT RETURN THIS BALLOT**

(THIS SECTION WILL BE FILLED OUT BY THE COMPUTER ON THE OFFICIAL  
BALLOT)

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

CONTRACT NO: \_\_\_\_\_

UNITS: \_\_\_\_\_

I **approve** of the plan for dissolution and liquidation as prepared  
by the GASP Board of Directors.

☐

I **do not approve** of the plan for dissolution and liquidation as  
prepared by the GASP Board of Directors.

☐



Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

# NOTICE:

This letter is to inform you that your GASP membership is in arrears. The deadline for renewal was March 15, 2005, and the deadline for reinstatement privileges lapsed on April 15, 2005. The board of directors has now determined that a final and absolute deadline for reinstatement shall be May 10, 2005. If you wish reinstatement you must pay your assessment plus a \$50 per unit penalty no later than May 10, 2005. Failure to do so will result in a termination of your membership in GASP, its activities and its assets.

## THIS IS YOUR FINAL NOTICE

If you have questions you may call GASP at 970-867-5298  
PO Box 974 Ft. Morgan, CO 80701

GASP Staff





Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

**MEMO:**

**TO:** All GASP members  
**FROM:** Jack Odor – Manager  
**RE:** 2005 GASP assessment and status information  
**DATE:** January 15, 2005

Dear Members:

The Board of Directors has authorized a 2005 member assessment in the amount of \$30.00 per unit. GASP will use the proceeds to defray its ongoing expenses. We enclose your assessment notice with this Memo.

By its vote at the annual meeting held in December, the membership requested the Board of Directors to devise a plan of dissolution and liquidation. The GASP Board has begun deliberations about the nature and scope of such a plan. When the plan is completed and approved for consideration by the membership, the Board will present the plan to the members. The Board also will schedule a special meeting of the membership to consider the plan and vote on it. It is not clear at this time when the plan will be ready.

If you have questions or require more information, please call the office or speak with a director.

Thank you for your attention and we hope this information is useful.



Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

January 10, 2005

Dick MacRavey  
Colorado Water Congress  
1580 Logan Street, Suite 400  
Denver, CO 80203

Dear Mr. MacRavey:

At the annual meeting of GASP, a vote was taken and the membership passed a proposal to prepare a plan of dissolution. Any plan will require that GASP no longer provide services consistent with its Articles of Incorporation. Therefore, as a board member of the Colorado Water Congress, I feel it is appropriate at this time to resign that position because GASP nor I in my capacity as Manager will be able to serve well users and groundwater appropriators.

Thank you for allowing me to participate with the C.W.C. these past years and I wish the board and all its members the very best in the future.

Respectfully yours,

Jack Odor, GASP Manager





Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

October 12, 2004

**To the GASP Membership:**

The Board of Directors of GASP has made another policy change concerning your GASP units.

We have enclosed a breakdown of water that you own in your GASP unit. You will notice that some or maybe even all of the water is not in your area and you may never be able to use it. The recent policy change allows you to sell it or trade it to other GASP members. You may also notice that there are supplies that do work for you and you may wish to acquire more by buying or trading with other GASP members. The policy goes into effect immediately. If you participate in those activities, you must keep GASP informed by filling out a form that we can provide. The policy does not supercede the current policy of allowing whole GASP units to be bought and sold.

These policies are in effect for a variety of reasons. First, they allow those members that no longer see any reason to stay in GASP to withdraw and even get some value out of their membership. Second, they allow a consolidation of many small and unwieldy transfers to larger useable amounts. Third, they allow the water to be 'moved' to augmentation plans and other uses where they can be put to good use.

If you would like further explanation of these new policies, please give GASP a call. It would be better however if we could talk to groups of members, so if that works for you, we will try and set up a meeting.

Thank you for your interest in this information.

Jack Odor, GASP Manager



Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

September 7, 2004

Hal D. Simpson  
State Engineer  
Department of Natural Resources  
Division of Water Resources  
1313 Sherman Street, Room 818  
Denver, CO 80203

Re: **Substitute Water Supply Plan Approved Pursuant to § 37-92-308(3) for  
Groundwater Appropriators of the South Platte River Basin, Inc.**

Dear Mr. Simpson:

In your letter to me dated August 23, 2003, you approved the Substitute Water Supply Plan submitted by the Groundwater Appropriators of the South Platte River Basin, Inc. ("GASP") pursuant to Section 37-92-308(3), 10 C.R.S., subject to the terms and conditions set forth in your letter. One of the terms and conditions was that the approval expired on August 22, 2004, unless a renewal was requested.

Because of the expense to comply with the requirements of Senate Bill 73 for approval of an existing SWSP, the GASP board of directors decided not to seek renewal of the GASP plan and advised its members whose wells were included in the GASP plan that they should file applications for approval of plans for augmentation and request approval of temporary substitute water supply plans under section 37-92-308(4) if they wanted approval to use their wells. This letter is to advise you that GASP will not be requesting renewal of the GASP plan. To the best of my knowledge, GASP has complied with the terms and conditions in your letter of August 22, 2003. GASP wants to thank you for your prompt action in approving the GASP plan following the public hearing in August 2003; however, the expense to comply with the requirements of Senate Bill 73 simply made it too expensive for GASP to continue to seek another renewal of the GASP plan.



Hal D. Simpson  
State Engineer  
September 7, 2004  
Page 2

Sincerely,

A handwritten signature in cursive script, appearing to read "Jack Odor".

Jack Odor  
Manager

cc: Jim Hall, Division Engineer  
David W. Robbins, Esq.

DOCT 1 6 1975

WATER DIVISION I, STATE OF COLORADO  
CLERK

IN THE WATER COURT IN AND FOR  
WATER DIVISION I, STATE OF COLORADO

CASE NO. W-7473

IN THE MATTER OF THE APPLICATION FOR )  
WATER RIGHTS OF GROUNDWATER APPROPRIATORS ) FINDINGS AND RULING  
OF THE SOUTH PLATTE RIVER BASIN, INC., ) OF THE REFEREE  
a Colorado Corporation ) AND DECREE OF  
IN LOGAN COUNTY ) THE WATER COURT

THIS MATTER, having been filed with the Water Clerk, Water Division No. 1, on September 10, 1973 and the Referee being fully advised in the premises, does hereby find:

All notices required by law of the filing of this application have been fulfilled, and the Referee has jurisdiction of this application.

A Statement of Opposition to said application has been filed on November 28, 1973 by the City and County of Denver through its Legal Counsel and the time for filing additional Statements has expired.

All matters contained in the application having been reviewed, and testimony having been taken where such testimony is necessary, and such corrections made as are indicated by the evidence presented herein, IT IS HEREBY THE RULING OF THE WATER REFEREE AND DECREE OF THE COURT THAT:

1. The name and address of the claimant:

Groundwater Appropriators of the South Platte River, Inc.  
(G.A.S.P.)  
Route No. 1, P.O. Box 974  
Fort Morgan, Colorado 80701

2. The name of the structures:

G.A.S.P. Well No. 1-016759-F6551  
G.A.S.P. Well No. 2-016760-F6552  
G.A.S.P. Well No. 3-016761-F6553  
G.A.S.P. Well No. 4-016762-F6554  
G.A.S.P. Well No. 5-016763-F6555  
G.A.S.P. Well No. 6-016764-F6556

3. The legal description of the structures:

G.A.S.P. Well No. 1-016759-F is located in the NE $\frac{1}{4}$  of NE $\frac{1}{4}$ , Section 7, Township 7 North, Range 52 West of the 6th P.M., Logan County, Colorado, at a point 55 feet South and 180 feet West of the NE Corner of said Section 7.

G.A.S.P. Well No. 2-016760-F is located in the NW $\frac{1}{4}$  of NE $\frac{1}{4}$ , Section 6, Township 7 North, Range 52 West of the 6th P.M., Logan County, Colorado, at a point 80 feet South and 2085 feet West of the NE Corner of said Section 6.



E-SW-NE  
G.A.S.P. Well No. 3-016761-F is located in the SW $\frac{1}{4}$  of NE $\frac{1}{4}$ , Section 6, Township 7 North, Range 52 West of the 6th P.M., Logan County, Colorado, at a point 2250 feet South and 1325 feet West of the NE Corner of said Section 6.

W-NE-SE  
G.A.S.P. Well No. 4-016762-F is located in the NE $\frac{1}{4}$  of SE $\frac{1}{4}$ , Section 6, Township 7 North, Range 52 West of the 6th P.M., Logan County, Colorado, at a point 2190 feet North and 670 feet West of the SE Corner of said Section 6.

W-SE-NE  
G.A.S.P. Well No. 5-016763-F is located in the SE $\frac{1}{4}$  of NE $\frac{1}{4}$ , Section 6, Township 7 North, Range 52 West of the 6th P.M., Logan County, Colorado, at a point 2610 feet South and 860 feet West of the NE Corner of said Section 6.

E-SW-NE  
G.A.S.P. Well No. 6-016764-F is located in the SW $\frac{1}{4}$  of NE $\frac{1}{4}$ , Section 6, Township 7 North, Range 52 West of the 6th P.M., Logan County, Colorado, at a point 1845 feet South and 1830 feet West of the NE Corner of said Section 6.

4. The source of water: Groundwater
5. The priority date awarded in accordance with CRS 1973 37-92-306 shall be:

G.A.S.P. Well No. 1-016759-F: December 1, 1972  
G.A.S.P. Well No. 2-016760-F: December 1, 1972  
G.A.S.P. Well No. 3-016761-F: December 1, 1972  
G.A.S.P. Well No. 4-016762-F: December 1, 1972  
G.A.S.P. Well No. 5-016763-F: December 1, 1972  
G.A.S.P. Well No. 6-016764-F: December 1, 1972

The priorities herein awarded for the above named surface structures were filed in the Water Court in the year of 1973 and shall be administered as having been filed in that year; and shall be junior to all priorities filed in previous years. As between all rights, filed in the same calendar year, priorities shall be determined by historical dates of appropriation and not affected by the date of entry of ruling.

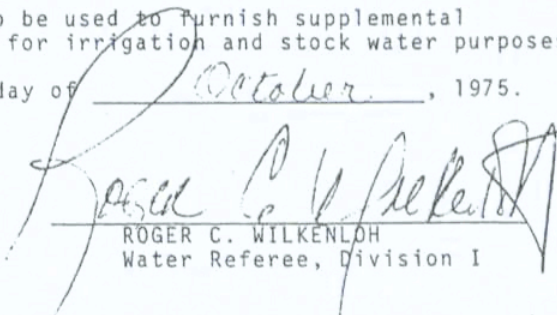
6. The amount of water:

G.A.S.P. Well No. 1-016759-F: 5.47 cubic feet per second  
G.A.S.P. Well No. 2-016760-F: 5.47 cubic feet per second  
G.A.S.P. Well No. 3-016761-F: 5.47 cubic feet per second  
G.A.S.P. Well No. 4-016762-F: 5.47 cubic feet per second  
G.A.S.P. Well No. 5-016763-F: 5.47 cubic feet per second  
G.A.S.P. Well No. 6-016764-F: 5.47 cubic feet per second

7. The use of the water:

These wells are to be used to furnish supplemental replacement water for irrigation and stock water purposes.

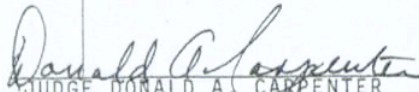
DATED this 16 day of October, 1975.

  
ROGER C. WILKENLOH  
Water Referee, Division I

THE COURT DOTH FIND: NO PROTEST WAS FILED IN THIS MATTER.

THE FOREGOING RULING IS CONFIRMED AND APPROVED, AND IS HEREBY  
MADE THE JUDGMENT AND DECREE OF THIS COURT.

Dated: November 5, 1975

  
JUDGE DONALD A. CARPENTER  
Water Judge, Division I



DISTRICT COURT, WATER DIVISION I, COLORADO

Case No. W-7954-75

REVISED FINDINGS AND RULING OF THE REFEREE AND DECREE OF THE  
WATER COURT

CONCERNING THE APPLICATION FOR WATER RIGHTS OF:

GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE RIVER BASIN, INC., a  
Colorado corporation in LOGAN COUNTY

THIS CLAIM, having been filed with the Water Clerk, Water  
Division I, on May 21, 1975 and the Referee being fully advised in  
the premises, does hereby find:

All notices required by law of the filing of this application  
have been fulfilled, and the Referee has jurisdiction of this applica-  
tion.

An Entry of Appearance or Objection has been filed herein by  
Central Colorado Water Conservancy District, by its attorney, Alvin  
L. Steinmark, which Entry of Appearance or Objection has been  
withdrawn; and an Entry of Appearance or Objection has been filed by  
E. E. Sonnenberg & Sons, Inc. by Michael D. Shimmin of the Law Offices  
of Vranesh and Raisch, and the time for filing additional statements  
has expired.

All matters contained in the application having been reviewed,  
and testimony having been taken where such testimony is necessary,  
and such corrections made as are indicated by the evidence presented  
herein,

FINDINGS OF FACT

1. G.A.S.P. Well Nos. 19530-F through 19533-F were issued  
permits on April 7, 1975.
2. These wells have been operating pursuant to a State  
Engineer's annually approved plan for a substitute supply  
of water in accordance with 1973 CRS 37-80-120.

IT IS HEREBY THE RULING OF THE WATER REFEREE:

1. The name and address of the claimant:

Groundwater Appropriators of The South Platte River, Inc.  
(G.A.S.P.)  
617 Main Street - P. O. Box 974  
Fort Morgan, Colorado 80701

FILED IN DISTRICT C

321 216 P1-46

WATER COURT  
LOGAN COUNTY COLO.

Dist. 64

2. The name of the structures:

G.A.S.P. Well No. 019530-F  
G.A.S.P. Well No. 019531-F  
G.A.S.P. Well No. 019532-F  
G.A.S.P. Well No. 019533-F

3. The legal description of the structures:

5556 SW-SE-SE  
G.A.S.P. Well No. 019530-F is located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 20, Township 8 North, Range 52 West of the 6th P.M., Logan County, at a point 50 feet from the South Section line and 2000 feet from the East Section line, said Section 20.

5557 SE-SE-SW  
G.A.S.P. Well No. 019531-F is located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 30, Township 8 North, Range 52 West of the 6th P.M., Logan County, at a point 100 feet from the South Section line and 2000 feet from the West Section line, said Section 30.

5552 SE-SE-SW  
G.A.S.P. Well No. 019532-F is located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 31, Township 8 North, Range 52 West of the 6th P.M., Logan County, at a point 400 feet from the South Section line and 2600 feet from the West Section line, said Section 31.

5558 NW-SE-SE  
G.A.S.P. Well No. 019533-F is located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 7, Township 7 North, Range 52 West of the 6th P.M., Logan County, at a point 1000 feet from the South Section line and 1000 feet from the East Section line, said Section 7.

4. The source of water:

Groundwater

5. The date of appropriation:

G.A.S.P. Well No. 019530-F: April 7, 1975  
G.A.S.P. Well No. 019531-F: April 7, 1975  
G.A.S.P. Well No. 019532-F: April 7, 1975  
G.A.S.P. Well No. 019533-F: April 7, 1975

6. The amount of water:

G.A.S.P. Well No. 019530-F: 4.62 cubic feet per second  
G.A.S.P. Well No. 019531-F: 3.00 cubic feet per second  
G.A.S.P. Well No. 019532-F: 5.00 cubic feet per second  
G.A.S.P. Well No. 019533-F: 5.00 cubic feet per second



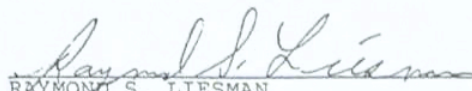
7. The use of the water:

These wells are to be used to furnish replacement water requirements of member wells of G.A.S.P., a Colorado non-profit corporation, or others who contract with G.A.S.P. to receive replacement water, and the water produced from the within wells is to be used as a part of a plan of operation and augmentation solely for the purpose of maximizing the conjunctive use of groundwater and surface water in the South Platte River Basin.

8. These wells shall only be operated in accordance with the Amended Rules and Regulations of the State Engineer as adopted on March 15, 1974, in Case No. W-7209 et al. It is recognized that these wells are operating pursuant to annual approval by the State Engineer with the goal of developing a permanent plan for augmentation which will include the above-described wells. However, since such a plan for augmentation has not been either filed with or decreed by this Court, it cannot be conclusively determined that the operation of these wells in accordance with their priorities will not injuriously affect the owners of or persons entitled to use water under vested water rights or decreed conditional water rights. Therefore, the Court retains continuing jurisdiction over this matter until such time as a plan for augmentation including the above-described wells is decreed by this Court, and any party who has previously appeared in this matter may petition the Court for a determination of any alleged injury at any time, pursuant to its continuing jurisdiction. Under no circumstances should this Ruling and Decree be construed as a plan for augmentation or a determination that the operation of these wells under their own priorities does not result in injury to the owners of other water rights withdrawing from the South Platte River or its tributaries.

9. The priorities herein awarded said wells were filed in the Water Court in the year of 1975, shall be administered as having been filed in that year, and shall be junior to all priorities filed in previous years. As between all rights filed in the same calendar year, priorities shall be determined by historical dates of appropriation and not affected by the date of entry of ruling.

DATED THIS 16th day of December, 1982

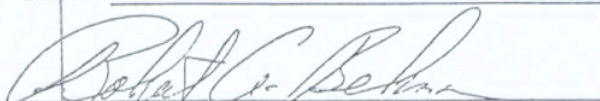
  
RAYMOND S. LIESMAN  
Water Referee  
Water Division No. I

Case No. W-7954-75  
Page 4  
Groundwater Appropriators

THE COURT DOTH FIND: NO PROTEST WAS FILED IN THIS MATTER.

THE FOREGOING RULING IS CONFIRMED AND APPROVED, AND IS HEREBY  
MADE THE JUDGMENT AND DECREE OF THIS COURT.

Dated: MAR 14 1993



ROBERT A. BEHRMAN  
Water Judge  
Water Division No. I  
State of Colorado



## GASP WATER ASSETS

WATER SOURCE	COURT DECREE	SHARES	YIELD* AF	INFORMATION
BACON LAKE NEWELL LAKE	COURT DECREE 79CW345	37 (ALL)	1400	RESERVOIR CAPACITY IS 360 AF WITH RIGHTS TO REFILL AND TO PUMP A CERTAIN PORTION OF NEWELL LAKE
BURLINGTON/WELLINGTON PAIRED SHARES		36	360	
CACHE LA Poudre RESERVOIR		5	20	
GREELEY #3	COURT DECREE 96CW658	26.25	270.64	GREELEY #3 IS DECREED AT 10.31 AF PER SHARE
JACKSON LAKE		19	304	
MORGAN-PREWITT		11	176	
NEW CACHE LA Poudre DITCH		6.5	22	
PIONEER	COURT DECREE 81CW407	128	146.6	MUST BE USED IN THE PIONEER SYSTEM
RIVERSIDE PRIVATE RIGHTS		90.5	1448	
OVID RESERVOIR	COURT DECREE 98CW295	ALL	5772	RESERVOIR DECREED NOT YET BUILT

\* ACTUAL YIELD WILL VARY BY YEAR AND CONDITIONS, INCLUDING BUT NOT LIMITED TO, LOCATION, CLIMATIC CONDITIONS, CONSUMPTIVE USE CALCULATIONS, RETURN FLOW CALCULATIONS AND/OR WATER COURT RULINGS.

