

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 GRAND COUNTY WATER AND SANITATION DISTRICT NO. 1 (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. 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.
  - c. 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.

ATTACHMENT M

2. The District agrees that the funds provided under paragraph 1 will be used only for the projects approved by the board described in paragraph 1(a).

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

To District:

Grand County Water and Sanitation District  
Attn.: General Manager  
P.O. Box 3077  
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.

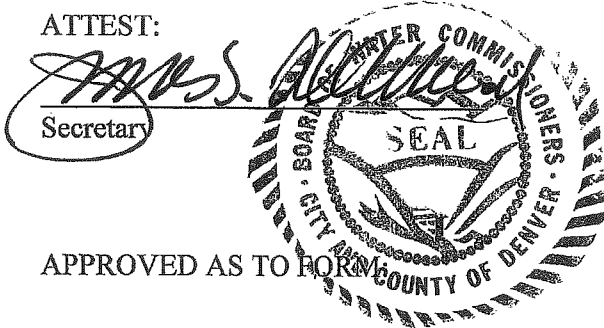
ATTACHMENT M

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:



Secretary

APPROVED AS TO FORM

Legal Division

[Signature]  
President

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

By: [Signature]

GRAND COUNTY WATER AND  
SANITATION DISTRICT NO.1

[Signature]  
Title: VICE CHAIRMAN

## GRAND COUNTY WATER &amp; SANITATION DISTRICT NO.1

## Description of Conditional Water Rights

Name	Amount	Source	Appropriation Date	Case Number
GCWSD#1 Pipeline No.1	3 cfs	Little Vasquez	11/4/1982	82CW403
GCWSD#1 Pipeline No.2	3 cfs	Big Vasquez	11/4/1982	82CW403
GCWSD#1 Pipeline No.3	3 cfs	Fraser	11/4/1982	82CW404
GCWSD#1 Reservoir	8 af	Fraser	12/20/1983	83CW333
GCWSD#1 Windy Gap Exchange	250af	Granby Reservoir, Windy Gap, Fraser	12/14/1984	84CW455
GCWSD#1 Pipeline No.4	4.5 cfs	Fraser	12/21/1989	89CW270
Clinton Exchange/Augmentation	476ac	Clinton water Augmentation source: Windy gap 250 af	7/21/1992	92CW305
GCWSD#1 Water Storage Reservoir No.1	158 af	Fraser River & its Tributaries	12/4/2002	02CW367
GCWSD#1 Water Storage Reservoir No.2	80 af	Fraser River & its Tributaries	12/4/2002	02CW367
GCWSD#1 Sitzmark Pond No.1	7.0 af	Fraser	6/15/2011	11CW166 (pending)