

## DEADMAN'S BASIN WATER PURCHASE CONTRACT

This Contract ("Contract") is made and entered on this 10th day of May, 2017 between the Deadman's Basin Water Users' Association ("Association"), of Roundup, Montana, and Mary Klier ("Water Purchaser") of Roundup, MT., and is acknowledged, approved, and ratified by the Montana Department of Natural Resources and Conservation ("Department").

**1. Parties:** The Department owns the Deadman's Basin Water Conservation Project ("Project"), which includes a dam, canals and reservoir off stream of the Musselshell River in Golden Valley and Wheatland Counties, Montana. The Department also owns the underlying rights to the water diverted and stored by the Project. The Association operates and manages the Project under a Water Marketing Contract with the Department. The Water Marketing Contract allows the Association to sell, administer, and distribute 40,500 acre-feet of water per year from the Project for beneficial use by Association members.

**2. Purpose:** This Contract establishes the terms and conditions under which the Association shall distribute Project water for beneficial use by the Water Purchaser. This Contract does not transfer any right, title, equities or interest in the Project or the associated water rights other than the right to buy and use Project Water under the terms of the Contract. All right, title, and interest in the Project and the associated water rights shall be and remain in the Department. The right to control and distribute Project water shall remain with the Association. The Department shall not be an active party to, or obligated under, this Contract unless the Association's right to market water under the Water Marketing Contract are terminated or suspended and the Department assumes operation and management of the Project.

**3. Water quantity:** The quantity of water under this Contract shall be Thirty (30) acre-feet. Depending on availability, the Association shall deliver this quantity of Project water annually to the Water Purchaser, at the reservoir, during the irrigation season beginning May 1 and ending September 30. If, because of physical, climatic, or operating conditions, or because of repair or maintenance considerations the Association is unable to fill outstanding water purchase contracts for that year, the Water Purchaser shall be entitled to a proportionate share of the total water available in the proportion that the number of acre-feet purchased annually under this Contract bears to 40,500 acre-feet. The Association shall administer Project water in a manner that optimizes the use of water by all of its members. The Association shall determine the time of delivery within the irrigation season and cannot guarantee that water will be delivered at specific times that may be most advantageous to the Water Purchaser. The Department is under no obligation to deliver water under the Contract, unless the rights of the Association are terminated and the Department assumes operation and management of the Project and control over distribution of Project water.

**4. Payments:** On or before November 1 of every year, the Water Purchaser shall pay to the Association an amount determined by the Association to cover the Water Purchaser's proportionate share of the operating costs of the Project for the succeeding year. This charge shall include all costs of the maintenance, repair, operation, and necessary alteration of the Project, all costs incurred by the Association or the Department in the distribution of water from

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**2. Purpose:** This Contract establishes the terms and conditions under which the Association shall distribute Project water for beneficial use by the Water Purchaser. This Contract does not transfer any right, title, equities or interest in the Project or the associated water rights other than the right to buy and use Project Water under the terms of the Contract. All right, title, and interest in the Project and the associated water rights shall be and remain in the Department. The right to control and distribute Project water shall remain with the Association. The Department shall not be an active party to, or obligated under, this Contract unless the Association's right to market water under the Water Marketing Contract are terminated or suspended and the Department assumes operation and management of the Project.

**3. Water quantity:** The quantity of water under this Contract shall be Ninety (90) acre-feet. Depending on availability, the Association shall deliver this quantity of Project water annually to the Water Purchaser, at the reservoir, during the irrigation season beginning May 1 and ending September 30. If, because of physical, climatic, or operating conditions, or because of repair or maintenance considerations the Association is unable to fill outstanding water purchase contracts for that year, the Water Purchaser shall be entitled to a proportionate share of the total water available in the proportion that the number of acre-feet purchased annually under this Contract bears to 40,500 acre-feet. The Association shall administer Project water in a manner that optimizes the use of water by all of its members. The Association shall determine the time of delivery within the irrigation season and cannot guarantee that water will be delivered at specific times that may be most advantageous to the Water Purchaser. The Department is under no obligation to deliver water under the Contract, unless the rights of the Association are terminated and the Department assumes operation and management of the Project and control over distribution of Project water.

**4. Payments:** On or before November 1 of every year, the Water Purchaser shall pay to the Association an amount determined by the Association to cover the Water Purchaser's proportionate share of the operating costs of the Project for the succeeding year. This charge shall include all costs of the maintenance, repair, operation, and necessary alteration of the Project, all costs incurred by the Association or the Department in the distribution of water from

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**2. Purpose:** This Contract establishes the terms and conditions under which the Association shall distribute Project water for beneficial use by the Water Purchaser. This Contract does not transfer any right, title, equities or interest in the Project or the associated water rights other than the right to buy and use Project Water under the terms of the Contract. All right, title, and interest in the Project and the associated water rights shall be and remain in the Department. The right to control and distribute Project water shall remain with the Association. The Department shall not be an active party to, or obligated under, this Contract unless the Association's right to market water under the Water Marketing Contract are terminated or suspended and the Department assumes operation and management of the Project.

**3. Water quantity:** The quantity of water under this Contract shall be Sixty (60) acre-feet. Depending on availability, the Association shall deliver this quantity of Project water annually to the Water Purchaser, at the reservoir, during the irrigation season beginning May 1 and ending September 30. If, because of physical, climatic, or operating conditions, or because of repair or maintenance considerations the Association is unable to fill outstanding water purchase contracts for that year, the Water Purchaser shall be entitled to a proportionate share of the total water available in the proportion that the number of acre-feet purchased annually under this Contract bears to 40,500 acre-feet. The Association shall administer Project water in a manner that optimizes the use of water by all of its members. The Association shall determine the time of delivery within the irrigation season and cannot guarantee that water will be delivered at specific times that may be most advantageous to the Water Purchaser. The Department is under no obligation to deliver water under the Contract, unless the rights of the Association are terminated and the Department assumes operation and management of the Project and control over distribution of Project water.

**4. Payments:** On or before November 1 of every year, the Water Purchaser shall pay to the Association an amount determined by the Association to cover the Water Purchaser's proportionate share of the operating costs of the Project for the succeeding year. This charge shall include all costs of the maintenance, repair, operation, and necessary alteration of the Project, all costs incurred by the Association or the Department in the distribution of water from