**NOTE: AS OF DECEMBER 15, 2003, THERE ARE 3617 ACTIVE GASP UNITS**

# STATE OF COLORADO

## WATER DIVISION ONE OFFICE OF THE STATE ENGINEER

Division of Water Resources  
Department of Natural Resources

810 9<sup>th</sup> Street, Suite 200  
Greeley, Colorado 80631  
Phone (970) 352-8712  
Fax (970) 392-1816

[www.water.state.co.us](http://www.water.state.co.us)



Bill Owens  
Governor

Russell George  
Executive Director

Hal D. Simpson, P.E.  
State Engineer

James R. Hall  
Division Engineer

July 21, 2004

Jack Odor  
Groundwater Appropriators of the South Platte  
PO Box 974  
Ft Morgan, CO 80701

### RE: Accounting for the GASP Substitute Water Supply Plan

To Whom It May Concern:

In accordance with Section 37-92-502, C.R.S, we have established initial reporting guidelines for all administrators or operators of decreed plans for augmentation and/or substitute water supply plans approved by the Office of the State Engineer. While we anticipate the requirement will change over the next several years, you are respectfully requested to implement the following reporting procedures upon receipt of this letter. Please make all communications regarding the accounting to: [Div1Accounting@state.co.us](mailto:Div1Accounting@state.co.us) and the water commissioner(s) responsible for the administration of the plan.

1. Please provide the contact name, title, postal address, email address and phone number of the person responsible for submitting accounting related to your plan to the email address listed above.
2. Please use the Division of Water Resources assigned "WDID" number (for those of you who have access to it, this is the number used in Hydrobase) to reference all diversion and recharge structures. If you do not have access to Hydrobase, you may obtain a list of WDIDs for the structures involved in your plan by sending a request to the email address listed above.
3. Accounting must be sent in a spreadsheet, preferably Excel format, so that we can verify formulas. We would suggest the file be read only. You may use password protection for the file. We **do not** want a hard copy of the data in our office files. However, the water commissioner may request one. We will keep the email the spreadsheet is attached to as long as we keep the accounting so that we have all the information submitted. We would suggest you also keep a copy of the emailed file so that, if necessary, you can verify what you have sent us. As you know, all accounting information sent to us is part of the public record and will be available for distribution to those who request this information.
4. Please use the following naming convention: "Plan Name Month Year Version". As an example, the initial submission for July 2004 would be named: **GASP July 2004**

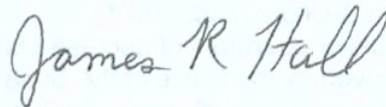


**v1.xls**. If this accounting was amended, the file would be named: **GASP July 2004 v2.xls**, etc. Please use the same name in the subject line of the email.

5. For all wells, submit **within 30 days** of the end of the month for which the accounting is being made the following information in the form of a spreadsheet file:
- A summary table showing the out-of-priority depletions on a daily basis for the month.
  - A summary table of the daily releases and the point of release, transit loss (if any) to the point of depletion being covered by the replacement water and the actual volume of water delivered to the point of depletion or calling right.
  - If recharge or use of an augmentation well is shared between more than one plan, a summary shall be included of the total amount and amount each plan is receiving of the source. If you do not have a summary, please inform our office where we can obtain such a summary.

Please feel free to contact Claudia Engelmann, Scott Cuthbertson or myself if you have difficulty meeting any of these criteria or if you have any questions.

Sincerely,



James R. Hall, P.E.  
Division Engineer

cc: Brent Schantz, Water Commissioner  
Les Dalby  
Scott Cuthbertson  
David Nettles  
Claudia Engelmann  
Louis Flink  
Heath Kuntz, Nation Engineering Services, LLC



Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

**MEMO: TO ALL GASP MEMBERS**  
**RE: OVID RESERVOIR COMPANY STOCK**

**Message:** The first 60 day offering period for subscribing for Ovid Reservoir stock expired June 25, 2004. 2572 shares out of the 5000 available were subscribed. The second 60 day period commenced on June 28, 2004 and more shares are now being sold. Interested and qualified parties (only those GASP members in the Julesburg District) should call GASP at 970-867-5298 to make an appointment and get on the priority list.

If there are questions regarding who can purchase shares at this time, refer to the previous memo sent to you or call the GASP office.

**From:** Jack Odor, GASP Manager





Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

## **SPECIAL MEETING:**

For the last 30 years, 10 large wells have operated from the ditch bank of the Sterling Irrigation Company. The benefits of the irrigation water have been substantial and their impact as been beneficial up river as far as Kersey. The wells have always been operated by GASP as part of its annual plan. This is the last year of that plan and after August 22, 2004 those wells will cease to operate unless some other arrangements can be made.

A meeting has been scheduled for May 20, 2004 at the office of GASP in Fort Morgan at 9:00 a.m., for those entities that may benefit from the continued operation of those wells. You may have already been notified and this letter serves as a reminder. We hope you can attend.

Jack Odor, GASP Manager



Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

## NOTICE:

At the direction of Robert Tuck from Hillrose, this information is being sent to you.

Up to this time, there have been two meetings organized by GASP to examine the future of wells on the Sterling Irrigating Company ditch. There has been considerable interest in the continued operation of those wells for augmentation and river management purposes.

A meeting has been called to find out if and how augmentation plans and ditch companies can move forward and organize efforts to own, contract for or otherwise control the Sterling wells.

The meeting details are as follows:

Location: Farmers State Bank  
Time: 9:30 AM  
Date: July 29, 2004





Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

**NOTICE:**

MAY 11, 2004

THE GASP BOARD OF DIRECTORS HAS SET **JULY 1, 2004** AS THE ABSOLUTE LAST DEADLINE FOR PAYMENTS OF 2004 GASP UNIT ASSESSMENTS. ALL OUTSTANDING ASSESSMENTS **MUST** BE IN THE GASP OFFICE, WITH ALL **FEES AND PENALTIES PAID**, ACCOMPANIED BY A LETTER ASKING THE BOARD FOR REINSTATEMENT, BEFORE THE CLOSE OF BUSINESS ON JULY 1. ANYONE MISSING THIS DEADLINE WILL HAVE THEIR GASP CONTRACT DELETED AND FORFEIT ANY UNITS HELD, WITH NO POSSIBILITY OF REINSTATEMENT AT ANY TIME IN THE FUTURE.

GASP STAFF



Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

## MEMO

**To:** GASP Membership  
**Re:** Ovid Reservoir  
**Date:** March 10, 2004  
**From:** Jack Odor, Manager

**Message:** For some time you have heard of plans to build a reservoir near Ovid, Colorado for augmentation and other uses. GASP has determined that the best course of action is to form a separate company to carry forward with the construction and ownership. As of this date, the OVID RESERVOIR COMPANY has been formed. This is how it will proceed.

Four important documents have been prepared by our legal council.

**They are:** The articles of incorporation

The bylaws of the board of directors

An agreement by the stockholders in the new company to buy out all of GASP's interest in the project (including land, engineering and the decree)

A stock subscription form to be signed by individual stock buyers

Three people were selected by the GASP board of directors to be incorporators and perform those activities required to get the new corporation started. They are, Philip Mortensen, GASP President, Rob McClary, GASP Vice-President, and Jack Odor, Manager.

One duty of the incorporators is to select the new corporation's first board of directors. That has been accomplished and they are; George Jenik from Sedgwick, Rob McClary from Sedgwick, David Nein from Sedgwick, Don Schneider from Ovid, and Philip Mortensen from Brush.

The new board of directors will be holding an election to select officers to start the company business activities.

Then next order of business is to issue stock. 5000 shares of stock will be created. Those shares will be offered according to the following criteria.

1. The first offering will be made to all of the current GASP members that are also in the Julesburg Irrigation district (they are the people that signed the original

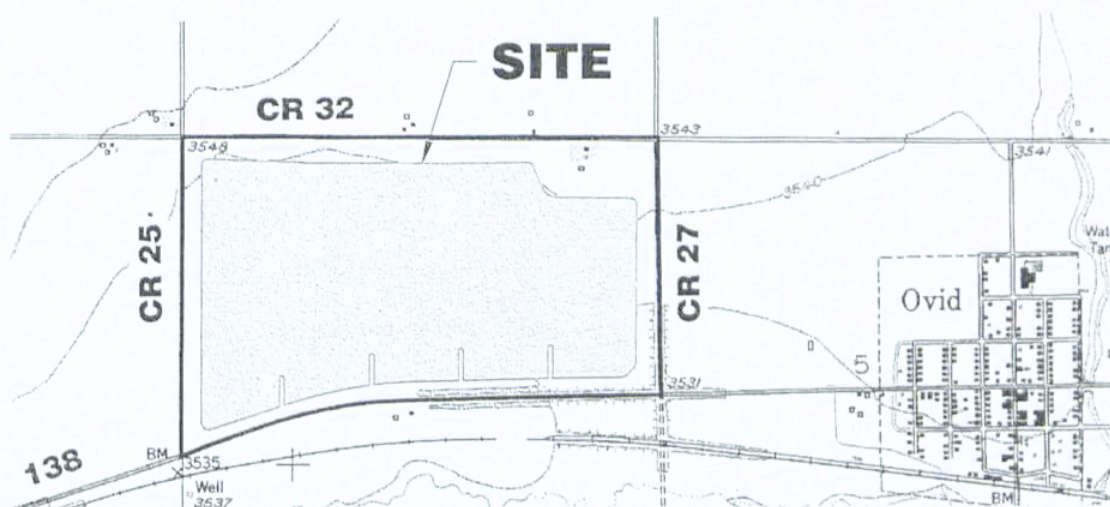


agreement to fill the reservoir from their canal). They will be allowed to sign up for shares on a pro-rata basis depending on their GASP membership units. They will be given 60 days to accept or reject their opportunity.

2. If there are shares left after the first offering, the left over shares will be offered once again to the Julesburg Irrigation District stockholders, but this time, the pro-rata condition will be removed. Again, 60 days will be allowed.
3. If there are shares remaining after the first and second offering, the shares will be available on a pro-rata basis to all GASP members regardless of their location on the river. If a GASP member decides that their future augmentation requirements will be better served with ownership in the Ovid Reservoir, they should consider buying shares. 60 days are allowed for subscription.
4. Any shares remaining after the first three offerings will be made available to all GASP members without the pro-rata criteria. This is the last step in any opportunity to own shares in the Ovid Reservoir Company. A limited time will be allowed to respond. All initial offers will require a payment of \$10 per share. If all the shares are sold, \$50,000 will be raised to allow the board of directors to conduct business leading up to acquiring funding for the project and construction. When the funding is secured, a reimbursement to GASP will be made in the amount of \$950,000 for all of its expenses made to date and GASP will turn over all land, engineering documents and the water right decree to the new company. The Ovid reservoir company will probably finish the project and annual assessments will be made to all stockholders in order to pay back any loans and operate the reservoir.

A "fact sheet" is included in this letter for your information. We hope it will answer questions about the reservoir and the new company.

## **OVID RESERVOIR FACT SHEET**



**LOCATION:** Ovid Reservoir encompasses all that portion of Section 6, lying north of the present U.S. Highway 138, Township 11 North, Range 45 West of the 6<sup>th</sup> P.M., Sedgwick County, Colorado, one half mile west of the Town of Ovid, Colorado.

**DECREE:** Ovid Reservoir is decreed for 5772 acre-feet of storage with a fill and refill right. The date of appropriation is June 30, 1998 as granted in decree 98CW295 signed by Judge Jonathan Hays on September 5, 2002.

**USES:** Water uses are decreed for release to replace out-of-priority depletions caused by member well pumping, releases to compensate for state-line flows under 120cfs and contractual releases for other lawful purposes, including fish and wildlife issues.

**COSTS:** As of December 31, 2003 total spent **\$865,929**

**ENGINEERING:** \$407,434

**LEGAL:** \$68,507

**LAND:** \$389,988

**CONSTRUCTION COSTS:** Engineer's Estimate **\$12,000,000**

**SHARES TO BE ISSUED:** 5000

**YIELD PER SHARE:** At one fill per year 1.15 Acre-feet

**INITIAL COST PER SHARE:** \$10.00

**REPAYMENT COST:** \$12,000,000 at 40 years at 2.0% interest  
\$438,720 or \$87.74 per share per year

\$12,000,000 at 40 years at 3.0% interest  
\$519,120 or \$103.82 per share per year





Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

December 12, 2003

**TO GASP MEMBERSHIP:**

The annual meeting of GASP was held on December 1, 2003 in Fort Morgan and a number of issues were discussed and described. It is important that all of the GASP membership be informed about these new arrangements so that members can act in their best interest. For the first time, GASP units will be allowed to transfer between members. There are some rules and criteria, but in general units can be bought and sold after January 1, 2004. The price of a unit will be determined by the buyer and seller and the GASP staff is keeping a list of members who have indicated a desire to buy or sell their GASP interests. For a unit to be transferred there is a form to be completed detailing the transfer. A unit to be transferred must be current regarding assessments and fees and the Board of Directors will review and act on the transfers. For further information call the GASP office. There are currently no fees for transferring units. Enclosed with this letter is a current listing of the assets that GASP owns. Members should examine it carefully to see if ownership in water supplies like these are desirable enough to buy more units or if selling makes more sense.

On another matter, GASP is currently operating its substitute supply plan that was granted last August, and lasts until next August. After that, members who wish to continue pumping must do one of the following:

- A. Apply to the State Engineer for a substitute supply plan under Senate Bill 73 which was recently passed or
- B. Apply to water court for an augmentation plan

Either of these alternatives must be done by members. GASP will not pursue these arrangements on behalf of the well users, however GASP can and will assist in retrieving historical pumping data that members will need for their applications. Please call if you need help of that type. Remember too, all well users must have an application to water court no later than December 31, 2005 if any pumping is anticipated after that.

And finally, the board of directors has determined that the membership should vote regarding selling or distributing GASP assets. It is the intention of the board to have such a vote at the next Annual Meeting, which will be about 1 year from now. There are many issues on both sides of a vote like that and we hope you will take time to study them and become fully informed.

Before long you will be receiving your assessment for 2004. Revenues are needed to fund water assessments and other business activities. Assessments will be due by March 15, 2004 in the amount of \$100 per unit, and must be paid to continue your interest in GASP. After that, another assessment will be sent, but only to those members who are in the substitute supply plan. That assessment will be based on the depletion quantities and replacement required to continue to keep those wells current in meeting their obligations from past pumping activities. Remember, all of your past pumping has created lagged depletions that must be paid back if you are ever to be able to run your wells in the future. It is unknown at this time if sufficient supplies can be arranged for, but we will try to keep the existing wells in a position that will allow their future pumping if augmentation plans are successful.

Please keep informed of these and other developments as this upcoming year unfolds. This letter and other information can also be viewed on the GASP website at:

[www.gaspaugmentation.org](http://www.gaspaugmentation.org)

Thank you for your attention to this matter and your continued interest in GASP.

A handwritten signature in cursive script that reads "Jack Odor". The signature is written in dark ink and is positioned above the printed name and title.

Jack Odor  
GASP Manager



## **MOTION FOR EXCHANGE OF UNITS**

The following motion was made by Director Dick Kingman, seconded by Director Bob Kula and passed at he regular meeting of GASP on October 7, 2003.

### **MOTION**

The board of directors of GASP hereby establishes a change in policy and authorizes the exchange of units between GASP members. Said exchanges must be approved by the board of directors and any such exchanges are required to be reported to the GASP office to be completed and recognized. Exchanges are allowed only for units which are active, current and have assessments paid in full. Units which have a lapsed or delinquent status are not eligible for exchange. The rate of exchange is determined by the parties and not by GASP. This policy will take affect January 1, 2004.

## GASP WATER ASSETS

WATER SOURCE	COURT DECREE	SHARES	YIELD* AF	INFORMATION
BACON LAKE NEWELL LAKE	COURT DECREE 79CW345	37 (ALL)	1400	RESERVOIR CAPACITY IS 360 AF WITH RIGHTS TO REFILL AND TO PUMP A CERTAIN PORTION OF NEWELL LAKE
BURLINGTON/WELLINGTON PAIRED SHARES		36	360	
CACHE LA POUDRE RESERVOIR		5	20	
GREELEY #3	COURT DECREE 96CW658	26.25	270.64	GREELEY #3 IS DECREED AT 10.31 AF PER SHARE
JACKSON LAKE		19	304	
MORGAN-PREWITT		11	176	
NEW CACHE LA POUDRE DITCH		6.5	22	
PIONEER	COURT DECREE 81CW407	128	146.6	MUST BE USED IN THE PIONEER SYSTEM
RIVERSIDE PRIVATE RIGHTS		90.5	1448	
OVID RESERVOIR	COURT DECREE 98CW295	ALL	5772	RESERVOIR DECREED NOT YET BUILT

\* ACTUAL YIELD WILL VARY BY YEAR AND CONDITIONS, INCLUDING BUT NOT LIMITED TO, LOCATION, CLIMATIC CONDITIONS, CONSUMPTIVE USE CALCULATIONS, RETURN FLOW CALCULATIONS AND/OR WATER COURT RULINGS.

**NOTE: AS OF DECEMBER 15, 2003, THERE ARE 3617 ACTIVE GASP UNITS**





Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

## **GASP UNIT TRANSFER FORM**

THIS FORM MUST BE COMPLETED AND SIGNED BY BOTH PARTIES, REVIEWED BY GASP STAFF AND APPROVED BY BOARD ACTION BEFORE THE TRANSFER OF UNITS IS VALID.

Contract Number(s) (Seller) \_\_\_\_\_

Contract Number(s) Buyer \_\_\_\_\_

Number of units held by seller \_\_\_\_\_ Number of units being transferred \_\_\_\_\_

I hereby sell and assign any and all rights to the GASP units being transferred to the undersigned. I affirm that I forfeit all claim to, access to and use of any and all assets and benefits represented by said units.

