

May 29, 2026

To: New Castle Town Castle

From: Karp Neu Hanlon – Water Counsel

Re: Proposed lease of Coryell Ditch with TC Midwest

As Council is aware, historic drought conditions have embraced Colorado. In order to ensure sufficient water is available to the Town's water customers, the Town has secured a lease of water in the senior priority of the Coryell Ditch. The lease is with TC Midwest, LLC – an entity that owns undeveloped land in Castle Valley Ranch. Because the land owned by TC Midwest is not currently irrigated or used as housing, the Coryell Ditch water owned by TC Midwest can be made available to the Town. The Coryell Ditch is valuable to the Town to provide water service because: (a) it is a senior water right, (b) it can be diverted at the Town's domestic pipeline on East Elk Creek, and (c) it can be diverted through the Red Rocks Ditch for raw water irrigation.

The proposed lease would run for 6 months and help the Town during the summer water season. The cost of the lease is \$500. The amount of water being leased is estimated to be around 0.6 c.f.s. The amount of water will be filled in the lease prior to execution. Staff recommends approval of the lease.

Mail to:

Glenwood Springs
201 14th Street, Suite 200
P.O. Drawer 2030
Glenwood Springs, CO 81602

Aspen
0133 Prospector Road
Suite 4102-J
Aspen, CO 81611

Basalt
200 Basalt Center
Suite 200
Basalt, CO 81621

Ridgway
565 Sherman Street
Suite 6
Ridgway, CO 81432