



July 20, 2018

Adam Davenport
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Subject: Adam Davenport Letter Dated July 17, 2018

Mr. Davenport,

I am writing in response to your letter dated July 17, 2018 (Letter), on behalf of your client Bar Star Water, LLC ("Bar Star").

Your Letter makes reference to a 2016 letter from Dave Nettles and a statement in this letter that Bar Star is required to make releases for all wells in the Indian Mountain Subdivision unless removed from Case No. W-7389 by court action. Please note that on October 11, 2016, when the letter was written, this office understood that none of the wells within Indian Mountain Metropolitan District ("IMMD") were included in any other plan of augmentation decreed by the Water Court. Therefore, in accordance with the W-7389 decree, Bar Star was instructed to make replacements for all of the wells served by Bar Star.

As provided in my recent letter dated July 17, 2018, approximately 340 wells have joined a decreed augmentation program operated by the Headwater Authority of the South Platte ("HASP"). Our office considers these wells to have been lawfully added to HASP's augmentation plan so as to reduce Bar Star's replacement obligations under our interpretation of the W-7389 decree.

In accordance with the W-7389 decree, we will continue to determine the amount and timing of augmentation water required to be released by Bar Star to cover the depletions resulting from the single-family residential equivalent units Bar Star serves at the time of replacement. I believe that I have adequately described how the number of units that Bar Star serves will be determined by DWR in my July 17, 2018 letter.

I would like to advise you that, like all water users, your reservoir(s) will be administered pursuant to their respective decrees and in accordance with DWR's



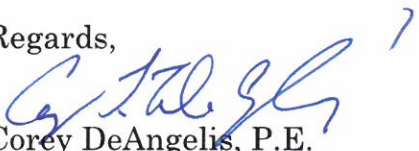
guidelines titled "GENERAL ADMINISTRATIVE GUIDELINES FOR RESERVOIRS, Colorado Division of Water Resources, October 2011, Amended February 2016", or as may be amended in the future. You can reference that document on our website at:
water.state.co.us/DWRIPub/Documents/Reservoir%20Administration%20Guidelines.pdf

Any releases of stored water for non-decreed beneficial use or purpose, such as a release in excess of Bar Star's replacement obligations as determined by the Division Engineer under the W-7389 decree, will be considered excess releases of storage water and will count against the volumetric fill limits of the reservoirs (paper fill) going forward. This paper filled portion of the reservoirs volumetric limits will be carried over to the following year, reducing the physical amount that you may store in the reservoirs.

Last, I would like to point out that the IMMD wells covered by HASP, have been added in accordance with the terms and conditions contained in the Court Decrees that govern the HASP augmentation plan. We consider the inclusion of these wells into HASP to be within the scope of court action previously contemplated in the 2016 Letter since it has the same effect on administration. Please recognize that we do not offer legal advice and Division Engineer Nettles' statement requiring removal from the W-7389 Decree was not intended as such.

Hopefully this provides clarity to your outstanding questions noted in your Letter. Thank you for your cooperation in this matter.

Regards,


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Division Engineer, Division 1

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Jeff Deatherage, Chief of Water Supply
Sarah Brucker, Team Leader, Division 1 (Outside Denver Basin)
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