

ARTICLE III IMPLEMENTATION AGREEMENT
GRAND 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 WINTER PARK WATER AND SANITATION DISTRICT (District)

RECITALS

- 1. Denver Water has entered into the Colorado River Cooperative Agreement, dated Sept. 26, 2013 (Cooperative Agreement) with numerous West Slope entities (West Slope Signatories), including Grand County, that resolved longstanding issues between the parties.
- 2. In Article III of the Cooperative Agreement, Grand County negotiated for Denver Water to provide certain monetary and water supply benefits to entities located in Grand County, including District, 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 District.
- 4. Italicized terms in this Agreement shall have the same meaning as the corresponding term in the Cooperative Agreement.

NOW THEREFORE, Denver Water and District agree as follows:

- 1. Pursuant to Article III of the Cooperative Agreement, District will receive the following benefits:
 - a. A representative of District will serve on the board established under Article III(E)(2) of the Cooperative Agreement, which will allocate and administer the water quality funds that Denver Water will provide *upon issuance and acceptance by Denver Water of permits necessary for the Moffat Project*. District will be eligible to receive such funds.
 - b. As a project sponsor of two of the water supply projects described in Attachment L of the Cooperative Agreement, District will be eligible to receive funding for its projects from the following amounts to be paid into a fund by Denver Water under Article III(E)(14):
 - i. \$1.95 million upon execution of this Article III Implementation Agreement.
 - ii. \$2 million within six months after *Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project or Resolution of the Blue River Decree issues*, whichever occurs later.

- c. Upon execution of this Article III Implementation Agreement, Denver Water will provide Clinton Bypass Water to District on a year round basis, as specified in the 2012 Grand County Water Users Operating Plan, subject to the provisions of Article III(E)(15) of the Cooperative Agreement.
- d. Upon *Issuance and Acceptance by Denver Water of Permits Necessary for the Moffat Project*, Denver Water will provide to District 68.75 acre-feet of water annually pursuant to Article III(E)(20) of the Cooperative Agreement, and as specified in the 2012 Grand County Water Users Operating Plan. District shall provide *Replacement Water* to Denver Water in accordance with Article III(E)(20) and Article III(A)(4) of the Cooperative Agreement.

2. The District agrees that the funds provided under paragraph 1 will be used only for its project listed in Attachment L to the Cooperative Agreement.

3. In consideration for the benefits described in paragraph 1, District 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 District, which are listed in Attachment A, Denver Water agrees to withdraw any statements of opposition to pending diligence filings and not to oppose 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 District 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

ATTACHMENT M

To District:

Winter Park Water and Sanitation District
Attn.: General Manager
P.O. Box 7
Winter Park, CO 80482

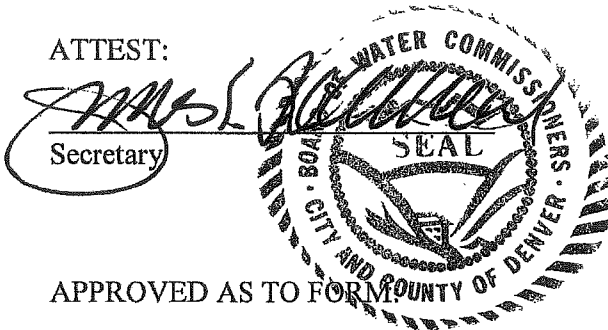
7. This Implementation Agreement may be executed in two or more counterparts, each of which shall be deemed an original, all of which shall constitute one and the same. Such counterparts may be transmitted by facsimile, the facsimile to have full force and effect as if it were an original.

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 9th day of Oct., 2013.

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

ATTEST:



[Signature]
Secretary

APPROVED AS TO FORM

[Signature]
Legal Division

[Signature]
President

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

By: [Signature]

WINTER PARK WATER AND
SANITATION DISTRICT

[Signature]

Title: PRESIDENT

WINTER PARK WATER & SANITATION DISTRICT
 SUMMARY OF CONDITIONAL WATER RIGHTS

Name	Amount	Source	Appropriation Date	Case Number
Winter Park Water System	2.25 cfs	Fraser River	11/4/1982	82CW400
Winter Park Water System	125 af	Fraser River, Granby Reservoir, Windy Gap	8/30/1984	84CW444
Winter Park Reservoir No.1	25af	Jim Creek	12/11/1986	86CW365
Clinton Exchange/Augmentation	150 af	Fraser and Williams Fork Rivers and their tributaries	7/21/1992	92CW305
Winter Park Water and Sanitation District Water Storage Reservoir No.2	15 af	Cooper Creek, Fraser River, WWTPeffluent	11/12/2003	03CW291
Jim Creek Ditch	1 cfs	Jim Creek	8/11/1999	00CW287
WPWSD Pipeline 2	2.25 cfs	Fraser River	12/14/2005	05CW269
WPWSD Pipeline 3	2.25 cfs	Fraser River	12/14/2005	05CW269