

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 SILVERTHORNE (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 projects listed in Attachment A.
  - 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 Attachment A.
  - 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 60 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 140 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).
  - g. Pursuant to Article III(B)(17) of the Cooperative Agreement, upon *Resolution of Blue River Decree Issues*, Denver Water and County will amend the *1985 Summit Agreement* to eliminate the current restrictions on the use of the 300 acre feet of Dillon Storage Water made available to the Town. A form of the revisions to the *1985 Summit Agreement* to accomplish this result appears in Attachment H to the Cooperative Agreement. The Silverthorne RICD will not be used to prevent or otherwise limit the exchange or substitution of any replacement or exchange water into Dillon Reservoir under the Cooperative Agreement, *the 1985 Summit Agreement* or the *1992 Clinton Agreement*.
2. The Town agrees that the funds provided under paragraph 1 will be used only for the projects listed in Attachment A, including reimbursement of costs paid or incurred prior to the date of this Agreement, 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 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 Manager  
601 Center Circle  
P.O. Box 1309  
Silverthorne, CO 80498

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

APPROVED AS TO FORM:

[Signature]  
Legal Division

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

By: [Signature]  
Deputy Auditor

SUMMIT COUNTY

[Signature]  
Title: Chairman

TOWN OF SILVERTHORNE

[Signature]  
Title: MAYOR

**ATTACHMENT A**

**List of Projects**

<b>Town of Silverthorne</b>	Blue River improvements for fish habitat at low flows and recreation
	Straight Creek Watershed Protection
	Staged release structure for Dillon Dam
	Blue River erosion protection
	Improvements to wastewater treatment plant operated by Silverthorne/Dillon Joint Sewer Authority

## ATTACHMENT B

### TOWN OF SILVERTHORNE CONDITIONAL WATER RIGHTS

Water Right Name	Div. Amt.	Unit	Uses	Approp. Date	Adjud. Date	Diversion Season	Original Case No(s).
Silverthorne Well No.5	0.667	cfs	muni	7/21/1981	12/31/1985	year-round	85CW580
Silverthorne Well No.6	0.667	cfs	muni	7/21/1981	12/31/1985	year-round	85CW580
Silverthorne Well no.7	0.667	cfs	muni	7/21/1981	12/31/1985	year-round	85CW580
Silverthorne Well No.8	0.667	cfs	muni	7/21/1981	12/31/1985	year-round	85CW580
Silverthorne Well No. 9	0.667	cfs	muni	7/21/1981	12/31/1985	year-round	85CW580
Silverthorne Well No.1 0	0.667	cfs	muni	7/21/1981	12/31/1985	year-round	85CW580
Silverthorne Well No. 11	0.667	cfs	muni	7/21/1981	12/31/1985	year-round	85CW580
Windy Gap/Wolford Mtn Exchange	250	af	aug/exch	3/6/1984	12/31/1984	year-round	84CW670, 85CW580
	100/600	cfs	kayak/boat	12/31/2004	12/31/2004	May-Sept Summer Holid	04CW217
RICD							
Old Dillon Reservoir Exchange	8.0 355	cfs af	muni/aug	12/26/2007	5/10/2011	year-round	08CW16