

MEMORANDUM OF UNDERSTANDING
(Yampa Valley Golf Club Water Rights)

This **MEMORANDUM OF UNDERSTANDING** (“MOU”) is executed on this 10th day of June, 2024, by and between the CITY OF CRAIG, COLORADO (the “City”), a Colorado home rule municipal corporation, and the YAMPA VALLEY GOLF ASSOCIATION, INC. (the “YVGA”), a Colorado nonprofit corporation.

WHEREAS, the YVGA operates the Yampa Valley Golf Course (the “Golf Course”) on land owned by the City and Moffat County pursuant to the License Agreement between the City, YVGA, and the Board of County Commissioners of Moffat County, dated April 23, 1991 and recorded on May 14, 1991 at Reception No. 336122 of the Moffat County Records, as amended by the Modification of License Agreement, recorded on September 30, 1993 at Reception No. 349865 of the Moffat County Records (collectively, the “License Agreement”); and

WHEREAS, the City is also the record owner of water rights used to irrigate the Golf Course, including specifically (1) the Yampa Valley Golf Course Pump Diversions decreed in Civil Action No. 2259, Moffat County District Court, dated May 30, 1972, with an appropriation date of July 22, 1965, for 1.4 cfs, absolute (the “Golf Course Pumps”), and (2) the rights associated with the City’s ownership of shares in the Deep Cut Irrigating Ditch, Inc., a Colorado mutual ditch company (the “Deep Cut Ditch”), as generally described below:

<i>Adj. Date</i>	<i>App. Date</i>	<i>Case No.</i>	<i>Amount</i>	<i>Comments</i>
9/22/1892	12/1/1884	n/a	28.58 cfs	Original adjudication. Priority No. 11 in the original Water District No. 57. Decreed for irrigation of 1,715 acres. In Case No. W-823-75, 8.29 cfs was changed by the City to include domestic, municipal, commercial, industrial, recreation, and fire use.
12/31/1975	12/1/1884	W-877-75	5.79 cfs	Supplemental adjudication. Decreed for irrigation of an additional 190 acres.
12/31/1977	5/10/1976	W-1139-77	34.37 cfs	Supplemental adjudication. Decreed for irrigation, industrial, municipal, and domestic use. In Case No. 22CW3029, 10.74 cfs of right was abandoned for all uses except irrigation.

NOW THEREFORE, the City and the YVGA wish to execute this MOU to memorialize their understanding with respect to the ongoing operation and administration of the Golf Course water rights, the use and protection of those rights, and other related matters.

1. **Cooperation between the City and YVGA.** The parties have enjoyed a long-standing mutually beneficial relationship with respect to the Golf Course and enter into this MOU to further document their ongoing cooperation with respect to the Golf Course’s water rights. Nothing herein is intended to or shall amend or abrogate any other existing agreement between the parties, including the License Agreement. In all other respects, the parties will continue to operate in a cooperative matter to promote the best interests of the community and its recreational assets, including the Golf Course, clubhouse, and related facilities.

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2. **Ownership of Water Rights.** The water right decreed to the Golf Course Pumps was originally adjudicated by and in the name of the City, and the City remains the record owner of the Golf Course Pumps water right. The City also currently owns 31 out of the 100 shares issued and outstanding in the Deep Cut Ditch. Nothing in this MOU is intended to alter or change the ownership of the Golf Course Pumps or the shares in the Deep Cut Ditch.

3. **Use of Water Rights.** The Golf Course Pumps water right is for the exclusive use and benefit of the Golf Course. YVGA may also continue to use water provided by the City's interest in the Deep Cut Ditch to irrigate the Golf Course, so long as the City does not need to use that water for other municipal purposes. The City is under no obligation to provide YVGA the Deep Cut Ditch water, but will use its best efforts to ensure that water is available to the Golf Course for irrigation purposes whenever possible. Neither party will hold the other party responsible in any way if water is not available from the Golf Course Pumps or the Deep Cut Ditch, either for physical, legal, or other reasons. The parties will continue to communicate regularly to optimize their water usage and to ensure that the Golf Course is able to divert and deliver Golf Course Pumps and Deep Cut Ditch water whenever available. Nothing in this MOU precludes Moffat County from also providing Deep Cut Ditch water to the Golf Course.

