RESPONSIBILITIES OF WATER USER

SHERIDAN COUNTY CONSERVATION DISTRICT

WATER RESERVATION

Use of Water

The water user shall use the reserved water of the District for the purpose as outlined in the Authorization and in compliance with all terms and conditions of the of the Authorization.

Provisions for Flow Measurement

The water user shall be responsible for measuring and reporting flow rates and volume used depending on the type of development. The measurement can be based on commonly acceptable methods as determined by the District and indicated in the Reserved Use Authorization.

System Operation

The water user shall maintain the reserved water use system in an efficient, safe, operable condition. Said system shall be installed, operated, and maintained according to any applicable federal, state, and local laws. Damages due to natural causes shall be repaired as soon as practicable. Systems shall be operated so as to minimize such damages.

Water Management

The water user, as well as the District, is subject to the requirements of the Board order, the Administrative Rules of Montana governing water reservations, and the laws of the State of Montana. The water user shall be required to adhere to any water management requirements that may be implemented in the future by the State of Montana or the District. The system shall be operated in such a manner as to incorporate current standard conservation practices. Such practices include but are not limited to the minimization of soil loss, conservation of water, and maintenance of acceptable, reasonably low soil salt levels. Waste of water or failure to adhere to accepted conservation practices is grounds for revocation of the Authorization.

Reduction Enforcement

The District may order a temporary reduction in water use under a water use authorization if the District determines that senior water users are being harmed due to water shortages. Failure to reduce reserved water use within the time frame indicated by the District in the notice to the water user or his agent is grounds for revocation of an authorization. Any verbal order shall be followed up by written notice served by certified mail (return receipt requested) setting forth the reasons for the terms of the order.

Easement and Right of Way

It is the obligation of the water user to acquire all easements and right of ways necessary to convey water to areas of use.

Entry on Land

Upon at least a 24 hour notice to the water user, any employee or agent of the District may enter upon land to make inspections, take measurements, and collect data the District considers necessary on the proposed works, source of water, location of proposed use, construction of works and other inspections to ascertain whether or not persons are complying with their Authorization. Failure to allow an authorized employee or agent of the District upon the land for the above purposes is cause for revocation of the Authorization.

Own or Control of Reserved Water

It is specifically understood that the District has exclusive control over the water reservation granted by the Board and that the water user receives no right, title, ownership, control or interest in the water reservation. The ownership by the water user of the conveyance, measuring or delivery devices or equipment associated with the proposed development shall not be construed to limit the District's ownership and control of the water reservation. This, however, does not limit the responsibilities of the District to the water user under the specific Authorization issued.

Annual Status Report

The water user is required to measure and record water use annually and to submit the records to the District upon request. The water user shall submit an annual report to the District by November 1 of each year setting forth the development or use accomplished under the Authorization during that year. This requirement shall remain in effect for three (3) years after the project is completed and the Notice of Completion of Water Development (Form No. 106) is received by the District. The District may require the report to be submitted past the 3 year period if deemed necessary. Failure of the water user to submit this report shall be grounds to revoke the Authorization.

Liability waivers

The District, the supervisors, and the water user are subject to the requirements of the Board order, the Administrative Rules of Montana governing reservations, and the laws of the State of Montana. The District and the supervisors shall not be responsible to the water user for any change, including modification or revocation of the reservation by the Department, the State of Montana, or the courts. The reservation and rights of the user may be modified or revoked by the Department, the State of Montana,

or the courts. The reservation and rights of the user may be modified or revoked by the Department if it finds that the objectives of the reservation are not being met. Except where it can be shown that such modification or revocation by the Department is wholly due to willful negligence on the part of the District or the supervisors, the water user shall expressly agree not to hold the District or the supervisors liable for any losses sustained by the user or third parties because of such modification.

The water user shall indemnify and hold harmless the District and the supervisors against and from any and all claims, demands, or actions resulting from damages to property or injury to persons or other damages to third persons or entities arising out of or resulting from the performance of the Authorization or the results of the Authorization. The water user shall assume all liability connected with the use of reserved water under a Reserved Water Use Authorization.

Neither the District nor the supervisors are responsible for any losses incurred by a user from loss of water due to such circumstances as a drought; a final determination of senior water rights in the source of supply; activities of an officer of a court, such as, but not limited to, a water commissioner; or other circumstances outside the immediate control of the supervisors. The supervisors or the District shall not be held liable for any losses sustained as a result of the modification or revocation of any Authorization or portion thereof pursuant to these rules. The water user agrees to sustain any and all loss occasioned thereby.