Owner (Seller) \_\_\_\_\_ Date \_\_\_\_\_

I hereby accept ownership of these GASP units and agree to fulfill all responsibilities of GASP ownership, including payment of all regular and special assessments

Buyer \_\_\_\_\_ Date \_\_\_\_\_

### **GASP STAFF SECTION**

Seller current with all assessments paid \_\_\_\_\_

Buyer current with all assessments paid \_\_\_\_\_

Total Number of units correct \_\_\_\_\_

### **BOARD OF DIRECTORS APPROVAL**

This application for transfer of units was **approved** \_\_\_\_\_ **denied** \_\_\_\_\_ by  
action of the Board of Directors of GASP on the \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary



Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

## ***GASP WITHDRAWAL FORM***

THIS FORM MUST BE SIGNED BY ANYONE WISHING TO WITHDRAW GASP MEMBERSHIP AFTER OCTOBER 7, 2003

The undersigned hereby state that they wish to withdraw membership in Groundwater Appropriators of the South Platte River Basin, Inc (GASP). Signing of this form confirms that your GASP contract will be deleted and you will no longer be associated with GASP. You are also acknowledging that you forfeit any and all rights, benefits, use of, access to and ownership of any and all assets and interests held by the membership of GASP. By withdrawing your membership from GASP, you accept all responsibility for the replacement of any and all future depletions, including existing post-pumping depletions owed from pumping of your well or wells, no matter when the pumping occurred.

Contract Number(s) \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_



HILL & ROBBINS, P.C.

ATTORNEYS AT LAW  
100 BLAKE STREET BUILDING  
1441 EIGHTEENTH STREET  
DENVER, COLORADO 80202-5932

DAVID W. ROBBINS  
ROBERT F. HILL  
DENNIS M. MONTGOMERY  
RONALD L. WILCOX  
JOHN H. EVANS  
MARK J. WAGNER  
JOHN F. WALSH  
JENNIFER H. HUNT  
LAURA J. BOTTARO

OF COUNSEL  
AVI S. ROCKLIN

TELEPHONE  
303 296-8100

TELECOPIER  
303 296-2388

E-MAIL  
webmaster@hillandrobbins.com

WEBSITE  
www.hillandrobbins.com

November 19, 2003

Diana Malone  
Groundwater Appropriators of the South Platte River Basin, Inc.  
P. O. Box 974  
219 East Railroad Avenue  
Ft. Morgan, CO 80701

Re: **Finding of Facts, Conclusions of Law, Judgment and Decree, Case No.  
98CW295, Ovid Reservoir**

Dear Diana:

Enclosed please find a copy of the Decree in the above referenced case as you requested.

Very truly yours,



Rae M. McGaughey  
Secretary to David Robbins

/rmm  
Enclosure

DISTRICT COURT, WATER DIVISION NO. 1 COLORADO  9 <sup>th</sup> Street & 9 <sup>th</sup> Avenue P. O. Box 2038 Greeley, CO 80631	<div data-bbox="991 472 1262 703" style="border: 1px solid black; padding: 5px; text-align: center;">           FILED IN            DISTRICT COURT  <b>SEP 05 '02</b>            WELD COUNTY, COLO.         </div> <p style="text-align: center;">▲ Court Use Only ▲</p>
CONCERNING THE APPLICATION FOR WATER RIGHTS OF GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE RIVER BASIN, INC., IN SEDGWICK COUNTY	
	Case Number: 98CW295
FINDINGS OF FACT, CONCLUSIONS OF LAW, JUDGMENT AND DECREE	

This matter has come before the Court upon the application of Groundwater Appropriators of the South Platte River Basin, Inc. ("GASP") for a determination of a conditional storage right claimed in the application in Case No. 98CW295. Prior to trial, the Applicant moved to dismiss the applications in Case Nos. 95CW273 and 96CW1162, which was granted by the Court on April 18, 2002.

All matters raised by the parties have been reviewed, all pleadings and motions have been considered, and all necessary evidence has been taken. Being otherwise fully advised in the premises, the Court hereby enters the following decree granting the application for the conditional storage right claimed in Case No. 98CW295, subject to the terms and conditions herein.

### FINDINGS OF FACT

Based on a preponderance of the evidence, the court finds the following:

#### 1. Procedural Background

##### 1.1. The name and address of the Applicant:

Groundwater Appropriators of the South Platte River Basin, Inc. ("GASP")  
 Box 974  
 Fort Morgan, CO 80701

**RECEIVED**

SEP 06 2002

HILL & ROBBINS, P.C.



1.2. GASP is a nonprofit corporation established in 1972, among other things, to provide replacement water for its 1,440 members in response to rules and regulations proposed by the Colorado State Engineer.

1.3. The application in Case No. 98CW295 was filed with the Water Clerk for Water Division No. 1 on June 30, 1998. Notice of the application was published in the June, 1998 Resume for Water Division No. 1 and published in local newspapers in accordance with the statutory requirements. Timely and adequate notice of the application was given in the manner required by law.

1.4. The Referee re-referred the application in this case to the Water Judge pursuant to Colo. Rev. Stat. § 37-92-303(2). The Court has jurisdiction over this proceeding and personal jurisdiction over all persons who have standing to appear as parties, regardless of whether they have appeared.

1.5. None of the land or water rights involved in this application is located in a designated ground water basin.

1.6. Timely statements of opposition were filed by the Fort Morgan Reservoir and Irrigation Company, the Lower South Platte Water Conservancy District (LSPWCD), and the Ferguson Family Trust. No other statements of opposition were filed in this matter.

1.7. The Referee consulted with Division Engineer for Water Division No. 1 regarding the subject application on September 18, 1998, and the Division engineer filed a report dated September 30, 1998, a copy of which was duly mailed to the applicant, who mailed a copy to all parties of record as required by law.

1.8. On March 17, 2000, Applicant moved for partial summary judgment, seeking a determination that, as a matter of law, Applicant was not required to identify the specific well-depletions to be replaced with water stored in the reservoir when seeking a conditional storage right. In response, Objectors filed a cross-motion for summary judgment, including a claim for mandatory injunction, asserting that Applicant's temporary substitute supply plan is an undecreed plan for augmentation operating in violation of Colorado law.

1.9. The Court granted Applicant's motion for partial summary judgment and denied as moot Objectors' cross motion on September 21, 2000. The Court's September 21, 2000, Order is hereby confirmed and the findings of fact set forth therein are incorporated herein by this reference. Objectors' Motion for Reconsideration of Cross Motion for Summary Judgment, Including Mandatory Injunction, filed on January 11, 2002, was denied by the Court's Order dated January 29, 2002, which Order is hereby confirmed and incorporated herein by this reference.

1.10. The Court conducted a trial in this case on February 4-6, 2002, during which evidence was presented concerning Applicant's actions to appropriate a conditional water right.



1.11. Objectors maintained that : (a) Applicant could not prove that it satisfied the requirements of the "first step" test for appropriation of a conditional water right; (b) Applicant could not prove that it can and will put the water to beneficial use within a reasonable amount of time; and (c) Applicant lacked a legal use for the water claimed and was a speculator.

1.12. On May 7, 2002, the Court entered an Order in which it held that Applicant had satisfied the first step test; that it had demonstrated a substantial probability that it can and will complete its appropriation within a reasonable time and that the proposed uses claimed by the Applicant were legal and not speculative. In addition, the Court determined that the proper date of appropriation is June 30, 1998, rather than the date of June 2, 1998, originally claimed by the Applicant. The May 7, 2002, Order is hereby confirmed and the findings of fact set forth therein are incorporated herein by this reference.

## **2. Location, Source and Amount of Storage Right**

2.1. Legal description of the reservoir: Ovid Reservoir is an off-channel reservoir that will be located in the N1/2 and the N 1/2 S1/2 of Section 6, Township 11 North, Range 45 West of the 6th P.M., lying north of Highway No. 138, Sedgwick County, Colorado. The site will be partially excavated and a ring dike constructed around the entire perimeter of the site.

2.2. The source of water that will be used to fill the reservoir is the South Platte River.

2.3. The date of initiation of the appropriation is June 30, 1998.

2.4. The amount of the storage right is 5,772 acre-feet, conditional, with the right to fill and refill the reservoir whenever water is physically available in priority.

2.5. The name of the ditch that will be used to fill the reservoir is the Peterson Canal (a/k/a the Peterson Ditch), an existing canal owned and operated by the Petersen Canal and Reservoir Company and the Julesburg Irrigation District. The point of diversion of the Peterson Canal is located on the north bank of the South Platte River in the NE1/4 NW1/4, Section 24, Township 11 North, Range 47 West of the 6 P.M., Sedgwick County, Colorado, from which the NW Corner of said Section bears N 77° 2' W 1,815.2 feet. The decreed capacity of the Peterson Canal is 184 cfs.

2.6. Water will be diverted through the Peterson Canal to a new structure to be built by Applicant on the south bank of the canal at a location near and above the reservoir.

2.7. The total capacity of the reservoir when constructed will be 5,772 acre-feet. All of the capacity will be active storage.

2.8. Water will be released from Ovid Reservoir through an outlet pipe in the southern side of the ring dike at a location where it can be transported back to the South Platte River.



### 3. Proposed Uses

3.1. Water stored in Ovid Reservoir under the conditional water right awarded herein will be released to the South Platte River through the outlet pipe for replacement of out-of-priority depletions to senior surface water rights in Colorado caused by diversions of ground water through wells owned by members of GASP and replacement of depletions caused by diversions of ground water through wells owned by members of GASP under water rights having dates of priority subsequent to June 14, 1897, which will diminish the flow of the South Platte River at the Interstate Station between April 1 and October 15 below a mean flow of 120 cfs.

3.2. Ovid Reservoir may also be used by the Applicant or others under contract with the Applicant to reregulate flows of the South Platte River for lawful purposes, including fish and wildlife purposes.

### 4. Terms and conditions

4.1. Prior to storing water in Ovid Reservoir, the Applicant shall install and maintain a staff gauge for the reservoir calibrated to an as-built area/capacity curve and shall report at reasonable times to the Division Engineer the readings of such gauge, as directed by the Division Engineer.

4.2. Prior to receiving credit for releasing water from Ovid Reservoir, the Applicant shall install and maintain a gauge, acceptable to the Division Engineer, to measure the outflow from the reservoir to determine the amount of water released to the South Platte River from the reservoir and shall report at reasonable times to the Division Engineer the readings of the gauge, as directed by the Division Engineer.

4.3. The conditional water storage right herein awarded is hereby continued in full force and effect until Sept. 30, 2008. If Applicant desires to maintain such conditional decree, an application for a sextennial finding of reasonable diligence shall be filed on or before Sept. 30, 2008, or a showing made on or before such date that the conditional water right has become absolute by reason of the completion of the appropriation.

### CONCLUSIONS OF LAW

5. The Water Court has jurisdiction over this proceeding pursuant to Colo. Rev. Stat. § 37-92-203.

6. The conclusions of law set forth in the Court's September 21, 2000, Order on motions for summary judgment are hereby confirmed and are incorporated herein by this reference.

7. The conclusions of law set forth in the Court's May 7, 2002, Order are hereby confirmed and are incorporated herein by this reference.

8. The priority date for the conditional water storage right awarded herein is based on an application filed in the Water Court in the year 1998 in Case No. 98CW295 and shall be administered in accordance with Colo. Rev. Stat. § 37-92-306 as having been filed in that year, and shall be junior to all water rights or conditional water rights awarded on applications filed in previous years. As between all rights filed in the same calendar year, priority shall be determined by dates of appropriation and not affected by the date of the entry of the decree.

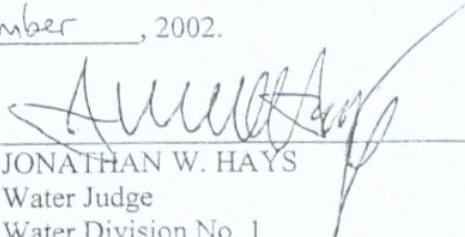
**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:**

9. The Findings of Fact and Conclusions of Law stated above are incorporated into this Decree of the Water Court.

10. GASP is hereby granted a conditional storage right for 5,772 acre-feet in Ovid Reservoir, with a right to fill and refill the reservoir whenever water is physically available and in priority.

11. A copy of this Decree shall be filed with the Water Clerk for Water Division No. 1 and shall become effective upon filing. Copies shall also be filed with the State Engineer and the Division Engineer for Water Division No. 1.

Entered this 5<sup>th</sup> day of September, 2002.

  
\_\_\_\_\_  
JONATHAN W. HAYS  
Water Judge  
Water Division No. 1  
State of Colorado



*LAST YEAR'S LV***Groundwater Appropriators of the  
South Platte River Basin Inc.**

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

November 8, 2002

John VanSciver  
CWCB Marketing and Applications  
1580 Logan Street, Suite 750  
Denver, CO 80203

Dear Mr. VanSciver:

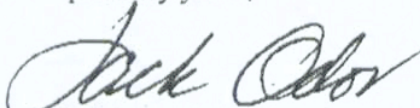
I am in receipt of your letter of November 6, 2002 concerning the loan authorization for GASP. Please be advised that GASP intends to proceed with the Ovid Reservoir project and wishes the loan authorization to be extended for an additional year.

Currently, GASP has progressed on the project as follows:

- A. A water right has been obtained in water court.
- B. Contracts with the irrigation district that will carry the water has been finalized.
- C. Land purchases are in negotiations and should be finalized within the next 60 days.
- D. The instructions to proceed with design and building documents will be given as soon as land purchases are final.
- E. Construction should start in the fall of 2003 with a six month construction time.

As you are aware, the project description has expanded since the original estimates were made and additional funds will be requested at a later time. I hope this information is sufficient for your purposes and I hope you will let me know if you require more. Thank you.

Respectfully yours,

  
Jack Odor  
GASP Manager

Cc: Dennis Montgomery

Water Supply Planning and Finance Section  
1580 Logan Street, Suite 750  
Denver, CO 80203  
Phone: 303-866-3449  
Fax: 303-894-2578  
Home: 303-377-4913

**Colorado Water  
Conservation Board**

# Fax

**To:** Jack Odor

**From:** John Van Sciver

**Fax:** (970) 867-5299

**Date:** November 4, 2003

**Phone:** (970) 867-5298

**Pages:** 2

**Re:** CWCB Loan for Ovid Reservoir

**CC:**

☒ **Urgent**    ☐ **For Review**    ☐ **Please Comment**    ☐ **Please Reply**    ☐ **Please Recycle**

**•Comments:**

Dear Jack,

We will be considering loans for de-authorization at our November 2003 board meeting. I ask that you send us a letter confirming that you want to retain your loan for another year, and provide some explanation of the reasons. (I have attached a copy of the letter you sent us last year.)

Please fax the letter back to me at : FAX (303) 894-2578

Please call me if you would like to discuss.

Sincerely,

John Van Sciver

CWCB





Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

November 6, 2003

John VanSciver  
CWCB Marketing and Applications  
1580 Logan Street, Suite 750  
Denver, CO 80203

Dear Mr. VanSciver:

I am writing this to keep you informed of the progress of the Ovid Reservoir project and hope this information is sufficient to extend the loan authorization for another year.

During 2003, GASP finalized the purchase of all of the land required to build the project. The purchase was for over 300 acres and includes easements for delivery. Also, GASP instructed their engineering consultants to proceed with the preliminary design report and it was completed in October of this year.

GASP has every intention of proceeding with the project.

If we can provide more clarification, please let us know. Thank you.

Respectfully yours,

Jack Odor, GASP Manager



Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

November 1, 2003

**TO GASP MEMBERSHIP:**

At the Board of Directors meeting held on October 7, 2003, a number of positions were adopted that you need to know about. As you know by now, the present circumstances surrounding augmentation activities are in a state of flux and the board is trying to deal with these issues to the benefit of all its members. A more detailed analysis of the following information will be given at the annual meeting to be held on December 1, 2003 in Fort Morgan.

The first matter that the Board acted on was to allow units of GASP to be transferred from one member to another. This practice has never been allowed in the past. The reason to make this change now was to provide an opportunity to allow some members to withdraw their membership without the loss of any asset value that may be associated with the ownership of a unit. GASP does not own enough water for all members to have what they need. GASP does not have an even distribution of water in all areas of the South Platte Basin. Some members will determine that there is little advantage to remaining with GASP because supplies are not adequately available to them in their area or in amounts that will serve their needs. Other members are positioned to take advantage of the current supplies and are willing to invest more in GASP units.

The result of these facts suggest that an equitable exchange of units between willing sellers and willing buyers should be allowed. Some terms and conditions exist. Units must be current and assessments must be paid in full. The board of directors will review the transactions so that transfers become known to the organization. Transfers will not be allowed to commence until January 1, 2004.

The staff will provide assistance if requested by keeping lists of willing buyers and sellers for distribution, but GASP will not set or negotiate prices.



There are two dates in our future which need to be kept in mind. The first date is August 22, 2004. GASP is currently operating under a substitute supply plan that runs until that time. The plan was accepted by the State Engineer and all of the GASP resources are tied up in that plan. We must stay active until that time. The second date to keep in mind is December 31, 2005. That date is significant because the recently adopted legislation requires all wells that are in a substitute supply plan to be part of a request for a permanent augmentation plan in water court. GASP has reported to its members in the past and will repeat it here that GASP will not file those permanent augmentation plans on behalf of its members. GASP is willing to provide assistance to individuals and groups in the form of record research for those who have retained legal council and engineering services. We have many of your records on file and can provide them to you if you wish.

After August 22, 2004, all of the GASP water assets, including wells which are owned by GASP will be available to be used by members. There is not enough water for everyone's needs and a method will have to be devised to rent water to those who can use it or liquidate the assets by selling to a high bidders or some other alternative. The board of directors has determined that the membership will be asked to vote on whether to liquidate or distribute the water assets of GASP at the 2004 annual meeting. It should be noted that the concern of the board of directors if a sale is pursued may result in the water being permanently lost to those in GASP who are in agriculture. The membership should take time to think through these possibilities.

This year's annual meeting will include a more detailed description of these and other issues and we hope you will attend and share your thoughts.

Jack Odor, GASP Manager



Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

September 22, 2003

Peter D. Binney, P.E.  
Director Utilities Department  
15151 East Alameda Parkway, 3<sup>rd</sup> Floor  
Aurora, CO 80012

Dear Mr. Binney:

This letter serves to confirm that Groundwater Appropriators of the South Platte (GASP) owns a decree for a reservoir near Ovid, Colorado for about 5700 acre feet and owns the land and easements for said reservoir and has acquired a substantial portion of the engineering services required to build said reservoir. GASP desires to pursue opportunities to further develop, construct and operate the reservoir in a shared ownership with the City of Aurora, Colorado to the mutual benefit of both parties.

