

**ARTICLE III IMPLEMENTATION AGREEMENT
SUMMIT COUNTY**

This Agreement is entered into between the CITY AND COUNTY OF DENVER, acting by and through its BOARD OF WATER COMMISSIONERS (Denver Water) and the TOWN OF BRECKENRIDGE (Town).

RECITALS

1. Denver Water has entered into the Colorado River Cooperative Agreement, dated _____, 2012 (Cooperative Agreement) with numerous West Slope entities (*West Slope Signatories*), including the County, that resolved longstanding issues between the parties.
2. In Article III of the Cooperative Agreement, Denver Water agreed to provide certain monetary and water supply benefits to entities located in Summit County, including Town, who are not *West Slope Signatories*.
3. This Agreement is intended to afford to Denver Water the consideration negotiated in the Cooperative Agreement in return for the benefits provided to Town.
4. Italicized terms in this Agreement shall have the same meaning as the corresponding term in the Cooperative Agreement.

NOW THEREFORE, Denver Water and the Town agree as follows:

1. Pursuant to Article III of the Cooperative Agreement, Town will receive the following benefits:
 - a. Within one year of *Resolution of Blue River Decree Issues*, Denver Water will pay \$900,000 to Town to offset the costs of the following projects listed in Attachment G to the Cooperative Agreement: (1) Upper Blue River pumpback project and/or storage facilities, including Upper Blue River treatment plant; (2) Watershed protection plan for Blue River and Goose Pasture Tarn.
 - b. Within six months of *issuance and acceptance by Denver Water of permits necessary for the Moffat Project* Denver will pay \$900,000 to Town to offset the costs of the projects listed in paragraph 1(a).
 - c. Upon *Resolution of Blue River Decree Issues*, Denver Water will provide to Town 108 acre-feet of water annually from the “Additional 1493 Acre Feet”, pursuant to Article III(B)(14) of the Cooperative Agreement. Town shall provide *Replacement Water* to Denver Water in accordance with Article III(B)(14)(b).

- d. Accounting for the water provided to Town will be the collective responsibility of the water users listed in Article III(B)(14)(a) of the Cooperative Agreement, in accordance with the terms of Article III(B)(14)(c).
2. The Town agrees that the funds provided under paragraph 1 will be used only for the projects listed therein including reimbursement of costs paid or incurred prior to the date of this Agreement, and agrees to provide to Denver Water and County upon request a written statement of the total cost of each project and the amount of Denver Water funds expended on each project.
3. In consideration for the benefits described in paragraph 1, Town agrees to comply with all the provisions of Articles IV and VII of the Cooperative Agreement that are applicable to West Slope *Signatories*. With regard to all conditional water rights presently owned by Town, which are listed in Attachment B, Denver Water agrees to withdraw any statements of opposition to Town's pending diligence filings and not to oppose Town's pending or future diligence applications, including applications to make the listed conditional rights absolute, provided, however, that Denver Water may file statements of opposition to such applications for the limited purpose of ensuring compliance with the obligations of this Agreement.
4. In consideration for terms of this Agreement, the Town agrees that: it is not a third party beneficiary of or under the Cooperative Agreement; that it will not assert a claim to be a third party beneficiary of or under the Cooperative Agreement; any references to the Cooperative Agreement are strictly for the purposes set forth herein; and, that by all appropriate action it has ratified and approved this Agreement.
5. Venue for resolution of any dispute of water matters under this Agreement resulting in litigation shall be the District Court, Colorado, for the appropriate Water Division or federal district court, as appropriate under the Blue River Decree. Venue for all other matters under this Agreement resulting in litigation shall be the Colorado District Court for the county in which any defendant resides. This Agreement shall be construed in accordance with and governed by the laws of the State of Colorado.
6. For the purposes of this Agreement, any notice shall be deemed received on the day the written notice is placed in the U.S. Mail, first class postage prepaid, addressed as follows:

To Denver Water:

Denver Water Board
Attention: Manager
1600 West 12th Avenue
Denver, CO 80204

To Town:

Town of Breckenridge
Attn: Town Manager
P. O. Box 168
Breckenridge, CO 80424

7. This Implementation Agreement may be executed in two or more counterparts, each of which shall be deemed an original, all of which shall constitute one and the same. Such counterparts may be transmitted by facsimile, the facsimile to have full force and effect as if it were an original.
8. Nothing contained herein shall be construed to be a waiver or partial waiver of the Parties governmental immunity.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective the ____ day of _____, 2012.

CITY AND COUNTY OF DENVER,
acting by and through its
BOARD OF WATER COMMISSIONERS

ATTEST:

Secretary

President

APPROVED AS TO FORM:

Legal Division

REGISTERED AND COUNTERSIGNED:
Dennis J. Gallagher, Auditor
CITY AND COUNTY OF DENVER

By: _____

TOWN OF BRECKENRIDGE

Title: _____

ATTACHMENT A

TOWN OF BRECKENRIDGE
Description of Conditional Water Rights

Direct Flow Rights (cfs)						
Ditch or Structure (aka)	Source	Use*	Amount	Adjudication Date	Case No. (diligence)	
Breckenridge Pipeline	Blue River	M D C N I F K O	17.1 (C)	12/31/1980	80CW444 (02CW72) (09CW126)	
Breckenridge Pipeline	Blue River	M D N C F I K O	3.0 (C)	12/31/1983	83CW051 (02CW72) (09CW126)	
Swan River Water System	Swan River	I	0.55 (C)	12/31/1981	81CW107 (02CW72) (09CW126)	
Swan River Water System	Swan River	I	0.4 (C)	12/31/1983	83CW051 (02CW72) (09CW126)	
Whitewater Park	Blue River	R	39-500 (C)	12/31/2000	00CW281 (08CW73)	
Miners Creek Ditch	E Fork Miners Creek	M D I N R C F P W E A	2.0 (C)	12/31/1997	97CW283 (09CW77)	
Barton Creek Diversion	South Barton Creek	D M C I O	0.85 (C)	12/31/1990	90CW277 (05CW98)	
Blue River Well No. 3, 1 st Enlargement	Blue River	M I N C D	0.44 (C)	12/31/1979	79CW57 (08CW23)	
Storage Rights (acre-feet)						
Goose Pasture Reservoir, 1st Enl.	Indiana, Pennsylvania, Spruce Creeks, Blue River	M D	27,127.7 (C)	05/31/1972	CA2371 (06CW101)	
Sawmill Reservoir Enlargement (Breck Res. 1 & 2)	Sawmill Creek	M D	140.54 (C)	05/31/1972	CA2371 (06CW102)	
Swan Reservoir No. 1	Swan River	M D I N C P K W	13,600 (C)	12/31/1981	81CW487 (02CW72) (09CW126)	

Swan Reservoir No. 2	Swan River	MDINCPKW	13,600 (C)	12/31/1981	81CW487 (02CW72) (09CW126)
Swan Reservoir No. 3	Swan River	MDINCPKW	11,800 (C)	12/31/1981	81CW487 (02CW72) (09CW126)
Swan Reservoir No. 4	Swan River	MDINCPKW	11,800 (C)	12/31/1981	81CW487 (02CW72) (09CW126)
Swan Reservoir No. 5	Swan River	MDINCPKW	9,100 (C)	12/31/1981	81CW487 (02CW72) (09CW126)

* A augmentation, C commercial, D domestic, E evaporation, F fire, I irrigation, K snowmaking, M municipal, N industrial, O other, P fishery, R recreation, W wildlife.