

and due to the change of use case it has required some changes in operations for the Kern Reservoir and the use of the No. 2 Canal to fill the reservoir. This agreement will allow Kern to use the No. 2 Canal to fill its junior water right that was applied for, to enlarge the reservoir and includes accounting and operational changes since the reservoir is not longer used for irrigation. The Kern will be used on more of year round basis than it had in the past.

Mr. Grasmick highlighted items of note in the agreement for the Board of Directors to consider:

- Allows Greeley No. 2 to use the Kern Reservoir to equalize other water rights; there is a provision in the contract that states they are responsible for any additional costs if they choose to equalize more water than what they currently have appropriated.
- They have worked on certain percentage distributions of delivery of water in the No. 2 Canal which has not been agreed to by New Cache. The contract now states that Kern would be filled to 100% but new management at New Cache has expressed concern over Kern being filled first to 100%.
- The agreement is not only related to the reservoir and the change of it is being used, but we are under a stricter administration. Mr. Grasmick noted the past history of it being filled on a regular basis, but due to state law and accountability, there are regulations to adhere to. The agreement guarantees that there will be a certain amount of water in the reservoir at the end of the year. If there isn't enough water at the end of the year, there is a payment mechanism to New Cache for the amount of water that they have in the reservoir that they can't release which would be shown by the accounting the Kern maintains for the reservoir.
- Mr. Grasmick noted the responsibility of the reservoir and related facilities and noted what areas would be maintained by either New Cache, Kern or jointly as listed on the exhibit attached to the agreement.
- Mr. Grasmick noted that discussions with New Cache would be minimally on a monthly basis regarding releases out of the reservoir.
- Any additional structures will be paid by the party that needs the structure; it will not be available to the other party unless they are willing to pay a proportional amount.
- New Cache would settle in the junior water rights case to the proposed decree.
- New Cache would agree, under this agreement, to continue to only run CBT water for the Town consistent with the 1982 agreement.

Mayor Vazquez inquired if this agreement would provide for solid accounting for the water so we are not being overbilled. Mr. Grasmick stated he believes the way it is now set up will meet that request.

Town Attorney McCargar stated the resolution provides the attorney's to work through some of the outstanding issues, considering the change of management at New Cache. If any substantial changes would be brought back to the Board of Directors for review.

Secretary Slater motioned to approve the Resolution; Vice President O'Neill seconded the motion. Roll call on the vote resulted as follows:

**Yeas – Bishop-Cotner, Carrigan, O'Neill, Melendez, Slater, Thompson, Vazquez
Nays – None. Motion carried.**

7. Communications
None.

8. Adjourn

Secretary Slater motioned to adjourn the meeting; Vice President O'Neill seconded the motion. Roll call on the vote resulted as follows:

**Yeas – Bishop-Cotner, Carrigan, O'Neill, Melendez, Slater, Thompson, Vazquez
Nays – None. Motion carried.**



Patti Garcia, Town Clerk