Please accept this as an inquiry to determine any interest that you might have in pursuing a role in the development of this project. If you have need of any information that GASP has obtained, please let us know so that you can complete your decision.

Respectfully yours,

Jack Odor  
GASP Manager

Cc: Jeris Danielson  
Hill & Robbins





Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

September 5, 2003

Rod Kuharich  
Director, Colorado Water Conservation Board  
1313 Sherman Street, Room 721  
Denver, Colorado 80203

Dear Mr. Kuharich:

On two previous occasions, I have written to inform you of drought related shortages occurring in the plains reservoirs along the South Platte River during the 2002-2003 filling season. Some of the shortages were allegedly due to a lack of well augmentation during the winter months which was an unprecedented concept since the reservoirs have always filled since augmentation became an issue over 30 years ago.

The first letter was to alert you that the shortages might be substantial and that payments to injured parties would be considerably more than well users could have anticipated. After significant precipitation events the situation changed and it appeared, and we were lead to believe, that all reservoirs would in fact fill and that was the cause for my second letter.

Now division engineer Jim Hall has determined that some modest injury did occur and the parties were identified that were injured. We have now made a final payment to the reservoir companies. The amounts paid were \$73,080 to Bijou Irrigation Company, and \$18,744 to Riverside Reservoir and Land Company.

Since these circumstances were clearly drought related and since we understand that drought relief funding is still available, we would appreciate consideration for a grant to offset these expenses. Please consider this letter as an application for such funds as may be available. As you may know, many irrigators with wells did not pump at all this year and the current hardships are mounting for them. Relief of a payment like this would be helpful and greatly appreciated.

Colorado Water Conservation Board  
September 5, 2003  
Page 2

Thank you for your consideration.

Respectfully yours,

A handwritten signature in cursive script that reads "Jack Odor". The signature is written in dark ink and is positioned above the printed name.

Jack Odor, GASP Manager

Cc: Don Ament, Commissioner of Agriculture  
Hal Simpson, State Engineer  
Jim Hall, Division Engineer  
Hill & Robbins





Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

September 9, 2003

The Honorable Bill Owens  
Governor of Colorado  
136 State Capitol Building  
Denver, Colorado 80203-1792

Dear Governor Owens:

Thank you for stopping in Fort Morgan on your bus tour. I know that a number of people were eager to hear about their current problems with irrigation water. You asked me to send you a copy of the letter that I sent requesting funds to offset drought related expenses for shortages experienced by some of the reservoir companies this past winter and I am enclosing the letter for your review. If you can assist us in obtaining the funds, we would be very grateful.

You also asked for ideas to get the wells working again and we are and will continue to work with you and your staff to come up with solutions. Thank you again for your concern and your input.

Respectfully yours,

Jack Odor, GASP Manager



## Groundwater Appropriators of the South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

September 4, 2003

TO THE GASP MEMBERSHIP:

At the end of the last legislative session, Senate Bill 73 was signed into law. That legislation provided for some very strict requirements for well pumping including a plan that showed that all past and future depletions are being met. GASP filed for a temporary plan immediately, and after considerable delays, a hearing was held on August 12, 2003 to determine the adequacy of the plan. On August 25, 2003 GASP received an approval of our plan from the State Engineer. However, the approval only allows GASP to provide augmentation for past pumping and does **not** allow for more pumping until our ability to replace water exceeds the depletions that now occur.

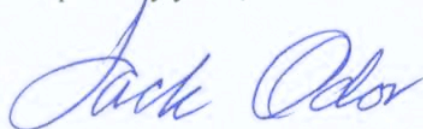
It is important that the GASP membership be aware that according to Senate Bill 73, the pumping that has occurred since 1974 may have a lingering effect up to and including the present time. Until we can demonstrate an ability to replace those depletions we can not pump more. Those wells which cannot meet the requirement or refuse to do so may not be allowed to pump in the future. Those wells that will make the replacement may be allowed to pump in the future if certain criteria is met. Payments made to GASP this year are being used to the fullest extent possible to get wells out from under the burden they now have. Those members who did not pay their assessment and made no other provision by other means were not included in the GASP plan and it is expected that those wells will have a difficult or even impossible task ever running again. At about the time you read this letter, GASP will be making a substantial monetary commitment to reservoir companies that did not fill during the last winter. Those members who did not pay this years fees will not be included in any settlement and may never be allowed to start again.



Several phone calls and some letters have been received, commenting on the misconception that GASP is not doing anything for the membership. Remember, Senate Bill 73 took away our ability to operate as in the past. Similarly, the State Engineer's authority has been changed and does not allow for his approval of pumping and replacement plans. GASP has been doing everything possible to bring the membership into compliance with new laws and assisting the membership in any way possible to make new plans. Some members or groups of members decided it was in their best interest to file their own plans and provide their own augmentation. When those members informed GASP that they had provided some or all of their own water, refunds of this year's water fees were made. In some cases, all of their money was returned either to the individuals who made the payments or to the groups which acted on their behalf. GASP spent a tremendous amount of time and effort making certain that the member's needs were met in many ways, **BUT** we could not provide augmentation **because the law did not allow it!**

Now we are doing the best we can to give our members the best chance possible to pump in the future. We hope you will keep informed and respond accordingly.

Respectfully yours,



Jack Odor, GASP Manager



## Groundwater Appropriators of the South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

July 7, 2003

### **TO GASP MEMBERSHIP:**

It has been some time since GASP sent out information regarding the events about well pumping this year. We apologize for the lack of information, but each time we made the effort, circumstances changed and would have made any communication with you erroneous and misleading. We have, however, received hundreds of calls and were able to give as much information as possible to those inquiring.

As you no doubt know by now, the ability to run wells as in the past has changed dramatically. GASP is no longer allowed to present information on your behalf to the State Engineer for annual approval. Some irrigation ditch companies and some cities along the Front Range were able to get the courts to eliminate much of the State Engineer's authority and GASP relied on that authority for all of its 31 years of existence. No longer can we rent water from one entity to the benefit of others without going through court activity or hearings. These new requirements are very expensive and the outcome is not guaranteed.

GASP has had a membership in the past of about 3000 wells functioning under about 1500 separate contracts. Some contract holders were GASP members because they had no other source of replacement water. Others had some or even all of their own supplies and needed GASP only to make up temporary deficiencies. We also have some members with excess supplies from time to time which could be used by others if trades and exchanges could be made. Many GASP members had pursued and received water court approved augmentation plans, but they too remained in GASP because of the access to supplies when their plans were deficient and also a ready market for any temporary excesses they might have. As you can see, GASP members have had a vast variety of needs and resources making uniformity within the membership a difficult situation.

Many of you watched as the water court activities unfolded and the Colorado legislators dealt with the current issue. Many of you were led to believe that a compromise was in the works that would allow pumping as soon as a new law was passed. That was simply not the case and most people were receiving misleading information. The law that was finally passed requires that a temporary substitute supply plan be submitted to the State Engineer and that a hearing must be held to evaluate the adequacy of the plan. A hearing is scheduled by the State Engineer, and must be at least 35 days after the application is submitted, and not more than 50 days. This is to allow objectors time to evaluate the plan. Participants in the hearing are likely to be all of the same cities and ditch companies who



fought successfully in court to get the State Engineer's authority diminished. These hearings will be very expensive and time consuming. The term of the permit would be for one year from the time of the hearing, but the water supplies needed for the plan must be described for 18 months. This feature is very problematic since we rarely know about supplies that far in advance. Another difficulty is that if we change the plan in any way, amendments to the plan must be submitted and that takes more time and more schedules. Changes to the plan come about because of new water that might be purchased, lateness in the membership response to GASP needs, new members or dropped members. All of these issues cause problems with temporary plans.

Another feature of the new legislation requires that any well that is included within one of these temporary substitute supply plans must agree to a December 31, 2005 deadline to have an application before the water court for a permanent plan for augmentation. That too will be very expensive and again the outcome is uncertain.

During these recent uncertainties, a number of GASP members decided to seek other solutions. A number of groups filed for their own plan for augmentation in water court in an effort to be allowed to pump this year. Several groups were formed and applications made to water court. The final resolution of those applications are likely to be several years down the road and their outcome is uncertain at this time. In every application made by members, GASP was asked to furnish the data and calculations to substantiate the amounts of water needed for augmentation. We worked extensively to see that the work was accurate and delivered in a timely manner, as you might imagine, it was a huge work requirement during some very trying times. I believe we accomplished a great deal during that time. Each group had different needs and requirements and we accommodated each one of them to the best of our ability.

As of this writing, over 2000 wells are included in the plans submitted by the various groups. While their ultimate fate rests with the courts, their near term future is varied. Some of them have demonstrated adequate supplies to run temporarily and some have not. That is why you see some wells in the South Platte running and some are not.

GASP currently has a plan submitted for consideration, but the hearing date has been delayed due to several amendments caused by reasons discussed above. As it now stands, the hearing will be in mid-August and will include the wells owned by GASP members that are not included in some of the groups that have made their own applications.

Now the Board of Directors is looking to the future to see what remains to be done. It is the current thinking that all wells should be in an approved plan for augmentation or in an application for a permanent plan by December 31, 2005. GASP agreed to that during the days leading up to the law passed during the recent legislative session. We were unable to stop the additional requirements that have made this year and future years so difficult. Members should be advised that due to the unusual diversity of interests by our membership, it is unlikely that GASP will file for a plan for augmentation for its membership. That burden remains with the members, and we urge members to prepare for that as soon as possible.

GASP still has value in other areas. The record keeping and analysis of well pumping that many members need is still available but must be on a fee basis if it is to continue. We can assure you it is an enormous task to keep straight. GASP also has numerous assets which belong to members who have paid fees for many years and are still GASP members. The water right holdings include reservoir water and direct flow water. GASP also has large capacity wells which have been used successfully for many years for augmentation, and are included in many of the plans already submitted as a potential augmentation water supply. The future of these assets is the subject of current meetings, and the GASP board is seeking input. It is important to recognize that many of the supplies have ongoing annual assessments that must be paid to maintain their availability. GASP members who continue to pay their membership fees will have access to these supplies in the future and those members who do not pay fees will forfeit any and all interest in the supplies.

GASP has an uncertain future and the board continues to struggle to find strategies which will serve the best interest of all members. The board is likely to have regionally based meetings to gather input and will try to do the best they can to be fair and responsive to your needs.

Jack Odor  
GASP Manager



**RESOLUTIONS OF THE BOARD OF DIRECTORS  
OF THE GROUNDWATER APPROPRIATORS  
OF THE SOUTH PLATTE RIVER BASIN, INC.**

The Board of Directors of the Groundwater Appropriators of the South Platte Basin, Inc. (Company), at a meeting held **May 6, 2003**, at Fort Morgan, Colorado, adopted the following resolutions concerning a loan in the amount of up to \$1,700,000, not to exceed 100% of actual construction costs, from the State of Colorado Water Conservation Board (CWCB), for the purpose of construction of the Ovid Augmentation Reservoir.

At said meeting, the Board charged that these resolutions are irrevocable during the term of the loan and, pursuant to the Company's bylaws, authorized the President and Corporate Secretary, **RESOLVED** as follows.

1. to enter into and comply with the terms of a contract with the Colorado Water Conservation Board for a loan in the amount of \$1,700,000, or such actual amount, more or less, as needed to finance up to 100% of the project costs, and
2. to levy and collect assessments from the members in an amount sufficient to pay the annual amounts due under the Loan Contract which is currently estimated at **\$73, 546** and to pledge assessment revenues and the Company's right to receive said revenues for repayment of the loan, and
3. to place said pledged revenues in a special account separate and apart from other COMPANY revenues, and
4. to make annual payments required by the promissory note and to make annual deposits to a debt service reserve fund, and
5. to pledge certain property of the Company as collateral for the loan and execute documents necessary to convey a security interest in said property to the CWCB, and
6. to execute all documents as required by the loan contract, including, but not limited to, a Security Agreement and a Promissory Note, and
7. to take such other actions and execute such other documents as may be necessary to consummate and implement the loan.

**CERTIFICATION**

The undersigned, the President and the Corporate Secretary, respectively, hereby certify that the foregoing are true and correct copies of resolutions duly adopted at a meeting of the Company's Board of Directors duly called and held as above recited, pursuant to the Company's bylaws, and that said resolutions have not been amended or rescinded.

GIVEN UNDER OUR HAND AND SEAL OF THE COMPANY THE **3<sup>RD</sup>** DAY OF **JUNE, 2003**.

By   
Philip Mortensen, President

ATTEST.  
By   
Robert Kula, Corporate Secretary



Groundwater Appropriators of the  
South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

May 22, 2003

Mr. Rod Kuharich  
Director, Colorado Water Conservation Board  
1313 Sherman Street, Room 721  
Denver, CO 80203

Dear Mr. Kuharich:

On May 1, 2003, I sent you a letter of request for funds for drought relief. In that request, I was of the opinion that reservoirs would not fill for the 2003 irrigation season and payment for damages would be required. Since that time a number of significant precipitation events have caused us to change our opinions and as of this date it seems that damages will be greatly reduced and may be eliminated completely.

Please put the former request on hold and I will continue to keep you informed of any change in the circumstances.

Thank you for your attention to this matter.

Respectfully yours,

Jack Odor  
GASP Manager

Cc: Hal Simpson, State Engineer  
James Hall, Division Engineer  
Hill & Robbins





## Groundwater Appropriators of the South Platte River Basin Inc.

P.O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

May 7, 2003

### GASP MEMBER:

Senate Bill 73 was signed by the Governor on April 30 and is now law. The Supreme Court also ruled, however, on the authority of the State Engineer to adopt rules and regulations for the South Platte River Basin on April 30. The court held that the State Engineer was without statutory authority to promulgate the proposed rules as written; but, the decision is no longer important because Senate Bill 73 now controls the State Engineer's authority to approve the operation of wells in Water Division 1.

Now we must proceed toward compliance with the provisions of Senate Bill 73. In the near future, GASP will submit a request for approval of a substitute water supply plan with the State Engineer under the provisions of Senate Bill 73. After a 35 – 50 day time period, a hearing may be conducted to see if any pumping will be allowed for this year. As it stands today, pumping is not allowed until after the hearing.

Over the next two and a half years, GASP will proceed toward compliance with other provisions of the new law, which requires that all wells be included in an application for approval of a permanent augmentation plan filed with the water court no later than December 31, 2005, in order to continue pumping. A court approved plan will be very expensive and the future of your pumping will depend on your ability to pay for the water, legal fees, engineering fees and administrative expenses. Some people may determine that the price is too high and conclude that a partial or complete shutdown is the only feasible action.

We regret that these circumstances have been forced upon you. We can only do the best we can to comply with the new legislation and we will.

Jack Odor  
GASP Manager



**Groundwater Appropriators of the  
South Platte River Basin Inc.**

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

May 1, 2003

Mr. Rod Kuharich  
Director, Colorado Water Conservation Board  
1313 Sherman Street, Room 721  
Denver, CO 80203

Dear Mr. Kuharich:

It has come to our attention that funds may be available for drought mitigation for 2002 and 2003. Please accept this letter as a request for such funds.

As you know, 2003 was a severe drought event that created substantial amounts of water to be pumped for irrigation. Because of great effort on the part of the department of agriculture, the office of the State Engineer and augmentation entities such as GASP, water supplies for replacement purposes was located and purchased throughout the summer. Activities were successful enough to allow crops to mature and a substantial harvest resulted. Unlike any year in recent memory, the river calls from senior appropriators, which normally end when irrigation is finished, did not end during the winter. In fact, the senior calls remain even today. Wintertime replacement supplies have never been necessary, but now they are expected and a failure to provide them may cause injury to senior calls.

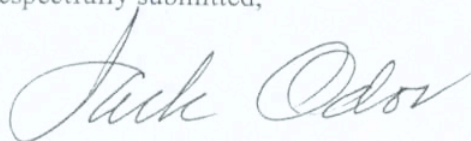
Currently, there remain a few reservoirs which may not fill. If they do not, they claim injury and the current position of the State Engineer requires that winter damages be mitigated. At this point it is unclear how large the injury is, however estimates suggest that it may be several thousand acre feet. We expect that a cash settlement of about \$65 per acre foot may be required.



As the time for reservoirs to fill draws to a close, we will be able to be more definite about our needs and will keep you informed. Please let us know how we can be of assistance to conclude this matter.

Thank you for your consideration.

Respectfully submitted,

A handwritten signature in cursive script, reading "Jack Odor". The signature is written in dark ink and is positioned below the text "Respectfully submitted,".

Jack Odor

Manager, Groundwater Appropriators of the South Platte River Basin, Inc.

Cc: Hal Simpson, State Engineer  
James Hall, Division Engineer  
Hill & Robbins

# STATE OF COLORADO

## OFFICE OF THE STATE ENGINEER

Division of Water Resources  
Department of Natural Resources

1313 Sherman Street, Room 818  
Denver, Colorado 80203  
Phone (303) 866-3581  
FAX (303) 866-3589

[www.water.state.co.us](http://www.water.state.co.us)



Bill Owens  
Governor

Greg E. Walcher  
Executive Director

Hal D. Simpson, P.E.  
State Engineer

January 15, 2003

Mr. Jack Odor, Manager  
Groundwater Appropriators of the South Platte  
P. O. Box 974  
219 E. Railroad Ave.  
Fort Morgan CO 80701

Dear Mr. Odor:

In response to your letter of January 10, 2003 requesting assistance from the Senate Bill 02S-001 fund, it appears that compensation to GASP to assist members that over-pumped their allocation is not within the scope of the intended use which is to purchase water for augmentation of well pumping. GASP will be compensated for the additional augmentation water it had to purchase in 2002 through this fund. If you need additional clarification, please call me.

Sincerely,

Hal D. Simpson  
State Engineer

cc: Greg Walcher, Executive Director  
Don Ament, Commissioner of Agriculture  
Rod Kuharich, Director, CWCB





Groundwater Appropriators of the  
South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

January 10, 2003

Mr. Rod Kuharich  
Director, Colorado Water Conservation Board  
1313 Sherman Street, Room 721  
Denver, CO 80203

Dear Mr. Kuharich:

While discussing the current drought issues with Agricultural Commissioner Don Ament, it was brought to our attention that drought relief funds may be still available from the Agricultural Emergency Drought Response provided for in Senate Bill 02S-001. The Commissioner urged us to contact you and request additional funding to compensate well users who pumped more than their contracted amounts in 2002. Currently, over-pumping is being penalized at \$10 per acre foot with the total over-pumping for all GASP members reported at over 80,000 acre feet. If funds could be made available, GASP would reduce some of the over-pumping charges to its members, thereby reducing their financial hardship.

We do not know how much money would be available but we feel this type of grant qualifies under the provisions of the law creating the fund, being a direct result of the drought conditions existing in 2002. If you agree that these conditions qualify for such grant monies, please consider this as a request for such funding and advise us of any consideration.

