

Appendix B

Agreement in Principle Regarding a Water Supply Between the Army, Shell, and SACWSD

AGREEMENT IN PRINCIPLE REGARDING A WATER SUPPLY BETWEEN
SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT (SACWSD),
THE ARMY AND SHELL OIL COMPANY

1. PAYMENT BY THE ARMY AND SHELL WILL BE IN THREE ANNUAL
INSTALLMENTS, \$16 MILLION, \$16 MILLION, AND \$16.8 MILLION. THE FIRST
PAYMENT TO BE MADE WITHIN 90 DAYS OF 1 OCTOBER 1996. SUBJECT TO
THE AVAILABILITY OF FUNDS.

2. PAYMENT OF THE ABOVE SUM IS CONDITIONED ON ADHERENCE TO THE
FOLLOWING TERMS. OTHER TERMS AND CONDITIONS WILL BE THE
SUBJECT OF FURTHER NEGOTIATION.

A. PAYMENTS WILL BE HELD IN TRUST FOR SACWSD. TRUSTEE TO
BE CHOSEN BY THE ARMY & SHELL WITH SACWSD CONCURRENCE. ANY
INTEREST THAT ACCRUES MUST BE RETURNED TO THE ARMY AND SHELL.

B. SACWSD MUST HOOK UP OWNERS OF DOMESTIC WELLS IN THE
DIMP FOOTPRINT WHO CONSENT TO BE INCLUDED IN THE SOUTH ADAMS
COUNTY WATER AND SANITATION DISTRICT AND WHO CONSENT TO BE
HOOKED UP; AND SUCH HOOK UPS WILL BE COMPLETED NOT LATER THAN
THE 24TH MONTH AFTER THE DATE OF THE INITIAL PAYMENT FOR THOSE
WHO CONSENT BY THE 20TH MONTH AFTER THE INITIAL PAYMENT.
THOSE WHO REQUEST TO BE HOOKED UP AFTER THE 20TH MONTH WILL
BE HOOKED UP WITHIN A REASONABLE TIME. AS NOTED IN G, BELOW,
SACWSD WILL NOT BE RESPONSIBLE FOR HOOKING UP MORE THAN 130
HOMES. SACWSD ALSO IS NOT RESPONSIBLE FOR EXTENDING THE MAIN
WATER DISTRIBUTION SYSTEM BEYOND THE DIMP FOOTPRINT AS
FINALLY DETERMINED IN THE ON-POST ROD. THE MAIN WATER
DISTRIBUTION SYSTEM FOR THE HENDERSON AREA (12" DIAMETER PIPE
SYSTEM) WILL BE COMPLETED BY THE 24TH MONTH AFTER THE INITIAL
PAYMENT. SACWSD WILL RECEIVE FROM THE TRUST ACCOUNT \$3,950 FOR
EACH HOME CONNECTED IN THE NEW SERVICE AREA AND \$2,265 FOR
EACH HOME CONNECTED IN THE OLD SERVICE AREA, UP TO A TOTAL OF
130 HOMES. ATTACHED IS THE MAP THAT SHOWS THE LATEST DIMP
PLUME WHICH IS TO BE UPDATED PRIOR TO THE FINALIZATION OF THE
ON-POST ROD.

C. SACWSD MUST CONTRACT FOR WATER RIGHTS OR SUPPLY BY
NOT LATER THAN SIX MONTHS AFTER THE DATE OF THE FINAL PAYMENT.

D. PAYMENTS FROM THE TRUST TO SACWSD MUST BE TIED
DIRECTLY TO THE ACQUISITION AND DELIVERY OF 4000 ACRE FEET OF

G. SACWSD AGREES TO SATISFY THE OBLIGATIONS CONTAINED IN ITEMS 16 AND 17 OF THE AGREEMENT ON A CONCEPTUAL REMEDY FOR THE CLEAN UP OF ROCKY MOUNTAIN ARSENAL. THE PAYMENTS TO SACWSD WILL CONSTITUTE COMPLETE SATISFACTION OF THE ARMY AND SHELL'S OBLIGATIONS CONTAINED IN ITEMS 16 AND 17 AND COMPLETE SATISFACTION OF ALL COSTS ASSOCIATED WITH THE TERMS AND CONDITIONS NECESSARY TO EXECUTE THESE OBLIGATIONS. ALL COSTS NECESSARY TO EXECUTE THE REQUIREMENTS OF THIS AGREEMENT, UNLESS OTHERWISE EXPRESSLY STATED, WILL BE PAID OUT OF THE TRUST ACCOUNT. SACWSD WILL NOT BE RESPONSIBLE FOR MONITORING REQUIREMENTS TO BE PERFORMED BY THE ARMY AND SHELL IN ACCORDANCE WITH ITEM 17 AND SACWSD WILL NOT BE RESPONSIBLE FOR HOOKING UP MORE THAN THE FIRST 130 WELL OWNERS. ANY ADDITIONAL HOOK UPS REQUIRED UNDER THE TERMS OF ITEM 17 WILL BE THE RESPONSIBILITY OF THE ARMY AND SHELL.

H. SACWSD WAIVES AND RELEASES THE ARMY AND SHELL FROM ALL RESPONSE COSTS AND CLAIMS FOR DAMAGES FOR ALL RMA CONTAMINANTS AND POLLUTANTS IN THE SACWSD WATER THAT ARE KNOWN OR DETECTED PRIOR TO, OR AT THE TIME OF, THE SIGNING OF THE ON-POST RECORD OF DECISION (ROD). PAYMENT OF RESPONSE COSTS, IF ANY, OWED TO SACWSD AT THE TIME OF THE SIGNING OF THE ON-POST ROD WILL BE DETERMINED BY AGREEMENT OF THE PARTIES PRIOR TO SIGNING THE FINAL AGREEMENT CONTEMPLATED BY THIS AGREEMENT IN PRINCIPLE..

