

ATTACHMENT M

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); BOARD OF COMMISSIONERS OF THE COUNTY OF SUMMIT (County); and the TOWN OF DILLON (Town).

RECITALS

1. Denver Water has entered into the Colorado River Cooperative Agreement, dated September 26, 2013 (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, the County negotiated for Denver Water 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, County and 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) Pipeline/siphon into the Town through Dillon Reservoir or alternative facilities for access to Salt Lick Gulch flow rights and storage capacity in Old Dillon Reservoir; (2) Dillon Marina improvements – shoreline stabilization and wharf structure; (3) Improvements to wastewater treatment plant operated by Silverthorne/Dillon Joint Sewer Authority.
 - 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) above.
 - c. A representative of Town will serve on the committee established under Article III(B)(3) of the Cooperative Agreement to select *Environmental Enhancement projects* eligible for 50% matching funds from the \$1 million deposited by Denver Water into a fund for that purpose. If the committee cannot unanimously agree on a project or projects, Town will be entitled to use one-fifth of the funds for a 50% match for an *Environmental Enhancement project* selected by the Town.

- d. Upon *Resolution of Blue River Decree Issues*, Denver Water will provide to Town 45 acre-feet of "Dillon Storage Water" annually pursuant to Article III(B)(7) of the Cooperative Agreement.
 - e. Upon *Resolution of Blue River Decree Issues*, Denver Water will provide to Town 105 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).
 - f. 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 and agree 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 A, 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 Manager
275 Lake Dillon Drive
Dillon, CO 80435

To County:

County Manager
208 E. Lincoln Avenue
P.O. Box 68
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 any Party's governmental immunity.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective the 14th day of November, 2012.

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

ATTEST:

[Signature]
Secretary

[Signature]
President

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

APPROVED AS TO FORM:

[Signature]
Legal Division

By: [Signature]
Deputy Auditor

SUMMIT COUNTY

[Signature]
Title: Chairman

TOWN OF DILLON

[Signature]
Title: Town Manager

ATTACHMENT A

TOWN OF DILLON CONDITIONAL WATER RIGHTS

Water Right Name	Case No.	Source	Amount	Appropriation Date	Decreed Uses
Old Dillon Reservoir 2 nd Enlargement	2007CW223	Salt Lick Creek and precipitation and run-off into reservoir	60 AF cond. (10 cfs filling rate)	December 11, 2007	Municipal, domestic, commercial, irrigation, industrial, snowmaking, augmentation, replacement, exchange, recreation, piscatorial, and wildlife watering
Old Dillon Reservoir 3 rd Enlargement	2008CW201	Salt Lick Creek and precipitation and run-off into reservoir	30 AF cond. (10 cfs filling rate)	December 16, 2008	Municipal, domestic, commercial, irrigation, industrial, snowmaking, augmentation, replacement, exchange, recreation, piscatorial, and wildlife watering
Old Dillon Reservoir Refill	2008CW201	Salt Lick Creek and precipitation and run-off into reservoir	45 AF cond. (10 cfs filling rate)	December 16, 2008	Municipal, domestic, commercial, irrigation, industrial, snowmaking, augmentation, replacement, exchange, recreation, piscatorial, and wildlife watering
Dillon Blue River Intake	1986CW329	Blue River	5 cfs, cond.	December 16, 1986	Municipal (year around)
Town of Dillon Straight Creek Diversion	1987CW392	Straight Creek	1.5 cfs, cond.	September 29, 1987	Municipal
Town of Dillon Well 1	1987CW392	Ground water tributary to Straight Creek	150 gpm, cond.	September 29, 1987	Municipal
Town of Dillon Well 2	1987CW392	Ground water tributary to Straight Creek	200 gpm, cond.	September 29, 1987	Municipal
Town of Dillon Well 3	1987CW392	Ground water tributary to Straight Creek	250 gpm, cond.	September 29, 1987	Municipal
Town of Dillon Well 4	1987CW392	Ground water tributary to Straight Creek	200 gpm, cond.	September 29, 1987	Municipal
Town of Dillon Well 5	1987CW392	Ground water tributary to Straight Creek	200 gpm, cond.	September 29, 1987	Municipal
Exchange from Old Dillon Reservoir to Blue River Intake	1986CW330	Old Dillon Reservoir	3.5 cfs cond. up to 250 AF per year of diversions	May 6, 1986	Municipal
Old Dillon Reservoir Straight Creek Exchanges	1987CW392	Old Dillon Reservoir	46 AF at 5 cfs, cond.	September 29, 1987	Municipal

Water Right Name	Case No.	Source	Amount	Appropriation Date	Decreed Uses
Exchanges from Old Dillon Reservoir to Laskey Gulch Diversions	2007CW232	Old Dillon Reservoir 1st and 2nd Enlargements	39.375 AF + 15.75 AF at 5 cfs, cond.	December 11, 2007	All municipal purposes, including domestic, commercial, irrigation, industrial, fire protection, recreation, piscatorial, wildlife watering, lake level maintenance, augmentation, replacement, exchange, and all other municipal uses
Exchanges from Dillon Reservoir to Dillon Ditch	2007CW232	Future Dillon Water	32.6 AF at 5 cfs, cond.	December 11, 2007	All municipal purposes, including domestic, commercial, irrigation, industrial, fire protection, recreation, piscatorial, wildlife watering, lake level maintenance, augmentation, replacement, exchange, and all other municipal uses
Exchanges from Dillon Reservoir to Laskey Gulch Diversion	2007CW232	Future Dillon Water	32.6 AF at 5 cfs, cond.	December 11, 2007	All municipal purposes, including domestic, commercial, irrigation, industrial, fire protection, recreation, piscatorial, wildlife watering, lake level maintenance, augmentation, replacement, exchange, and all other municipal uses