If any additional information is needed for consideration of funding, we will provide any we have which will be of assistance.

Thank you for your assistance in this very important matter.

Jack Odor  
Manager, Groundwater Appropriators of the South Platte River Basin, Inc.





**Groundwater Appropriators of the  
South Platte River Basin Inc.**

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

January 14, 2003

To: GASP Members

From: David Robbins, Hill & Robbins, GASP legal counsel

Re: 2003 Irrigation Season

Dear GASP Member:

A recent decision by Judge Jonathan Hays, the water judge for Water Division No. 1, has cast doubt on the operation of the GASP replacement plan for 2003. The Colorado State Engineer immediately filed a notice of appeal with the Colorado Supreme Court, but it will be several months before the Supreme Court has ruled on the appeal. There will be much speculation about what this decision means for GASP and its membership. Therefore, the GASP board of directors has directed I send you this letter to explain the decision and what GASP intends to do for the coming irrigation season.

First, 2002 was one of the worst drought years on record in the State of Colorado. Regardless of Judge Hays' ruling on the proposed South Platte Rules, streamflows in the South Platte River have been and will be reduced because of very low runoff, which resulted in low diversions of surface water last summer, which results in less return flows over the winter months. The State and Division Engineers have advised well owners in the South Platte River Basin (including GASP) that unless depletions to storage rights from out of priority well pumpings are replaced or the owners of the storage rights are compensated for the depletions to the reservoirs, junior wells will not be allowed to operate during the 2003 irrigation season.

The GASP board of directors recognized and understood the consequences of last summer's severe drought. Your 2003 assessments included assessments for winter depletions for wells that could cause depletions to storage rights. The GASP board of directors has no way of guaranteeing that these assessments will be sufficient to purchase enough water or to compensate storage rights for depletions caused by out of priority diversions by GASP member wells; but the board of directors felt that these assessments were reasonable and prudent under the circumstances.



BECAUSE WE HAVE NO WAY OF GARANTEERING THAT GASP MEMBER WELLS WILL BE ALLOWED TO PUMP IN THE 2003 IRRIGATION SEASON, THE GASP BOARD OF DIRECTORS URGES YOU TO EXERCISE EXTREME CAUTION IN MAKING YOUR PLANTING AND FARMING DECISIONS THIS YEAR. REDUCING ACREAGE AND PLANTING CROPS THAT CAN SURVIVE ON LIMITED WATER SUPPLIES IS YOUR BEST ALTERNATIVE THIS YEAR. WE ARE NOT ALONE IN DEALING WITH THE DROUGHT. LAST YEAR, WELL OWNERS IN THE ARKANSAS RIVER BASIN REDUCED PUMPING AND MANY WELL OWNERS IN THE ARKANSAS RIVER BASIN WILL NOT BE ALLOWED TO PUMP AT ALL UNLESS THERE IS A SIGNIFICANT RUNOFF THIS YEAR.

Judge Hays has invalidated the South Platte Rules proposed by the State Engineer Hal Simpson last summer. Judge Hays' ruling is inconsistent with the decision by the Water Judge in Division No. 2 in 1996, approving the Arkansas River Rules, and Judge Hays' ruling was promptly appealed by the State Engineer. However, it will be several months before a decision by the Colorado Supreme Court is reached. We urge you to write to your state senator and representative to urge them to act immediately to extend the authority of the State Engineer to approve substitute supply plans until the Colorado Supreme Court has ruled and a final decision has been made on the protests to the proposed South Platte Rules.

For the 2003 irrigation season, the GASP board of directors is planning to implement a replacement plan consistent with the proposed South Platte Rules, unless the State Engineer or the Water Court order otherwise. The board of directors will urge the Colorado Legislature to act to extend the State Engineer's authority to approve substitute water supply plans, but the board of directors believes that 30 years of effort to develop and implement replacement plans in the South Platte River Basin should not be wasted until the courts have determined whether the proposed rules are valid.



Groundwater Appropriators of the  
South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.

Fort Morgan, Colorado 80701

970-867-5298

# NOTICE:

The GASP board of directors has voted to extend the deadline for payment of assessments to **March 15, 2003**. This includes the **2002 special assessment, administrative fees, water fees and overpumping penalties**. Payments made after this date will be subject to **substantial** penalties.





Groundwater Appropriators of the  
South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

## Notice:

If you have an over-pumping penalty or if your depletions seem unreasonable, they are based on information you supplied. If you believe an error exists, check your flow meter or other calculations that were used. Adjustments can be made only if you provide actual proof that an error has been made.

For this year an over-pumping charge of \$10 per acre-foot is being assessed. In the future, over-pumping will be assessed at least \$25 per acre foot. In order to avoid inaccurate calculations we urge you to install water meters now or have a power conversion coefficient test done now rather than wait until the deadline of January 1, 2005. If you have a flow meter, we urge you to have it checked for proper installation and accuracy. If you require more units of GASP to avoid over pumping in the future, call or write for an application form.

Thank You

## HOW TO READ THIS STATEMENT

- A. Over the past several years, we have asked you to submit information about your well pumping activities. The number of active wells, inactive wells and GASP units shown are from our records. If you believe the number of active wells, inactive wells and units shown are incorrect, please contact us for corrections. Incorrect numbers will result in the wrong amount billed.
- B. An administrative fee is charged for each well and for each unit of GASP. Active wells and inactive wells are charged differently. If you have inactive wells and intend to use them, you must not pump until the administrative fee is corrected.
- C. Late penalties apply when payment is not made by the deadline. Those contracts which have late payments may not be allowed to pump so be certain the payments are made on time.
- D. Based on the information that you have supplied, GASP has computed the depletions that your pumping has caused to the river. The calculations were made in accordance with State approved methodology. The results are shown for each month of the year. Normally, replacements are only necessary in part of the Summer, but drought conditions make replacement requirements more frequent. In extreme cases, replacement may even be required in the winter months. Funds received for this water fee are used to purchase annual and long term supplies. If no supplies are available, well pumping may be curtailed or even halted completely and portions of the fees may be returned or held over for future water acquisition.
- E. Since its beginning, GASP has used units as its basis of membership. Each unit allows for 100 acre feet of pumping if that much is allowed by the decree for the well. The number of units required is based on the maximum amount of anticipated pumping in any one year. If you pump more than your units allow, an overpumping penalty is assessed. More units can be purchased and inquiry should be made by calling the office.
- F. This figure represents your gross GASP assessment for 2003. Some reductions are possible.
- G. Many GASP customers have their own personally owned water supplies that can be used for augmentation. In some cases, ditch companies have water that can be used and groups of GASP members who make arrangements with their ditch company can have a GASP membership that uses the ditch company supplies. If you think that you have water available, reductions in the gross amounts can be made resulting in significant savings on your GASP fees. Contact the GASP office for further details and a restructuring of your assessment.
- H. Unless you pursue a reduction by supplying all or a portion of your own replacement water, this is the net assessment for 2003.



GASP Members:

Enclosed is your GASP assessment for the water year 2003. Please take a minute to look it over. You will notice that it has two major parts. The first part is an administrative fee of \$40.00 for each active well and \$80.00 for each GASP unit that you have paid for. The second part is a replacement water fee of \$25.00 per acre-foot for summer replacement water and \$12.00 per acre-foot for winter replacement water. The replacement water fees are based on the calculated monthly depletions of your wells. Your replacement water fees can be reduced for any replacement water that you can supply directly to the calculated monthly depletions of your wells.

During times of drought, there is the potential that replacement water must be provided during the non-irrigation season. Therefore, your replacement water fee includes a fee for winter replacement water, if replacement of non-irrigation season depletions may be required for your wells. Your total assessment is shown at the bottom of the billing page.

**All administrative fees and replacement water fees for 2003 are due by January 15, 2003.**

**If you have water supplies that can be used as replacement water in the GASP plan, you should contact the GASP office as soon as possible for a reduction in your replacement water fees.**

**If you are a shareholder in a ditch company that has agreed to furnish some or all of the replacement water needed for your wells, you should let us know as soon as possible so that an appropriate reduction can be made to your replacement water fees.**

We recognize that questions will arise about the new procedure to assess administrative and replacement water fees. If you have questions, please call us for clarification. Our phone number is (970) 867-5298.



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Groundwater Appropriators of the  
South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

**MOTION:**

To allow two of the four officers of Groundwater Appropriators of the South Platte River Basin, Inc. (GASP) to sign on behalf of said corporation all closing documents for the purchase of lands required for the construction and development of activities for GASP augmentation purposes.

---

Phil Mortensen  
President

---

Robert Kula  
Secretary

---

Robert McClary  
Vice President

---

Allyn Wind  
Treasurer

Passed and adopted this 10<sup>th</sup> day of September, 2002 at Fort Morgan, Colorado



April 15, 2002

**GASP MEMBERSHIP:**

As you may recall, last year GASP kept its membership informed about augmentation supplies by sending you periodic updates. Fortunately, as the year progressed and supplies firmed up we were able to get every region fully covered. GASP will continue the updates this year.

It is no secret that the water outlook for this year is poor. As of this time, we have not received all of the transfers of water into our control. The reason for this is that all of the reservoirs are not yet full and the recharge projects are still running. Because of these uncertainties, it is important to remember that information given here and in future updates may be incomplete but it is as good as we can furnish at this time.

Also, our best estimates are based on certain expected river calls. If other ditches call instead or in addition to our expectations, then the augmentation coverage may change from time to time, and from place to place.

As a percentage of last year's augmentation resources, our current augmentation supplies are at \_\_\_\_% for your region. You should plan your activities accordingly. If supplies in your area do not reach 100% your well use may be affected. We will keep you informed of further developments when they occur.

Finally, since some GASP members own water supplies that can be used for augmentation, there has been an increased interest in covering ones own well or at least covering part of their needs. GASP has worked out a special contract for those members and if one of those contracts exist for your well, you can disregard the percentage given above and use a higher number as the contract allows.

Thank you for your attention to this very important matter.

Jack Odor  
GASP Manager



## THE BIJOU IRRIGATION SYSTEM

Phone (970) 867-2222  
FAX (970) 867-2294  
229 Prospect St.  
P.O. Box 972  
Fort Morgan, CO 80701

September 6, 2002

The Board of Directors  
Groundwater Appropriators of the South Platte River Basin, Inc.  
P.O. Box 974  
Fort Morgan, CO 80701

Re: Possible development of an augmentation site west of Empire Reservoir

Dear Board of Directors:

The Board of Directors of the Bijou Irrigation Company and the Bijou Irrigation District were pleased to receive your letter expressing interest in the development of a joint project with Bijou to construct an augmentation site west of the Empire Reservoir.

The Board of Directors have instructed me to inform you that they would be willing to discuss this project at their next Board Meeting scheduled to be held on Friday, October 4, 2002 at 10:00 a.m., if G.A.S.P. is willing to go to court to get a decreed augmentation plan. Please let me know of your decision prior to the meeting date so I can firm up the agenda. Thank you.

Sincerely,

Kathy J. Samples, Secy./Treas.  
THE BIJOU IRRIGATION COMPANY  
THE BIJOU IRRIGATION DISTRICT





Groundwater Appropriators of the  
South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

August 7, 2002

Ms. Kathy Samples  
Secretary, Bijou Irrigation Company  
229 Prospect Street  
Fort Morgan, CO 80701

Dear Ms. Samples:

This letter is to inform you that at its regular monthly meeting held on August 6, 2002, the GASP Board of Directors voted unanimously to cooperate with Bijou in an effort to develop the West Empire site.

We would ask that you inform your Board of Directors of this decision and to thank them for the opportunity they have presented GASP to partner with Bijou in this project. It most certainly will be beneficial to both entities and to that region of the River.

The Board and staff at GASP look forward to working with you on this project. We would like to meet with you and your Board in the near future to discuss further details. We would ask that you set a meeting date for this purpose.

Respectfully submitted,

Phil Mortensen

President, Groundwater Appropriators of the South Platte River Basin, Inc.



Groundwater Appropriators of the  
South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

August 8, 2002

Mr. Gerald Baugh  
President, Weldon Valley Ditch Company  
4508 MCR Z.5  
Weldona, CO 80653

Dear Mr. Baugh:

This letter is to inform you that at its regular monthly meeting held on August 6, 2002, the GASP Board of Directors voted unanimously to cooperate with the Weldon Valley Ditch Company in pursuing development of some augmentation sites along the ditch.

We would ask that you inform your Board of Directors of this decision and to thank them for the opportunity they have presented GASP to partner with Weldon Valley in this effort.

The Board and staff at GASP look forward to working with you on this project. We would like to meet with you and your Board in the near future to discuss further details. We would ask that you propose a meeting date for this purpose.

Respectfully submitted,

Phil Mortensen

President, Groundwater Appropriators of the South Platte River Basin, Inc.

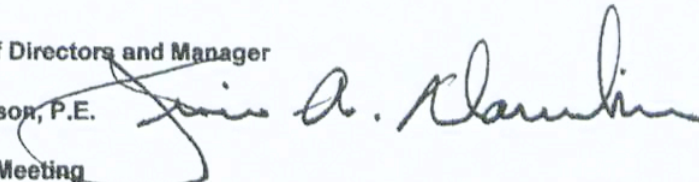




**DANIELSON & ASSOCIATES, INC.**

517 Belleview Avenue  
La Junta, Colorado 81050  
719-383-2598  
719-384-9528 fax

MEMORANDUM

TO: GASP Board of Directors and Manager  
FROM: Jeris A. Danielson, P.E.   
SUBJECT: Special Water Meeting  
DATE: August 8, 2002

At the request of President Mortensen, I attended a special water meeting at the Farmers State Bank in Fort Morgan on August 7, 2002. The meeting was called by Commissioner of Agriculture Ament who attended along with Representative Diane Hoppe; Hal Simpson, state engineer; Dick Stenzel, division engineer; Jim Hall, asst. division engineer; and, Steve Sims, asst. attorney general. Additionally, Tim Buchanan and Ronnie Sperling, attorneys for Bijou Irrigation District, Morgan Ditch, et. al., were also in attendance. I estimate that upwards of 100 water users were in the audience.

The purpose of the meeting, as stated by Commissioner Ament, was to seek solutions to assist agriculture in dealing with the current specter of irrigation well curtailments and to hear complaints that water users on the South Platte have concerning GASP operations as well as other related matters. The meeting was not intended to discuss the merits of the pumping regulations proposed by the state engineer, however, some discussion did occur on this issue. In general, discussion centered around complaints that GASP has not filed for a plan for augmentation and that no one can access the depletion calculations for GASP wells. The usual complaint that the state is being unfair in suggesting curtailment of wells since the state granted well permits and most wells are legal was expressed numerous times.

Some observations that I have concerning the meeting and the attitude of the state are as follow:

1. The state is being very supportive of GASP and considers us an ally in the upcoming rules and regulations trial. It wants to work closely with GASP in preparing for trial.
2. I believe the efforts of GASP's attorneys in shaping the final Rules & Regulations is evident and that the state paid a good deal of attention to their suggestions.
3. The state is doing everything possible to avoid curtailment of wells by locating sources of augmentation water and being as flexible as possible in river administration within legal constraints. Dick Stenzel has been especially helpful.
4. I discussed the potential for needed legislation in the upcoming legislative session



with Rep. Hoppe. She said she would assist in any way possible.

5. I thanked Commissioner Ament for his hard work this summer in assisting well owners. He is very interested in hearing any ideas we might have for future action whether it be legislative, political or structural. We should utilize our contact with him as much as possible and he understands our problems and has the ear of the Governor.
6. There is a great deal of misunderstanding among water users over how GASP operates, what assets we have, etc... I suggest more effort be placed on public relations.
7. It was very evident that if GASP does not participate in the upcoming litigation that the opponents will do everything possible to insert mandatory deadlines into the rules and regulations along with other odious conditions. It is very important that the court hear our side of the story to include the history of GASP, what we have done for 30 years, and what our intentions and problems are.
8. I asked the assistant attorney general, specifically, if the rules and regulations are not adjudicated by December 31, 2002, what would be the ground rules for augmentation in 2003 until the rules are final. HIS STATEMENT WAS TO CONSIDER THE RULES AND REGULATIONS AS DRAFTED TO BE EFFECTIVE UNTIL THE COURT CHANGES THEM. This is very important to know so that GASP can proceed to put plans together for the upcoming irrigation season.



**Groundwater Appropriators of the  
South Platte River Basin Inc.**

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

July 23, 2002

Mr. Rod Kuharich  
Director, Colorado Water Conservation Board  
1313 Sherman Street, Room 721  
Denver, CO 80203

Dear Mr. Kuharich:

As you know, this water year has been the most challenging one in several generations. I would like to explain to you our current circumstances so that you can factor them into your activities.

At the end of last year, our resources were nearly exhausted due to increased augmentation needs and excessive pumping expenses. As a result, the Board of Directors and the membership decided that increased fees were in order and the assessments were raised by 30%. This is the sole source of financing for GASP. In addition, funds in excess of \$200,000 were set aside for the purchase of permanent water supplies.

This year started with river calls in April and have been continuous since that time, and has the appearance of extending through out the balance of the irrigation season which is well beyond anything experienced before. As a result, even with the increased revenues, all money has been spent or committed for this year, including those set aside for the purchase of permanent supplies. Now, there are a few more opportunities emerging, but all funds have been exhausted. It appears that if the current water arrangements can be finalized, we may be able to keep wells running long enough to get this year's crops finished. Specifically, two regions could be satisfied with more augmentation. One area is below Sterling where the augmentation technique consists of operating wells far from the river such that depletion impacts should not be felt until after the current drought conditions are over. In most cases the impact will occur several years from now. Another area that can be helped is between Denver and Greeley and in that case, non-tributary effluent is available from municipal wastewater plants. GASP has about 3000 wells currently in its augmentation program and not all of them are fully covered for the remainder of this irrigation season. These remedial steps should allow us to assure our customers that this season can be completed without interruption.




Grant Letter  
Page 2

It has come to our attention that funds may be available for augmentation entities like GASP. If that is the case, please consider this a request for such funds. It is vitally important to hundreds of farming businesses that irrigation is completed for this year. The above mentioned activities are expected to cost an additional \$200,000, and if those funds are available please consider our request at your earliest opportunity.

Thank you for your input and we hope to hear from you soon.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jack Odor". The signature is written in dark ink and is positioned below the text "Respectfully submitted,".

Jack Odor  
Manager, Groundwater Appropriators of the South Platte River Basin, Inc.