I. ANY REUSABLE RETURN FLOWS ASSOCIATED WITH ANY WATER SOURCE ACQUIRED WILL BE MADE AVAILABLE TO SACWSD FOR REPLACEMENT OF DEPLETIONS UNDER ITS EXISTING AUGMENTATION PLAN FOR THE FIRST THREE YEARS FOLLOWING THE INITIAL DELIVERY OF WATER FROM THE NEW WATER SOURCE IN ANNUAL AMOUNTS TO BE DETERMINED ACCORDING TO REASONABLE NEED, OTHERWISE RETURN FLOWS ASSOCIATED WITH THE NEW WATER SOURCE, AND ANY WATER UNUSED BY SACWSD FROM THE WATER SOURCE ITSELF, SHALL BE MADE AVAILABLE AT ARMY AND SHELL EXPENSE FOR THE REMEDIATION OF RMA FOR NOT LESS THAN 10 YEARS, IN ANNUAL AMOUNTS TO BE DETERMINED ACCORDING TO REASONABLE NEED. THE FINAL PERIOD TO BE AGREED UPON. AFTER REMEDIATION, ALL RETURN FLOWS WILL RETURN TO THE USE OF SACWSD. EACH PARTY WILL BE RESPONSIBLE FOR ANY NECESSARY APPROVALS. DISPUTES ARISING OVER THE IMPLEMENTATION OF THIS SECTION WILL BE SUBMITTED TO ADR AS DESCRIBED IN E, ABOVE.

J. SACWSD WILL WARRANT AND OTHERWISE DEMONSTRATE IT IS AUTHORIZED AND QUALIFIED TO ENTER INTO THIS AGREEMENT, ACQUIRE

AND PROVIDE WATER AND HOOK UP WELL OWNERS, SUBJECT TO THOSE WELL OWNERS' CONSENT TO INCLUSION WITHIN THE DISTRICT. SACWSD WILL BE RESPONSIBLE FOR PERMITTING, ADJUDICATION, AND OTHER REQUIREMENTS OF STATE AND FEDERAL LAW.

K. PARTICIPATION BY THE ARMY AND SHELL, OR BY THEIR REPRESENTATIVES, IN OVERSIGHT IN NO WAY CONSTITUTES AN EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION REGARDING THE ADEQUACY, SUITABILITY, OR LEGALITY OF SACWSD OR THE INDEPENDENT AGENT'S ACTIONS TO OBTAIN OR PROVIDE WATER.

L. ALL PARTIES RESERVE ANY RIGHTS THEY MAY HAVE REGARDING NONPERFORMANCE BY THE OTHER PARTIES.

M. THIS AGREEMENT IS SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND WILL BECOME EFFECTIVE AND BINDING WHEN INCORPORATED BY REFERENCE IN THE ON-POST ROD.

N. THE AMOUNT AGREED UPON IS SUBJECT TO APPROPRIATE CREDITS FOR ANY ARMY AND SHELL CONTRIBUTIONS TO WATER OR INFRASTRUCTURE, SUBJECT TO SACWSD APPROVAL. APPROVAL WILL NOT BE WITHHELD UNREASONABLY. DISPUTES WILL BE SUBMITTED TO THE METHOD OF ADR DESCRIBED IN E, ABOVE.

O. ALL PARTIES WILL PUBLICLY SUPPORT THIS AGREEMENT.

P. ALL O&M COSTS ASSOCIATED WITH THE ACQUISITION AND DELIVERY OF WATER AND WITH THE HOOK UP OF WELL OWNERS WILL BE SACWSD'S RESPONSIBILITY. THE ARMY WILL SUPPORT ANY NECESSARY AMENDMENTS TO ALLOW THE KLEIN FUND ALSO TO BE USED FOR O&M COSTS FOR THE NEW WATER SYSTEM.

Q. QUARTERLY PROGRESS REPORTS WILL BE MADE BY SACWSD, OR ITS REPRESENTATIVE, TO THE RMA COUNCIL.

R. THE ARMY OR SHELL WILL PAY, IF NECESSARY, WITHIN 30 DAYS AFTER SIGNATURE OF THE ROD, A SUM NOT TO EXCEED \$1 MILLION TO PURCHASE AN OPTION ON WATER AGREED TO BY SACWSD, THE ARMY AND SHELL. THIS SUM WILL BE CREDITED AGAINST THE FIRST ANNUAL PAYMENT UNDER SECTION 1, ABOVE.

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East 12th Ave

East 12th Ave

Brighton Annex
1

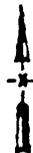
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Offpost Water Supply Features

- Interstate Highway
- CR & State Highway
- Route & Road
- Railroad
- Stream
- Annual Boundary
- Section Line
- South Adams County Water System (Location approximate)
- Existing Mainline (Over B & V 1981)
- Proposed 12" Main Water Distribution System
- DDMF Plans: Based on H.A. May 1985 Contracting Plans - TCRD Downtown Survey 1993-85 and RMARD April 1994-85
- Downtown Limit (0.2 - 1.78 mph)



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Scale 1" = 30.00'



January 25, 1986