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|  | <h1>Policy</h1> | Version #: 1.2 Effective date: 05/12/2023 Next review date: 05/12/2026 |
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Purpose:

This policy provides direction to the Platte River General Manager/CEO on activities related to securing a reliable source of water for operations and the management of water rights and resources as an asset of the organization.

Policy:

Water is critical to the reliable operation of the Rawhide Energy Station (Rawhide) and may be necessary for the reliable operation of future generation resources. Platte River's initial ownership of 160 units of the Windy Gap Project (one third of the total project) was anticipated to be sufficient supply for the initial and future needs of the organization. Based on this assumption, and in an effort to make the most efficient and responsible use of water, Platte River entered into several significant water agreements, including but not limited to the Reuse Agreement, the Memorandum of Understanding, the North Poudre Storage Agreement, the Soldier Canyon Outlet Agreement and the Carter Lake Outlet Agreement. These agreements are discussed in detail in the **Platte River Power Authority Water Resources Reference Document**.

Operational history has revealed the limitations of the Windy Gap Project; it is often constrained by the junior priority of its water rights as well as by the project's dependence on the use of Colorado-Big Thompson infrastructure for storage and delivery of water. While ownership of a significant number of Windy Gap units proved advantageous during periods in which the Windy Gap Project failed to fully deliver water, the Windy Gap Firming Project (of which Chimney Hollow Reservoir is the primary component) will offer greater reliability than unit ownership alone. Moreover, growth in the Northern Colorado region has placed increased pressure on water resources and necessitates more active management of the Platte River water resources as an asset of the organization and member communities. By participating in the Windy Gap Firming Project, Platte River will reduce its overall need for Windy Gap Project units and gain flexibility to manage the units as an asset in future water resources operations.

It is the intent of the board that this policy will position Platte River to pursue activities that will: increase the reliability of water deliveries to meet contractual commitments and the operational needs of the organization; and, maximize the operational and economic value of its water resources, which include but are not limited to Windy Gap units, outlet capacity, storage allocations in the Windy Gap Firming Project, and treated effluent received through the operation of water exchanges.

Consequently, the General Manager/CEO is instructed to:


1. Maintain adequate water supplies for all existing and projected future operations. To do so, the General Manager/CEO is authorized to:

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- a. Maintain Platte River's participation level in the Windy Gap Firming Project (Chimney Hollow Reservoir) at a storage level of 16,000 acre feet.
- b. Lease water required for Platte River operations and contractual commitments as needed.
- c. Participate in Platte River's resource planning efforts to incorporate planning for future water needs, with considerations for type and location of future generation resources.
- d. Continue to research and explore alternative water supply opportunities.
- e. Review and modify existing water agreements and pursue new agreements to improve operations, increase reliability, and maximize the value of water resources assets.

2. Manage water as an asset. To do so, the General Manager/CEO is authorized to:

- a. Lease water:
 - i. Lease reusable effluent
 - o Water that cannot be pumped or exchanged from Fossil Creek Reservoir is at risk of uncompensated loss. Pumping activity should be managed to minimize storage of effluent, but Platte River will also be proactive in the markets through which any at-risk water may be leased.
 - ii. Lease of Windy Gap units
 - o Leases of Windy Gap units can be of any duration and/or quantity, so long as Platte River maintains control of a minimum of one hundred (100) units.
 - iii. The General Manager/CEO will inform the board of leasing activity.
- b. Sell Windy Gap Units:
 - i. Platte River may sell Windy Gap units, so long as Platte River maintains control of a minimum of one hundred (100) units.
 - ii. Compensation may be monetary, may involve water storage rights, or may involve other forms of consideration that provide value.
 - iii. The General Manager/CEO will inform the board of any sale of Windy Gap units.
- c. Sell/Lease Carter Lake outlet capacity
 - i. Maintain a minimum of five (5) cfs of Carter Lake outlet capacity.
 - ii. Platte River may lease Carter Lake outlet capacity, so long as five (5) cfs can be made available for operational needs when required.
 - iii. The General Manager/CEO will inform the board of the sale or lease of Carter Lake outlet capacity.

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| DocuSigned by: <i>Heather Banks</i> 5/10/2023 | | |
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| DocuSigned by: <i>S.D. Leonard</i> 5/10/2023 | | |
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| Implementing parties and assigned responsibilities: | | |
| The General Manager/CEO will have primary responsibility for implementation. | | |
| Associated Items (if applicable): | | |
| Platte River has prepared, and annually updates, the Platte River Power Authority Water Resources Reference Document . This reference provides a detailed explanation of Platte River's water resources and infrastructure, the operational uses of water, and the underlying agreements that support our water portfolio and define the rights and obligations associated with our water assets. The Water Resources Reference Document forms the underpinnings for this policy. | | |
| Definitions (if applicable): | | |
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| Version | Date | Action | Author | Change tracking (new, review, revision) |
|----------|------------|--|---------------|---|
| Original | 12/08/2016 | Original policy by Board Resolution 24-16 | Heather Banks | Original |
| 1.1 | 02/27/2020 | Updated to AP style and revised to account for current asset ownership | Heather Banks | Revision |
| 1.2 | 05/10/2023 | Updated to incorporate "Chimney Hollow Reservoir" reference | Heather Banks | Revision |
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