Cc: Hal Simpson  
Dick Stenzel  
David Robbins



## Groundwater Appropriators of the South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

### What Happened!

The last notice that you received from GASP was about the potential for pumping curtailment in a few areas along the South Platte River above Greeley and below Crook. That notice further described that augmentation supplies may run out by the first part of June for those areas.

We are now well into the summer and still no wells have been affected. We feel it is important to describe some of the activities that we have been involved with that has extended the possible shut down.

GASP has hosted a number of member meetings to describe the situation. As a part of the meeting subject matter, we described that pumping curtailment could be extended by using member supplied water resources. In exchange for those water supplies, GASP would refund some of the 2002 membership fee to the supplier.

A number of ditch companies and individuals came forth with water that had never been available in the past and the augmentation supplies increased. Unfortunately, some ditch companies waited for an extended period of time and the delays will be costly in the latter part of the season. During the delay, GASP was forced to use storage supplies when direct flow "submittals" could have been used. The efficiency could have been better but for those delays.

Other methods were also used to extend the curtailment possibilities. Some wells pump from long distances from the river. In many of those cases the stream effects will not be noticed for a very long time. When that happens, it is hoped that the drought will be over and the effects will not be noticed at all. Pumping those kind of wells is an augmentation technique that is now used in some locations. GASP can pay for electricity or use the supplies for augmentation under some highly controlled circumstances.

More recently, GASP has arranged for additional supplies from Cities in the upper end of the system that may deliver enough water to get through the end of the irrigation season. The process is expensive but other alternatives are not available.

Drought is a real possibility in Colorado's arid climate. Dealing with one is a challenge. Nobody knows when it will be over or what long-term effects it will have. We have expended every resource at our disposal to get through this difficult time. We have no idea when things will improve. We do know that our options and financing are running out. We will try to keep you informed of the developments as they happen.

The GASP board of directors will be reviewing a number of options in the future. Possibilities may include an additional assessment for 2002 or higher fees to purchase more permanent supplies. If you have thoughts on the subject please contact a board member or attend a GASP meeting.

The Board of Directors of GASP are committed to finding ways to keep wells operating. For thirty years GASP has been successful and members should know that GASP intends to do all that is reasonable to keep being successful. Your support has never been more important as we move forward because the strength of the economy of our region is in the balance.





Groundwater Appropriators of the  
South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

**Dear GASP Member:**

For the year 2003 new rules and regulations will be in force for well pumping. At this time, it is unclear about the actual reporting requirements, but the proposed rules specify that certain information be submitted with deadlines that are early in the year. In order for your well to be in compliance, we need to start the paperwork now.

Enclosed is an application form for membership under the new rules. If you intend to be included in the GASP augmentation plan for 2003, fill out the forms completely and return them no later than September 1, 2002. If they are late or incomplete in any way, they cannot be used in the submittal to State officials. They can be included only as a late amendment and will require substantial late fees at that time.

Later this year another form will be sent to you. That form will require a pumping use report for this 2002 irrigation year. That report will be used to compute your assessment and pumping allowance for 2003.

We are sorry for these new requirements but they are not being caused by GASP. We, like you, are just trying to respond to new conditions. We don't know how the new rules will change things or if well pumping can be covered as in the past. We hope you will be diligent about the information submittals as they become required.

Thank you!

# STATE OF COLORADO

## **WATER DIVISION ONE OFFICE OF THE STATE ENGINEER**

Division of Water Resources  
Department of Natural Resources

810 9th Street, Suite 200  
Greeley, Colorado 80631  
Phone: (970) 352-8712  
FAX: (970) 392-1816

[www.water.state.co.us](http://www.water.state.co.us)

May 22, 2002



Bill Owens  
Governor

Greg E. Walcher  
Executive Director

Hal D. Simpson, P.E.  
State Engineer

Richard L. Stenzel  
Division Engineer

Bijou Board of Directors  
C/o Kathy Samples, Secretary Treasurer  
Bijou Irrigation District & CO  
229 Prospect Street  
Fort Morgan, CO 80701

Jack Odor  
Groundwater Appropriators of the South Platte River  
P.O. Box 974  
219 E. Railroad Ave.  
Fort Morgan, CO 80701

Forrest Leaf  
Central Colorado Water Conservancy District  
3209 W. 28<sup>th</sup> St.  
Greeley, CO 80634

Dear Bijou Board, Mr. Odor, and Mr. Leaf:

I am writing to follow up on our meeting May 15, 2002 with Bijou representatives. At that meeting, we discussed two issues. The first was the fact that the Bijou augmentation plan is short of recharge credits for this year, which will require a by-pass of Bijou water under the Bijou decree. The second was the fact that GASP and Central may be short of augmentation credits in the future above the Bijou headgate, but there is the possibility of operating a river exchange between Bijou and both GASP and Central that could allow for excess credits from the GASP and Central plans located downstream of Bijou to be exchanged for the Bijou bypass requirements. This exchange would allow all parties to help meet their augmentation requirements without injury to any other water rights. At the meeting Bijou agreed to make this exchange, and GASP and Central later agreed to it, so this letter is to formalize our approval of this exchange for 2002.

This operation consists of two parts that will happen simultaneously. First, Bijou will make a bypass at its headgate in an amount needed to offset its augmentation obligation. For the month of May, the augmentation obligation amount is 5 cfs, but it may vary in other months. GASP and/or Central will then exchange excess credits that they have below the Bijou headgate back to the Bijou headgate in an amount equal to the Bijou bypass. Bijou has agreed at this time to give GASP and Central a credit of 1.5 acre feet

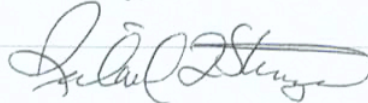


Bijou Board, Jack Odor, Forrest Leaf  
May 22, 2002  
Page 2

at its headgate for each acre foot of water so exchanged. This credit will be used to offset the augmentation obligations of GASP and Central that accrue above the Bijou headgate, and the credits exchanged will count toward the amount of water callable by Bijou. The combined amount that GASP and Central must provide as augmentation to replace out-of-priority well depletions above the Bijou headgate will be reduced by the amount of the credit. For example, in May, 5 cfs will be exchanged, and that will be treated as a delivery of 7.5 cfs by GASP and Central at the Bijou headgate.

The authority for the first step of this operation is the Bijou decree. The authority for the second step is the exchange statutes, since it is a straight river exchange. The accounting should be done accordingly. This operation will not result in injury to other water rights, and so is approved. It can continue for the remainder of 2002, as long as all parties are in agreement to do so and GASP and/or Central can provide water for the above described exchange. If the agreement changes, please contact us immediately.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard L. Stenzel", written over a horizontal line.

Richard L. Stenzel, P.E.  
Division Engineer

Cc: Hal Simpson, State Engineer  
Steve Sims, First Assistant Attorney General  
Jim Hall, Assistant Division Engineer

GROUNDWATER APPROPRIATORS OF THE  
SOUTH PLATTE RIVER BASIN, INC.

P. O. Box 974  
219 East Railroad Avenue  
Fort Morgan, Colorado 80701  
(970) 867-5298

# IMPORTANT NOTICE

May 10, 2002

## ATTENTION GASP MEMBERS:

If you own or operate a well between the confluence of the South Platte River and the St. Vrain (near Milliken, Colorado) and the Bijou headgate (near Hardin, Colorado), please take notice: Due to the extremely low snow pack this year and the unavailability of replacement supplies, GASP currently does not have sufficient replacement supplies to permit your well to operate after June 1, 2002. At that time, GASP's current replacement water supplies in this reach of the river will be exhausted, and the State Engineer may order curtailment of well pumping by GASP members in this reach. Any GASP member having access to a supply that could be used to replace depletions in this reach of the river should



immediately contact Jack Odor in order to avert a state-issued curtailment order on well pumping.

## **ATTENTION WATER DISTRICT 64 MEMBERS**

Without cooperation from all well owners and ditch companies in Water District 64, it is likely that GASP will be unable to provide replacement supplies to replace all depletions by GASP members' well pumping in some portion of Water District 64 (below Crook, Colorado) this year, which in turn may necessitate a restriction on pumping by some GASP members in Water District 64. Any GASP member having access to a supply that could be used to replace depletions should immediately contact Jack Odor in order to avert a state-issued curtailment order on well pumping.

THE FOREGOING NOTICE is provided to GASP members to insure that you are informed that the drought and competition by cities and industry for available water supplies have drastically reduced the replacement water supplies available in two reaches of the South Platte River. For the first time in 20 years, Colorado is experiencing a multiple-year dry cycle. Calls by senior water rights are occurring much earlier than normal and GASP is facing a reduction in available replacement supplies in certain reaches of the South Platte River. A reduction in available replacement supplies may force the State Engineer to order the curtailment of pumping by GASP members in reaches where replacement supplies are not available. At the time of this notice, GASP has adequate replacement supplies for its members only in the reach of the river above the St. Vrain confluence and between the Bijou headgate and the Harmony headgate.

The GASP Board of Directors cannot require GASP members to reduce the amount of ground water pumped or the amount of acreage you irrigate, but the Board, in carrying out its duties, must advise you that GASP has been unable to acquire sufficient replacement supplies to permit normal pumping in the two reaches described above. GASP will continue to seek additional replacement supplies to avoid this crisis, but unless there is a significant change in replacement supply availability, the State Engineer may be forced to issue curtailment orders and membership in GASP will not provide a defense to permit continued ground water withdrawal.





**KEN SALAZAR**  
Attorney General

**CHRISTINE M. ARGUELLO**  
Chief Deputy Attorney General

**ALAN J. GILBERT**  
Solicitor General

**STATE OF COLORADO**  
**DEPARTMENT OF LAW**

OFFICE OF THE ATTORNEY GENERAL

STATE SERVICES BUILDING  
1525 Sherman Street - 5th Floor  
Denver, Colorado 80203  
Phone (303) 866-4500  
FAX (303) 866-5691

April 15, 2002

Timothy R. Buchanan, P.C.  
14700 W. 66th Place, Suite 6  
Arvada, CO 80004

Via Fax (303) 423-7266

RE: Prewitt Reservoir Water Deliveries

Dear Tim:

This letter is in response to the letter you wrote to the State Engineer, Division Engineer and Attorney General on April 10, 2002.

The Division Engineer and Assistant Division Engineer Jim Hall met with a number of the owners of the Harmony Ditch in the spring of 2001. My clients understand that your clients own Prewitt Reservoir water, and some have water rights on the Harmony #3 ditch. The Engineers also understand that your clients are well users that are covered by the GASP substitute supply plan. The Engineers recall that your clients wanted to discuss augmentation of their wells and the options available to them if they didn't lease their Prewitt water to GASP. Your clients were told that they could either use their wells or their Prewitt water, but not both, since the wells relied on the Prewitt water as their replacement source.

Your letter contained numerous misstatements. I understand you are only getting this information second hand, but I wanted to point out a few of the discrepancies. First, at no time were your clients told that the State Engineer and Division Engineer "would not deliver the water from Prewitt Reservoir to the head gate at the Harmony Ditch." The Engineers also did not state that "other ditches between the point of delivery of the Prewitt Reservoir water to the South Platte River and the diversion point of the Harmony Ditch would take the water and that there would not be any water available for the owners of the Prewitt Reservoir water." Further the Engineers never advised the "owners of the Prewitt Reservoir water that they could either (1) receive no water from Prewitt Reservoir and no compensation for the Prewitt Reservoir water, or (2) the owners could lease the Prewitt Reservoir water to ...GASP and receive payment of five dollars and fifty cents per unit delivered to GASP." At no time did the Engineers compel the lease of Prewitt Reservoir water to GASP. In addition, the Engineers did not assert "that the water can not be delivered to the Harmony Ditch because (1) there are dry spots in the South



Platte River which will result in all of the water to be delivered to the Harmony Ditch being lost to the alluvium of the South Platte River, and (2) there are ditch structures along the route of the river that capture all of the flow of the river."

If your clients want to take advantage of the provisions of 37-87-103, they need to follow the procedure set forth in that statute. At that time, the Engineers will notify your clients about the amount of transit losses that will be assessed.

Sincerely,

FOR THE ATTORNEY GENERAL

STEVEN O. SIMS  
Assistant Attorney General  
Natural Resources and Environment Section  
(303) 866-5042  
(303) 866-3558 (FAX)  
Email: [steve.sims@state.co.us](mailto:steve.sims@state.co.us)

cc: Hal D. Simpson, State Engineer  
Dick Stenzel, Division Engineer  
Jim Hall, Assistant Division Engineer  
Ken Salazar, Attorney General  
Felicity Hannay, Deputy Attorney General  
Linda Bassi, First Assistant Attorney General  
Wendy Weiss, First Assistant Attorney General



## Groundwater Appropriators of the South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

March 6, 2002

To the GASP Membership:

As we approach the 2002 irrigation season, a number of very important issues are upon us. First, a recent decision by the Colorado Supreme Court held that the State Engineer does not have administrative authority under section 37-80-120 of the Colorado Revised Statutes to approve out-of-priority diversions that require a court-approved augmentation plan. This is the statute the State Engineer has relied on to approve GASP's plans. However, the Supreme Court recognized the State Engineer's administrative authority to regulate wells upon promulgation of rules for a river basin or aquifer.

In response to the Court's decision, the State Engineer has announced that he plans to amend the rules and regulations governing the withdrawal of ground water in the South Platte River Basin. It is essential that the State Engineer adopt these amended rules so that the GASP replacement program can continue to operate. The support of GASP's members for the State Engineer's efforts is critical. We hope you will pay close attention to these developments and participate in the process. For more information about the status of the rules, the State Engineer will post them on a website for that office.

Secondly, the water supply outlook for 2002 is not good. As we view the opportunity to obtain water supplies for replacement purposes, there is a distinct possibility that GASP will experience a shortfall between the demand for replacement water and our ability to acquire those supplies. If that condition occurs this year, there is likelihood that a curtailment of pumping by GASP members will be required. If a curtailment is ordered due to a lack of replacement supplies, we will promptly inform you. Any curtailment of pumping will be enforced by the State Engineer. We encourage you to maintain an awareness of snow pack amounts and plan your cropping patterns and irrigation accordingly. Voluntarily reducing the irrigated acreage is one way to deal with water shortages. We hope you will consider measures such as this. If you do, please let us know and we will document the situation for proof that water conservation measures are taking place.

These are difficult times for water users. Thank you for your attention and keep us informed of your wishes. GASP and its members must operate in accordance with the law, but we cannot maximize our benefit to our members without your input. We hope to receive your thoughts as we go into the coming irrigation season.

Sincerely,

Jack Odor  
GASP Manager





**Groundwater Appropriators of the  
South Platte River Basin Inc.**

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

January 18, 2002

Dear GASP Member:

By now, many of you may have heard of some events that may effect your GASP membership. We hope that this letter will answer some questions on the subject.

A few weeks ago, the Colorado Supreme Court handed down a ruling concerning a water right issue in a different river basin. The court decision was not against GASP, but it did suggest that the State Engineer may not have the authority to grant GASP the permission to operate on a year to year basis while not working toward a final solution. The court went on to say that there are ways to remedy the problem.

Enclosed is a letter from the State Engineer that you should read. It will say that for this year, there are only a few changes expected and by next year some measures will have hopefully been taken to permanently correct the problem. Please pay close attention to this subject in the upcoming months, and if questions arise call us for clarification. Also, watch for a meeting in your area to more fully discuss these issues.

Thank you for your attention to this very important subject.

Sincerely,

Jack Odor  
GASP Manager

# STATE OF COLORADO

## OFFICE OF THE STATE ENGINEER

Division of Water Resources  
Department of Natural Resources

1313 Sherman Street, Room 818  
Denver, Colorado 80203  
Phone: (303) 866-3581  
FAX: (303) 866-3589

<http://water.state.co.us/default.htm>



Bill Owens  
Governor

Greg E. Walcher  
Executive Director

Hal D. Simpson, P.E.  
State Engineer

January 15, 2002

Groundwater Appropriators of the South Platte  
P. O. Box 974  
Fort Morgan, CO 80701

Central Colorado Water Conservancy District  
3209 W. 28<sup>th</sup> Street  
Greeley, CO 80634

Lower South Platte Water Conservancy District  
100 Broadway Plaza, #12  
Sterling, CO 80751-2757

## RE: 2002 Operations

Dear Board Members:

I am writing to inform you of my reaction to the opinion issued by the Colorado Supreme Court on December 17, 2001 in the Empire Lodge Homeowner's Lodge case and my policies for approving your Plan of Operation for the 2002 year.

The Colorado Supreme Court's opinion is not yet final, and may be changed in response to our petition for rehearing. Unless and until that happens, I must make plans to respond to this opinion in a manner that will protect the agricultural economy of the South Platte River.

Over 5,000 large capacity wells have pumped since 1974 when the South Platte Rules for the use of tributary ground water were promulgated. Operating plans have been approved annually by the State Engineer that replace out-of-priority depletions to water rights in Colorado, and depletions to the flow of the South Platte River at the Interstate Station which will diminish the flow of the South Platte River below 120 cfs on any given day between April 1 and October 15.

The annual operating plans were approved based on interpretations of Section 37-80-120 and Section 37-92-501.5, C.R.S., by my predecessors and myself. The Supreme Court stated that Section 37-80-120 is limited to exchange of reservoir water only and does not authorize the approval of substitute supply plans for the replacement of out-of-priority diversions. The Colorado Supreme Court did indicate that the State Engineer can allow out-of-priority diversions through enforcement discretion pursuant to Section 37-92-502. Therefore, for the 2002 year, I will review your 2002 Plan of Operation and if the plan is sufficient to replace out of priority depletions and depletions to the flow of the South Platte River of the Interstate Section which



will diminish the flow below 120 cfs between April 1 and October 15 on any given day, I will use my enforcement discretion to allow the wells included in those plans to continue in operation.

To address the decision of the Colorado Supreme Court on a long-term basis, I will seek to amend the 1974 Rules governing the use of tributary ground water in the South Platte River. I intend to file these amended rules by April 1, 2002. If objections to these rules are filed with the Water Court, and I expect that this will happen, then a trial before the Water Judge will be required. It could take some time for this trial to be completed and the Water Judge to issue a decision. It is unlikely that this decision would be available before the beginning of the irrigation season.

These amended rules would allow the State Engineer to approve plans on an annual basis that would replace out-of-priority depletions to senior water rights and depletions which would diminish the flow of the South Platte River at the Interstate Station in violation of the South Platte River Compact. These amended rules would be similar to rules promulgated for the Arkansas River in 1996. The amended rules would provide operational flexibility that is not available under an adjudicated plan for augmentation since some sources of replacement water are not suitable for an adjudicated plan for augmentation.