3. **Operation and Maintenance of Facilities.** YVGA continues to own, operate, and maintain at its sole cost and expense all diversion and storage structures and related facilities used to irrigate the Golf Course, including headgates, ditches, laterals, flumes, ponds, outlet works, pumps, casings, pipelines, measuring devices, and any other improvements associated with the Golf Course Pumps or the Deep Cut Ditch.

4. **Accounting.** YVGA is responsible for accounting for the pumping, delivery, and use of all of the water rights that serve the Golf Course. If not already in place, YVGA will install and maintain measuring and recording devices acceptable to the Water Commissioner to measure total pumping of the Golf Course Pumps. YVGA will record and account for all water used to irrigate the Golf Course. In the event that YVGA obtains additional water rights for the Golf Course, including but not limited to its own shares in the Deep Cut Ditch or a contract for water out of Elkhead Reservoir, YVGA will separate out any pumping or diversions of those other water rights from the use of the City's rights documented by this MOU. Each month, YVGA will provide a copy of its water accounting records to the City in order for the City to include the records in its monthly accounting that is provided to the Division of Water Resources. YVGA will include any other information relevant to use of the water rights at the Golf Course, including any material comments relevant to the use of the water rights in its pumping and diversion records, such as the failure of a pump or breach of a ditch.

5. **Ditch Company Assessments.** The City will continue to pay all share assessments and have all voting rights due as a result of its ownership in the Deep Cut Ditch. The City will continue to keep YVGA informed about the operation and administration of the Ditch Company in a timely manner, and obtain input from YVGA whenever appropriate or practical to make decisions regarding the use of the larger Ditch Company facilities.

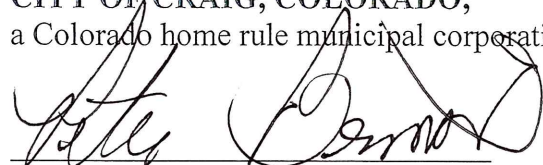
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6. **No Acquired Rights.** YVGA does not and will not assert or claim any vested rights to the continued use of water owned by the City as a result of this MOU. YVGA's use of City-owned water and the City's obligations hereunder are expressly subject to any applicable provisions of the Craig Revised Code, as may be amended. YVGA understands and acknowledges that it will comply with all rules and regulations of the City and the Division of Water Resources pertaining to the use of the Golf Course Pumps and the Deep Cut Ditch shares.

7. **Preservation of the City's Decrees.** The parties are entering into this MOU, in part, to protect their mutual interests in the water rights used to irrigate the Golf Course. YVGA will not jeopardize the City's water rights decrees by taking any action that causes, or could potentially cause, a reopening of any of the City's water rights decrees or otherwise endanger the rights. The parties will continue to work together to address any issues or concerns raised by the Division of Water Resources regarding the Golf Course water rights and the use thereof.

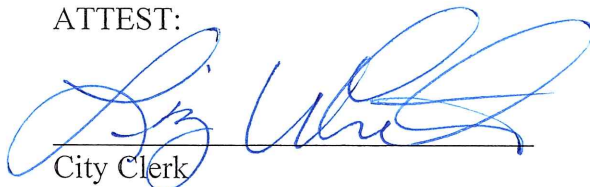
IN WITNESS WHEREOF, the City and YVGA have executed this Memorandum of Understanding as of the date set forth above.

CITY OF CRAIG, COLORADO,
a Colorado home rule municipal corporation



City Manager

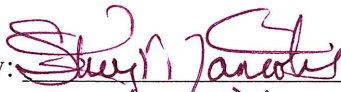
ATTEST:



City Clerk



YAMPA VALLEY GOLF ASSOCIATION, INC.,
a Colorado nonprofit corporation

By: 

Name: Steve Maneotis
Title: President