In conclusion, for the 2002 year I intend to utilize the same criteria that were used last year to review your Plan of Operation. In light of the current snowpack, it appears that the runoff will be below average for the third year in a row. This could result in longer periods of call by senior water rights and a longer period of time when the flow of the Interstate Station is less than 120 cfs. This may require more replacement water than in previous years, so I strongly encourage you to obtain more replacement water, if available, or to limit pumping by member wells.

I will meet with the water users of the South Platte River at various meetings to discuss the proposed amended rules prior to filing them with the Court. If you would make your Board and members aware of those meetings, I would appreciate it. If you have any questions, please feel free to contact me.

Sincerely,

  
Hal D. Simpson  
State Engineer

cc: Greg Walcher, Executive Director, DNR  
Dick Stenzel, Division Engineer  
Steve Sims, Assistant Attorney General  
Don Ament, Commissioner of Agriculture  
Senator Marilyn Musgrave  
Representative Diane Hoppe



**Groundwater Appropriators of the  
South Platte River Basin Inc.**

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

## **NOTICE:**

July 3, 2001

To GASP Members:

This notice is an update of the notice you previously received dated March 8, 2001. GASP has acquired additional supplies and the current expectations are that your augmentation requirements should be raised to 100 % for the current water year.

We hope that this information is sufficient for your planning needs.

Thank you for your attention to this matter.

Board of Directors  
Groundwater Appropriators of the South Platte River Basin, Inc.



970 867-5299

## STATE OF COLORADO

WATER DIVISION ONE  
OFFICE OF THE STATE ENGINEER  
Division of Water Resources  
Department of Natural Resources

810 9th Street, 2nd Floor  
Greeley, Colorado 80631  
Phone: (970) 352-8712  
Fax: (970) 392-1816

<http://water.state.co.us/default.htm>



Bill Owens  
Governor

Greg E. Walcher  
Executive Director

Hal D. Simpson, P.E.  
State Engineer

Richard L. Stenzel  
Division Engineer

## FAX COVER SHEET

PLEASE DELIVER THE FOLLOWING PAGES TO:

TO:

Jack Odor

OFFICE:

GAS

FROM:

Jim Hall

DATE:

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 2

IF YOU DO NOT RECEIVE ALL OF THE PAGES AS INDICATED OR QUALITY IS UNACCEPTABLE,  
PLEASE CALL US BACK AS SOON AS POSSIBLE.

TELEPHONE: (970) 352-8712

FAX NUMBER: (970) 392-1816

MESSAGE:



**Groundwater Appropriators of the  
South Platte River Basin Inc.**

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

## **NOTICE:**

July 2, 2001

To GASP Members:

This letter is an update to the one you received dated March 8, 2001 in which your augmentation coverage provided by GASP was discussed. At this time, it appears that GASP has secured enough augmentation supplies to be certain to allow pumping through July, 2001. This condition has come about because of three factors.

- A. The compact call did not come on until later this year, allowing some supplies to be saved until later.
- B. Several water users in your area have implemented recharge activities which are now producing positive return flows.
- C. GASP has participated in drilling a new well which will produce water that will offset depletions caused by GASP member pumping.

GASP is working toward expanding these efforts so well pumping by members may continue.

We hope this information is helpful to you so that you can plan your irrigation scheduling. Thank you for your attention to this matter.

Board of Directors  
Groundwater Appropriators of the South Platte River Basin, Inc.



## NOTICE:

DRAFT

July 2, 2001

To GASP Members:

This letter is an update to the one you received dated March 8, 2001 in which your augmentation coverage provided by GASP was discussed. At this time, it appears that GASP has secured enough augmentation supplies to be certain to allow pumping through July, 2001. This condition has come about because of three factors.

- A. The compact call did not come on until ~~much~~ later this year, allowing some supplies to be saved until later.
- B. ~~Several~~ Several water users in your area have implemented recharge activities which are now producing positive return flows.
- C. ~~GASP~~ GASP has participated in drilling a new well which will produce <sup>water</sup> ~~recharge~~ that will offset depletions caused by GASP member pumping.

GASP is working toward <sup>expanding</sup> ~~expanding~~ these efforts so well pumping by members may continue.

We hope this information is helpful to you so that you can plan your irrigation scheduling. Thank you for your attention to this matter.

Jack Odor

Manager, GASP

DRAFT

# STATE OF COLORADO

## OFFICE OF THE STATE ENGINEER

Division of Water Resources  
Department of Natural Resources

1313 Sherman Street, Room 818  
Denver, Colorado 80203  
Phone: (303) 866-3581  
FAX: (303) 866-3589

<http://water.state.co.us/default.htm>



Bill Owens  
Governor

Greg E. Walcher  
Executive Director

Hal D. Simpson, P.E.  
State Engineer

June 4, 2001

Mr. Jack Odor, PE  
Groundwater Appropriators of the South Platte  
P.O. Box 974  
Fort Morgan, Colorado

Mr. Bob Schott  
Lower South Platte Water Conservancy District  
100 Broadway Plaza #12  
Sterling, CO 80751

Dear Mr. Odor and Mr. Schott:

Recharge and well augmentation efforts have expanded dramatically in the lower South Platte River during this Spring of 2001. These efforts are a good cooperative activity of local water users, Julesburg Irrigation District, Northern Colorado Water Conservancy District (NCWCD), Lower South Platte Water Conservancy District (LSPWCD), Groundwater Appropriators of the South Platte (GASP), and representatives of my office. I am writing this letter to approve the methodology for accounting of accretions to the South Platte River from the newly expanded recharge efforts. With this approval, LSPWCD and GASP can utilize the accretion credits for augmentation of member wells in the LSPWCD and GASP Substitute Water Supply Plans.

The attached Table 1 lists the newly developed recharge sites, legal locations, water sources, and SDF values. Water Commissioner J.T. Hanrahan has visited these sites and approved the measurement structures for inflows for this year. I have also visited some of the sites during my recent field trip to the area. The standard SDF methodology used by numerous other recharge projects on the South Platte River is approved for the computations of accretion credits from these new recharge sites. Like other recharge sites on the lower river, it is my understanding that the Northern Colorado Water Conservancy District (NCWCD) will be responsible for calculating recharge credits. The SDF values were obtained from the USGS Open File Report titled "Hydrogeologic Characteristics of the Valley-Fill Aquifer in the Julesburg Reach of the South Platte River Valley, Colorado".

I would stress that only recharge amounts that are verified by Mr. Hanrahan will receive credit. Deducted from the measured daily inflow values to the recharge areas approved by Mr. Hanrahan will be evaporation based on surface area and net pond evaporation determined from the NCWCD Ovid weather station. The net recharge or seepage from each new area will then be an input with the area's SDF value into the standard SDF computer program for computation of monthly accretion values to the river.




Jack Odor and Bob Schott  
June 4, 2001  
Page 2

The Julesburg Irrigation District has filed a recharge water right application (95CW283) with the Water Court in Water Division 1. It is my understanding that Julesburg Irrigation District intends to include these recharge areas in this decree. This office is an objector in that case and will participate in the finalization of the decree for that application.

Should you have any questions or comments, please contact Jim Hall, PE, Assistant Division Engineer, in Greeley at 970-352-8712.

Sincerely,

  
Hal Simpson, PE  
State Engineer

CC: Richard Stenzel, PE, Division Engineer  
Jim Hall, Assistant Division Engineer  
J.T. Hanrahan, Water Commissioner  
Jon Altenhofen, NCWCD

Table 1

**NEW RECHARGE AREAS FOR SPRING 2001**  
**LOWER SOUTH PLATTE RIVER**

Name	Legal Location	Water Source	SDF Value (days)	Aug. Plan
	6th PM, Sedgwick County			of Individuals
<b>Individual Recharge Areas</b>				
Sittner	NW SE Sec 01-11N-46W	Peterson Canal	65	GASP
Sanger	NE SW Sec 31-12N-45W	Peterson Canal	270	GASP
Meier Bros.	SW SE Sec 28-12N-45W	Peterson Canal	440	GASP
Schneider	SE SE Sec 33-12N-45W	Peterson Canal	145	GASP
Engleker	NW NE Sec 03-11N-45W	Peterson Canal	120	GASP
LSR (Lechman/Schneider/Radel)	SE SE Sec 35-12N-45W	Peterson Canal	375	GASP/LSPWCD
Walter	NE NW Sec 34-12N-45W	Peterson Canal	460	GASP
Lechman	NW SE Sec 35-12N-45W	Peterson Canal	525	GASP
Harms	NW SE Sec 25-12N-45W	Peterson Canal	1200	LSPWCD
Kinnison	NE NW Sec 31-12N-44W	Peterson Canal	790	LSPWCD
Hanson	NW NE Sec 31-12N-44W	Peterson Canal	715	LSPWCD
McKinstry-Thode	SW NE Sec 25-12N-45W	Peterson Canal	1340	LSPWCD
Gerk	NW SE Sec 19-12N-44W	Peterson Canal	1230	LSPWCD
Farmers Grain-Thode	NE SE Sec 20-12N-44W	Peterson Canal	790	LSPWCD
Kontny-Thode	SW NE Sec 28-14N-44W	Peterson Canal	105	LSPWCD
Dave Nein	SW SE Sec 15-11N-47W	Settlers Canal	70	GASP
Lind Farms	NE SW Sec 21-11N-47W	Highline Canal	80	GASP
Jenick-Jenick	SW SW Sec 16-11N-47W	Highline Canal	280	GASP
R. Jenick (HV)	SE SW Sec 01-11N-47W	Highline Canal	680	GASP
Steve Nein	S1/2 Sec 25-12N-46W	Highline Canal	700	GASP
McCormick	SW SW Sec 20-11N-46W	Well at River	50	GASP
<b>In-Ditch Recharge Areas</b>				
Peterson Canal Reach 1 (River to Lodgepole Ck)	11N-12N, 45W-47W	Peterson Canal	200	
Peterson Canal Reach 2 (Lodgepole Ck to Lower Check)	12N, 45W	Peterson Canal	480	
Peterson Canal Reach 3 (Lower Check to End of State Line Ditch)	12N, 44W-45W	Peterson Canal	1200	
Settlers Canal	11N, 47W	Settlers Canal	200	
Highline Canal Reach 1	11N-12N, 46W-47W	Highline Canal	750	
Highline Canal Reach 2	12N, 45W-46W	Highline Canal	750	



# NOTICE:

March 8, 2001

To GASP Members:

The board of directors and staff at GASP have determined that a shortage of augmentation water may exist this summer if weather conditions do not improve. Therefore, estimates have been made to determine the amount of shortfall and the risk that the State water officials will call for a curtailment. As of this date, we have acquired \_\_\_\_\_ % of the water needed. The figure given here may increase as more water becomes available and we are getting more from time to time. The percentage of coverage may also increase if weather conditions and river flows improve. We intend to keep you informed if this number increases.

It is not clear at this time if the State Engineer will not allow pumping at all or allow a percentage of normal pumping because of the shortage.

We feel obligated to keep you informed so that your irrigation plans can be changed to suit the conditions. Thank you for your attention to this very important matter.

Board of Directors  
Groundwater Appropriators of the South Platte River Basin, Inc.



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**Groundwater Appropriators of the  
South Platte River Basin Inc.**

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

February 20, 2001

Dear GASP Member:

The year 2000 was a difficult water year to say the least. Low snowpack and runoff combined with below average rainfall created a low river flow and much higher than normal calls for water. Because of that, out of priority well pumping meant GASP was stretched to the limit of its capabilities.

Drought preparedness is becoming an important discussion item between the GASP board of directors and State of Colorado water officials. We are faced with the question of what to do if we can not deliver enough augmentation water to meet depletion obligations.

Enclosed with this letter is a policy which GASP is pursuing. It is important that GASP members know what could happen, and what communication needs to be supplied so that the membership can make informed decisions. We hope that these practices help you with your plans. Since we have never operated like this, there may be some questions or confusion arise. Please let us know how we can help.

Thank you for your understanding and interest.

Board of Directors  
Groundwater Appropriators of the South Platte River Basin



This proposal is being submitted for consideration by the Board of Directors, and if approved, will become a plan to be used in the event of a curtailment of operations due to a shortfall in augmentation water availability.

Statements of current fact and operating criteria.

1. GASP has about 3000 wells currently included in a Substitute Supply Plan.
2. GASP owns, acquires, manages or generates sufficient water quantities to provide augmentation during most years.
3. GASP recognizes that even though its best efforts are exercised, there may become a time when an augmentation shortfall exists.
4. GASP has sufficient records and engineering criteria to create depletion calculations on a monthly basis at each reach or area within the South Platte River basin and its tributaries.

Policy proposals to deal with a shortfall.

- A. GASP records will be kept in such a fashion that current monthly depletions are known in each river reach.
- B. GASP supplies will be scheduled for release or replacement so as to maximize their replacement value for augmentation purposes.
- C. GASP will submit for inspection and review, on a monthly basis, the results of A & B above to the Division Engineer.
- D. In the event that the projected out of priority depletions exceed the available supply, the Division Engineer shall give GASP reasonable notice of such conditions and GASP can...
  1. Obtain more supply in the areas or regions of the shortfall, or ...
  2. Submit notice to its customers that a curtailment of pumping is required.
- E. Curtailment of pumping will commence as follows:
  1. Shortfall will be computed as a percentage of the available supply to the total needed. The computation will be made at the beginning of the irrigation season and be based on the assumption that a call may exist for the entire season. All computations are to be made on a regional basis. Some regions may have different augmentation needs and coverage than others.

2. A notice will be sent to all GASP members informing them that their GASP units are secure up to an amount not to be less than the percentage of total coverage and that the pumping allowance may be increased at a later time but not decreased.
3. From time to time during the irrigation season, probably monthly, waters that were not needed for replacement due to a lack of river calls shall, where possible, be held over for later use. A new computation will be made and the allowance for pumping increased accordingly. The results of the new computation will be made available to the GASP membership so that the increase in pumping can take place.
4. As the irrigation season continues it is also possible that GASP may acquire new or additional supplies, which could also increase the percentage allotment of allowable pumping.
5. It is the goal of this program to reach a point during the irrigation season at which the notice is given that all GASP units are covered at 100% of their 100 AF value.\*

\* Where the decree stipulates a lesser or more restrictive number, the lower number will control.

6. Members who have B-Contracts, C-Contracts, D-Contracts or S-Contracts whereby their replacement waters are supplied and secured before the irrigation season starts are exempt from any curtailment described above, up to the amount for which their contract provides coverage.

Nothing in this plan shall prevent GASP, on behalf of its membership from entering into agreements, arrangements, methods or management techniques that, when applied, reduce the call time periods.





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## Groundwater Appropriators of the South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

August 22, 2000

### **GASP MEMBERSHIP:**

As the 2000 irrigation year winds down, a number of issues have come into focus that need to be discussed with the GASP membership.

For several years, GASP has maintained a constant assessment rate that produced revenues that allowed for very little emergency preparedness. During 2000, the operations at GASP were stretched more than ever before. Depletion calculations using new computer technology were performed on a continuous basis so that the State officials could operate the river without interruption and without irrigation well curtailment. Each time a potential weakness was identified, more water was obtained. As the drought continued, our financial reserves were depleted bringing about the current situation.

The GASP board of directors have examined the policies and membership rules and have concluded that some changes are required.

In order to more accurately predict depletions caused by well pumping, flow meters or other alternatives will be required. A more aggressive water purchase and lease practice will be pursued. Assessments will be increased and the assessment structure will be reviewed.

Thankfully, our past planning efforts and our dedicated staff made it possible for us to succeed in 2000. If we are to continue in the coming years, we will require your cooperation and understanding. Please let us know if you have thoughts concerning these and other issues. Thank you.

Phil Mortensen  
GASP President

# STATE OF COLORADO

## OFFICE OF THE STATE ENGINEER

Division of Water Resources  
Department of Natural Resources

1313 Sherman Street, Room 818  
Denver, Colorado 80203  
Phone: (303) 866-3581  
FAX: (303) 866-3589

<http://water.state.co.us/default.htm>



Bill Owens  
Governor

Greg E. Walcher  
Executive Director

Hal D. Simpson, P.E.  
State Engineer

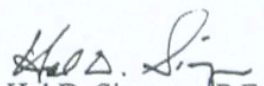
July 27, 2000

Mr. Harold Griffith  
Fort Morgan Reservoir and Irrigation Company  
218 East Kiowa Avenue, Suite A  
Post Office Box 38  
Fort Morgan, CO 80701

Dear Mr. Griffith:

We have received your letter dated July 18, 2000. In response to the concerns raised in your letter, we do not believe operation of the GASP substitute supply plan is creating injury to Fort Morgan's October 18, 1882 water right. We would appreciate the opportunity to meet with the members of the Fort Morgan Reservoir and Irrigation Company Board and possibly the President of GASP to discuss the details of GASP's plan in this portion of the river and Fort Morgan Reservoir and Irrigation Company concerns. If this is acceptable, please contact Marta Ahrens of my staff at 303-866-3581 Ext. 229 who will set up a meeting time with all parties. I look forward to hearing from you and if you want to talk to me directly, please feel free to call me at 303-866-3585, Ext. 230.

Sincerely,

  
Hal D. Simpson, P.E.  
State Engineer

Cc: Richard Stenzel, Division Engineer  
Phil Mortensen, President GASP ✓



# STATE OF COLORADO

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Bill Owens  
Governor

Greg E. Walcher  
Executive Director

Hal D. Simpson, P.E.  
State Engineer

July 26, 2000

Mr. Jack Odor, Manager  
GASP  
P.O. Box 974  
Fort Morgan, CO 80701

Dear Jack:

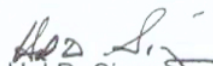
I am responding to your letter of June 29, 2000, concerning the use of various methods to determine the volume of water pumped by a well. I have endorsed both the totalizing flow meter and the power conversion coefficient (PCC) method in rules for the Arkansas River Basin and believe both are acceptable if properly utilized.

Totalizing flow meters need to be properly installed and maintained in order to provide reliable and accurate information. Periodic calibration is also needed to determine the degree of accuracy. The Arkansas River Basin rules require calibration every four years. Obviously, someone has to read the meters on a regular basis in order to obtain monthly amounts. If GASP is using only annual data, then no one is observing them on a monthly basis to determine if they are operating properly.

The PCC method is acceptable for certain well configurations where total Dynamic Head does not vary significantly under different operating conditions. The Arkansas River Basin rules establish the appropriate conditions for the PCC method, which also require the PCC to be determined every four years. The PCC method provides a simple method to estimate monthly pumping for some wells that meet the operational constraints.

I am comfortable with either method if properly utilized. If you would like to discuss the implementation of the Arkansas River Basin measurement rules with me and your Board, I would be glad to do so.

Sincerely,

  
Hal D. Simpson  
State Engineer

cc: Dick Stenzel

HDS/cd



Groundwater Appropriators of the  
South Platte River Basin Inc.

P. O. Box 974 - 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

June 29, 2000

Hal Simpson  
Division of Water Resources  
1313 Sherman Street, Room 818  
Denver, Colorado 80203

Dear Hal:

I anticipate that within the foreseeable future, GASP will adopt a policy requiring that each well in the replacement program be equipped with a totaling flow meter or be analyzed to formulate a power conversion coefficient. I would like some input from you so that our customers do not spend money needlessly only to find that their actions are not considered valuable in your review of our program.

Currently, about 17% of our members have totalizing flow meters and the number grows each year as users find that their annual report to GASP is made easier by having the information so readily at hand. We do not want to promote more flow meters if you have an objection to them. On the other hand, the power coefficient is not popular in the South Platte River basin, but is known to be in widespread use in the Arkansas River basin. We can promote its use to the exclusion of other methods if you direct us to do so. I ask that you give this matter some thought and let us know of your ideas in a timely matter so that the GASP board of directors can make decisions based on the same ideas that you have.

Respectively yours,

Jack Odor  
GASP Manager

cc: Hill & Robbins



# STATE OF COLORADO

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<http://water.state.co.us/default.htm>



Bill Owens  
Governor

Greg E. Walcher  
Executive Director

Hal D. Simpson, P.E.  
State Engineer

March 13, 2000

Mr. Phil Mortensen, President  
GASP  
P.O. Box 974  
Ft. Morgan, CO 80701

Dear Phil,

I am writing to confirm our discussion regarding the concern of some of your members about providing an estimate of pumping or actual pumping amounts because they fear that they could be penalized by our agency. For instance, a person purchased 2 units of GASP but only pumps 170 acre-feet and fears we would limit the well permit in some way. In a dry year, they may very well need to pump the full 200 acre-feet. I want to assure you, the Board, and your members, that we will not use the better data in a detrimental way.

It is important for GASP and our agency to use the most accurate data available to estimate well pumping depletions. If your members provide inflated amounts equivalent to the units of GASP purchased, then depletions will be over stated resulting in a requirement for more augmentation water than really necessary. This would add to GASP's cost of operation and we certainly do not want to have that happen in light of the high cost of water available for replacement purposes.

If I can provide any additional information or thoughts on this issue, please feel free to call me.

Sincerely,

  
Hal D. Simpson  
State Engineer

cc: Dick Stenzel, Division Engineer  
Dennis Montgomery, Hill & Robbins



## Groundwater Appropriators of the South Platte River Basin Inc.

P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298

### GASP MEMBER

As you may well know, the price of water shares in the upper South Platte River basin are skyrocketing. In some cases, prices are 10 or 20 times what they were only 10 years ago. As an example, in 1998, Colorado Big Thompson units sold for \$3600.00 and in February of this year, the unit price had increased to \$14,000.00. It continues to rise and this is a major concern to GASP and any other water related entity.

For nearly 30 years, GASP has provided augmentation services to its members by collecting annual fees and using the revenues to rent or purchase the necessary replacement supplies. Membership in GASP has always been and continues to be on a year to year basis. No long term membership agreements have ever been made.

While some may argue, GASP augmentation fees have always been low and now, in this price spiraling market they are too low in some places. It is not reasonable to think that GASP and its members can continue to operate at the current fee to cost of service ratio.

The time has come to consider some substantial changes in the GASP fee structures as well as its level of service for its members. In the not too distant future, the GASP Board of directors will be examining the situation and will, in all probability recommend some changes. If members have constructive opinions or ideas, I am sure that the board of directors would be willing to hear about them. Please keep up with these issues so that we can get to solutions which can be tolerated by all.

Thank you for your attention to this very important issue.

Jack Odor  
GASP Manager





**Groundwater Appropriators of the  
South Platte River Basin Inc.**

**P. O. Box 974 • 219 E. Railroad Ave.  
Fort Morgan, Colorado 80701  
970-867-5298**

**NOTE:**

Over the years, a number of GASP members have expressed a concern that an accurate report of annual pumping will hurt their water right if they do not pump up to a maximum allowable amount. The enclosed letter from State Engineer Hal D. Simpson should answer that concern. We hope that the State Engineer's response is helpful and that all GASP members give an accurate accounting of their well pumping when filling out future annual reports.

Thank you for your attention.

Jack Odor  
GASP Manager

# STATE OF COLORADO

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Division of Water Resources  
Department of Natural Resources

1313 Sherman Street, Room 818  
Denver, Colorado 80203  
Phone (303) 866-3581  
FAX (303) 866-3589



Roy Romer  
Governor

James S. Lochhead  
Executive Director

Hal D. Simpson  
State Engineer

May 29, 1997

Mr. Bart Woodard, President  
GASP  
P. O. Box 974  
Ft. Morgan, CO 80701

Dear Bart:

I have reviewed the draft contingency plan that Jack gave me at the meeting on May 6 in Ft. Morgan. I am disappointed in the nature of the plan in that it envisions a gradual curtailment of well pumping. This is not what I expected when I made the request that GASP have a drought contingency plan in place by the end of 1998. I know Central Colorado Water Conservancy District is moving forward with a more comprehensive effort.

The current rules in effect concerning ground water use (Rule 4) require that out-of-priority depletions be replaced or that a calling senior water right is compensated in an approved plan. I see no opportunity for a gradual curtailment of pumping under these rules.

I, again, must request that GASP utilize its resources and expertise to develop a drought contingency plan by the end of 1998. If you need to meet to discuss this with Dick Stenzel and me, please call.

Sincerely,

Hal D. Simpson  
State Engineer

cc: Dick Stenzel



# STATE OF COLORADO

OFFICE OF THE STATE ENGINEER  
Division of Water Resources  
Department of Natural Resources

1313 Sherman Street, Room 818  
Denver, Colorado 80203  
Phone (303) 866-3581  
FAX (303) 866-3589



Roy Romer  
Governor  
Ken Salazar  
Executive Director  
Hal D. Simpson  
State Engineer

November 1, 1993

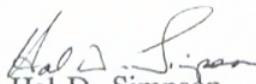
Mr. Tom Cech, Executive Director  
Central Colorado Water Conservancy District  
3209 West 28th Street  
Greeley, CO 80631

Dear Tom,

I am writing to confirm our discussion today that wells constructed prior to June 7, 1969 can be regular members of your District's augmentation plan without regard to the date of adjudication. The basis for this decision is Section 37-92-102 (2)(a), C.R.S., and the previous unwritten policies of this office.

I look forward to working with both Central and GASP in the administration and management of the ground water resources of the South Platte River Basin.

Sincerely,

  
Hal D. Simpson  
State Engineer

HDS/ma

cc: Alan Berryman, Div. Eng.  
Jack Odor, GASP  
Dick Stenzel

1. **POLICY:** - (in districts other than 1 & 64)

A moratorium exists that does not allow an increase in GASP units without Board approval.

2. **POLICY:**

A moratorium exists that allows a new membership to be formed only with board approval.

3. **POLICY:**

Recharge augmentation water is paid for based on a negotiated price at or after the end of the water year (Oct. 31) for accretions to the river for the previous period of April - October inclusive or other negotiated terms.

4. **POLICY:** - (in districts 1 & 64)

If, through evaluation of current pumping activities, a GASP member wishes to increase his number of units because the member is overpumping, the member may pay the appropriate fee (all back dues & current year fee) and increase his units. This action does not require board approval.

approved at the January 6, 1998 Board Meeting



**5. POLICY:**

The number of units a member acquires is a decision of the member and not GASP. GASP can make recommendations, but the ultimate decision is made by the member. Certainty that the number of GASP units held and the number required is the responsibility of the member.

**6. POLICY:**

At GASP, a unit(s) of membership is associated with a given well. It cannot be transferred to another well without management approval. It cannot be divided when a sale or division occurs. Payment for membership dues can be made and accepted by any party without further review (by a renter, a lender, a business associate etc.) Transfer of the membership must be made in writing or by contact with the office. Division of a contract into two or more parts must be made in writing and the size and proportion of the division is wholly at the discretion of the current owner and not by GASP. Fractional units are not allowed by a division and the division may require the purchase of an additional unit to make each remaining parcel fully covered.

**7. POLICY:**

Partial payments of GASP fees are not allowed.

**8. POLICY:**

No new memberships are taken after October 31, and before April 15, of the following year. The purpose of this policy is to allow existing members the maximum latitude to renew their contracts before GASP assumes additional obligations. In a year when augmentation supplies are limited, those benefits shall be equally distributed to all current GASP members.

approved at the January 6, 1998 Board Meeting

**9. POLICY:**

Wells constructed prior to June 7, 1969 can be regular members of GASP without regard to the date of adjudication. (Section 37-92-102 (2)(a))

**10. POLICY:**

GASP does not provide augmentation services for gravel pits or any other consumptive use activities other than water well(s) unless authorized by the Board of Directors.

**11. POLICY:**

Records of customer activities are given out (at cost) only to the customer or to a personal representative that can show proof that the customer wishes the records to be divulged to the personal representative.

**12. POLICY:**

A member of the Board does not have to own a well, but need only an interest in water by association.

approved at the January 6, 1998 Board Meeting



**13. POLICY:**

Payment due by March 15

Payment + \$10 penalty due by April 15

Payment + \$50 penalty due After April 15  
until October 31 of the same year with  
Board approval

No reinstatement is allowed between  
October 31 and April 15 of the following year

(1 year late)

After April 15 following the year of delinquency,  
reinstatement is effected by paying the previous  
year assessment + \$50 penalty and current year  
assessment + \$50 penalty, (per unit)

(2 year late)

After April 15 following the next year of  
delinquency, reinstatement is effected by paying  
the previous years assessments + \$50 penalty per  
year (per unit)

(3 year late)

After April 15 following the next year of  
delinquency, reinstatement is effected by paying  
the previous years assessments + \$50 per year  
(per unit)

After April 15 following next year of delinquency,  
the membership no longer has any status with GASP  
and reinstatement is done by Board approval with  
full payments due as though the membership had  
never existed.

approved at the January 6, 1998 Board Meeting

GASP Policy #14

**GASP POLICY ON PAYMENT FOR WINTER AUGMENTATION CREDITS**

1. All winter credits will be turned over to GASP for administration.
2. GASP will sell the credits to those entities in need on an as available basis.
3. Charges will be structured as follows:
  - a. Agricultural customers      \$5.50 \*
  - b. Municipal customers          22.00 \*
  - c. Industrial customers        27.50 \*
  - \* plus expenses (clerical & legal)
4. Revenues will be dispersed as follows:
  - a. GASP retains 25% of all revenues.
  - b. 75% of revenues will be returned to the augmentation water providers in proportion to their respective quantities generated.
5. All sales are to be for annual use:



## GASP Policy #15

### **WATER POLICY:**

Re: delivery of reservoir and direct flow augmentation supplies.

Purpose: to insure a more timely delivery of waters to the State for the equitable execution of the GASP plan of operation.

Payments for water supplies to be used for GASP will be made according to the following schedule.

#### **% OF STANDARD PAYMENT**

Submittal for payment by May 1 of each year	100%
Submittal for payment between May 2 & June 1	80%
Submittal for payment between June 2 & July 15	50%
Submittal for payment after July 16	0%

GASP may adjust this payment schedule at any time without notice of any kind to holders of water rights.

GASP Policy #16

**RULES FOR ACCEPTING MEMBERS:**

- (a) All renewal notices are to be sent out in the month of January.
- (b) A deadline for renewal will be March 15<sup>th</sup>.  
The postmark on the renewal form shall apply.
- (c) A grace period until April 15<sup>th</sup> shall be allowed and a late fee assessed at a rate of ten dollars per unit of membership. Any renewal received postmarked later than March 15<sup>th</sup> shall be re-assessed the late fee before the renewal is granted.
- (d) A second notice shall be sent as soon after March 15<sup>th</sup> as possible.
- (e) A waiting list shall be kept by the office staff. No membership shall be granted until the Board of Directors and the management have reviewed and approved the application at a regular board meeting.
- (f) All unpaid memberships after April 15<sup>th</sup> shall be automatically placed on the waiting list until renewal is completed.
- (g) A fifty dollar per unit penalty will be assessed after April 15<sup>th</sup>.
- (h) A name placed in the hold file for lack of payment shall be removed from the waiting list after December 31 of the same year that payment is due.
- (i) Any renewal granted after more than one year lapse shall have a penalty assessed equal to fifty dollars per unit per year of lapse.
- (j) Any request for deviation from these rules must be made in writing and any approval to such request shall be by board action.

**Accepted at the October 5, 1999 Board Meeting**



**GASP POLICY #17**

To allow no new 'A' contract memberships in GASP in any district.

**GASP POLICY #18**

To allow an increase in units to those members who overpump to bring their GASP contract into compliance.

Voted on and approved at the August 15, 2000 Board Meeting

## **GASP POLICY #19**

All contracts for membership will be allowed up to two wells per unit. Contracts which have greater than two wells per unit will be charged a clerical fee of \$50 for each well in excess of two wells per unit.

Voted on and approved on Nov. 28, 2000



## ***GASP POLICY #20***

GASP will require that by January 1, 2005, all member wells must have in place an accepted method for more accurately determining the total amount of water pumped from each well.

### ***ACCEPTED METHODS***

#### **1. TOTALIZING FLOWMETER**

- A. Meters must be properly installed.
- B. Meters must be properly maintained.

#### **2. POWER CONVERSION COEFFICIENT**

- A. Kilowatt hours can be used with a proper Power Coefficient Factor as determined by a certified tester.

#### **3. HOUR METER**

- A. Acceptable Hour Meters can be used with an actual pump rate as determined by a certified tester.

Voted on and approved Jan. 9, 2001

## ***GASP POLICY #21***

Delinquent GASP members are not granted any privileges of membership and are not covered for augmentation by GASP until the delinquency is corrected.

Voted on and approved on October 9,2001



## **TYPE OF GASP CONTRACTS**

### **CLASS 'A' CONTRACTS**

Those wells which can be covered using replacement water that is acquired by GASP through rent, purchase, or development. This water is acquired using assessments collected from each A contract holder. These wells must have been drilled prior to 1969 or must have been adjudicated prior to December 31, 1972. An A contract well is totally dependent upon GASP for replacement water.

### **CLASS 'B' CONTRACTS**

Those which are "new" wells or wells servicing "new" acres (i.e.; expanded use). These wells are required to bring 100% of their own replacement water with them. These wells are administered by GASP for a small fee.

### **CLASS 'C' CONTRACTS**

Those wells which would qualify as class "A" but have 100% of their own replacement water to bring with them. These wells are administered by GASP for a small fee.

### **CLASS 'D' CONTRACTS**

Those wells which are covered by a specific replacement source rented by GASP on a yearly basis. The class "D" contract member pays GASP to acquire for them 100% replacement. If at any time GASP cannot acquire this specific replacement source, class "D" wells are no longer covered by GASP.

### **CLASS 'S' CONTRACTS**

This contract is a Special class "A" contract. Under this contract a GASP member can bring partial replacement water with them. The amount of replacement water is used to offset a similar amount of "A" coverage. Class "S" contracts can be adjusted yearly to reflect changes in the amount of partial replacement brought to GASP. If partial replacement should become full replacement, a class "S" contract shares the same description as a class "C" contract.

# IMPORTANT!!

Last year you received a letter from us concerning financial considerations at GASP. That letter asked for your input and some of you responded. In every case your response was that we should place our efforts in the direction of pursuing a secure water position for only those GASP members that we currently have and spend less effort to prepare for additional demands that we know will arise because of new members or increased units. In order to create a stability to our membership, we are considering re-structuring our penalty system. Currently our membership fluctuates because the \$10.00 penalty is not a deterrent. Many members do not pay for a year or more or reduce their membership because they have always been successful in reinstatement when their demand requires it. That practice makes planning impossible.

A proposal to be voted on at the Annual Meeting is included here for your review. Please note that to those people who pay their fees on time, there is no change. Also, if adopted, these rules will go into effect on April 15, 1989. This will allow time for old members to get their contracts in order.

If you have comments, please contact a director or come to our Annual Meeting on November 28, 1988, at 1:30 p.m. This is your organization and we value your opinion.

PROPOSAL: PAYMENT IS DUE BY MARCH 15 OF EACH YEAR

BETWEEN MARCH 15 AND APRIL 15 THE PAYMENT CAN BE MADE AND A PENALTY OF \$10 PER UNIT IS IMPOSED

AFTER APRIL 15 THE PENALTY IS \$50 PER UNIT PER YEAR AND REQUIRES BOARD APPROVAL

IF A CONTRACT IS DELINQUENT FOR THREE (3) YEARS OR MORE IT IS CONSIDERED VOID AND ANY REINSTATEMENT REQUIRES ALL BACK CHARGES AND FEES JUST AS IF IT WERE A NEW CONTRACT



**GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE  
RIVER BASIN  
WATER PROCUREMENT FUND RESOLUTION**

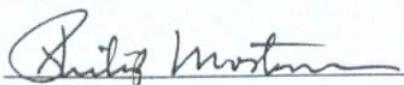
**WHEREAS**, the Board of Directors of GASP have annually allocated \$100,000 from the member's yearly assessments for the purpose of acquiring additional permanent water sources and

**WHEREAS**, the Board of Directors has budgeted an additional \$180,000 in the 2001 through 2002 fiscal year budget for the acquisition of permanent water sources (\$280,000 total) and


**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GROUNDWATER APPROPRIATORS OF THE SOUTH PLATTE RIVER BASIN** directs the manager of GASP to establish a restricted account titled "Water Procurement Fund".

Funds allocated from the member's annual assessments and the additional funds allocated in the annual approved budget will be deposited into the restricted account and all water procurements will be paid from this account. The annual deposits to the restricted account will accumulate from year to year if the annual deposits are not expended during that same fiscal year.

Adopted this 3<sup>rd</sup>, day of December, 2001

  
\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Manager

## **RESEARCH OF MEMBERS RECORDS**

Policy states that information must be requested by the GASP customer. A \$50.00 per hour research charge has to be paid before sending copies.

Approved at the September 1, 1998 Board Meeting

## **COMMITTEE**

Policy states that the second group of directors in the service rotation act as the nominating committee, and the third group act as the budget committee.

Approved at the September 1, 1998 Board Meeting



Pumping Depletion's - well efficiency method.

This approach summarizes the effect of well pumping when well efficiency is taken into account. Well efficiency in this analysis means that the depletion is the result of only that part of the water pumped which is used up by the crop and does not count the water returned to the groundwater.

The consumptive use depletion's are based on criteria for determining crop need from weather data, crop stage, etc. and not based on the reported water pumped. Only the fraction of the water need is used to determine the depletion.