

**INTERGOVERNMENTAL AGREEMENT
RE SUBLETTE RECHARGE AND CHATFIELD RESERVOIR PROJECT**
(Town of Castle Rock and Central Colorado Water Conservancy District)

This **INTERGOVERNMENTAL AGREEMENT RE SUBLETTE RECHARGE AND CHATFIELD PROJECT** ("Project IGA") is made and entered into this 17th day of September 2024, by and between the **CENTRAL COLORADO WATER CONSERVANCY DISTRICT**, a water conservancy district organized and existing pursuant to the provisions of Water Conservancy District Act of the Colorado Revised Statutes ("Central") and the **TOWN OF CASTLE ROCK**, a Colorado home rule municipality ("Town"). This Project IGA may refer to Central and the Town each individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, each Party is a political subdivision of the State of Colorado authorized and empowered to supply water for all beneficial uses, including augmentation and exchange, and to provide all necessary property, diversion works, reservoir, treatment works and facilities, equipment, and incident appurtenances.

WHEREAS, each Party owns and operates water rights and water delivery and supply systems for the benefit of its current and future customers, constituents, lessees, and contractees.

WHEREAS, the Parties entered into that certain Intergovernmental Agreement – South Platte River Basin Projects Agreement on July 16, 2024 ("Partnership IGA"), setting forth their desire and intent to cooperate on projects designed to promote the reliability and stability of their respective water supplies used within the South Platte River Basin.

WHEREAS, paragraph 4 of the Partnership IGA provides that, should the Parties agree to partner on a project, the Parties will negotiate and, if negotiations are successful, enter into an agreement setting forth the terms on which the project will proceed.

WHEREAS, Central owns a conditional storage right in Chatfield Reservoir in the amount of 22,300 acre-feet ("Central 1983 Right") decreed in Case No. 83CW184, District Court, Water Division No. 1, dated March 29, 1989 ("Central's Decree").

WHEREAS, Central owns 4,274 acre-feet of storage in Chatfield Reservoir, with the right to purchase 1,000 additional acre-feet for a total of 5,274 acre-feet ("Central's Storage Account").

WHEREAS, the Sublette Recharge Project is described in that certain Agreement dated July 5, 1994 ("1994 Agreement") and in the decree in Case No. 89CW27, District Court, Water Division No. 1, dated April 30, 1996 ("Sublette Decree").

WHEREAS, the Town owns the right to 60.4% of the first recharge accretions generated by the Sublette Recharge Project up to 770 acre-feet per year ("Town Credits").

WHEREAS, the successors-in-interest to the 1994 Agreement entered into that certain Agreement dated March 27, 2024 (“2024 Agreement”) regarding the Town’s use of the Town Credits for uses other than those in the Sublette Decree.

WHEREAS, the Town owns 848 acre-feet of storage in Chatfield Reservoir, with the option to purchase 1,152 additional acre-feet for a total of 2,000 acre-feet (“Town’s Storage Account”).

WHEREAS, pursuant to paragraph 4 of the Partnership IGA, the Parties desire to enter into this Project IGA to trade water associated with the Town Credits in the Sublette Recharge Project in exchange for water stored in Chatfield Reservoir under the Central 1983 Right (“Project”).

NOW THEREFORE, the Parties, in and for the consideration of the performance of the mutual promises set forth herein, the adequacy of which is hereby acknowledged, for themselves and their successors, do hereby agree as follows.

AGREEMENT

1. Term and Termination. This Project IGA shall be effective upon execution and shall continue until April 30, 2025 (“Initial Period”), unless terminated. The Project IGA will be automatically extended by the Parties for five (5) additional, one (1) year periods commencing on May 1st and ending on April 30th of each water year (“Additional Period”), unless terminated. Either Party may unilaterally terminate the Project IGA by providing notice to the other Party by December 31st of the year preceding an Additional Period.

2. Trade Ratio. When the Project operates, the Town shall provide Central with one and one-half (1.5) acre-feet of Town Credits annually for each one (1.0) acre-foot that Central provides to the Town of Central’s 1983 Right annually.

3. Annual Conferral and Memorialization.

3.1. Prior to December 31st of each year preceding an Additional Period, the Parties shall cooperate in good faith to estimate whether there is any quantity of the Town Credits and any quantity of the Central 1983 Right in storage that the Parties can make available to utilize in the Project in any Additional Period.

3.2. Prior to April 1st of each year preceding an Additional Period, the Parties will memorialize in writing the quantity of Town Credits, if any, (“Traded Town Credits”) and the quantity of the Central Chatfield Right, if any, (“Traded 1983 Right”) available for use in the Project during any Additional Period. Traded Town Credits and Traded 1983 Right shall be collectively referred to as “Traded Water.”

3.3. During the Initial Period, the Town shall make up to one hundred and fifty six (156.0) acre-feet of Traded Town Credits available to Central subject to paragraph 4. Central shall make up to one hundred and four (104.0) acre-feet of the Traded 1983 Right available to the Town, subject to paragraphs 2 and 5.

4. Traded Town Credits.

4.1. Pursuant to paragraph 3.b. of the 2024 Agreement, the Traded Town Credits are subject to the following volumetric limits: A) 100 acre-feet in any month; B) 500 acre-feet during the period from May 1 through October 31; C) 350 acre-feet during the period from November 1 through April 30; and D) 770 acre-feet annually.

4.2. Central shall use the Traded Town Credits for augmentation and augmentation by exchange under the Sublette Decree. The Traded Town Credits shall be credited to Central at the point of accretion on the South Platte River, which is located upstream of the Weldon Valley Ditch headgate, on a schedule identified in the writing described in paragraph 3.2. Central will bear any transit losses on the Traded Town Credits beginning at the headgate.

4.3. At Central's expense, Central shall complete procedures necessary to make the Traded Town Credits available for the Central's purposes as a source of replacement water or substitute supply in one or more of Central's, or its subdistricts, plans for augmentation or substitute supply plans. Central shall be entitled to identify the accretions from the Traded Town Credits in its augmentation plan projections for the term of the Project IGA.

5. Traded 1983 Rights.

5.1. Commencing upon the execution of the Project IGA, Central shall hold the 113 acre-feet of the Traded 1983 Right in Central's Storage Account for use by the Town during the Initial Period at no cost to the Town. Commencing on May 1st of each Additional Period during which the Project operates, Central shall hold the quantity of Traded 1983 Right in Central's Storage Account for use by the Town during any Additional Period at no cost to the Town. The Town's right to use any portion of the Traded 1983 Right still in Central's Storage Account on April 30th of any period shall automatically revert to Central.

5.2. The Town shall use the Traded 1983 Right for municipal purposes under Central's Decree by: A) booking the water over from Central's Storage Account to the Town's Storage Account in Chatfield Reservoir; B) exchanging the water from Chatfield Reservoir to the Town's system; or C) pumping the water from Chatfield Reservoir into the Town's system. Central shall coordinate with the Town and communicate with the Division Engineer's Office to book-over the Traded 1983 Right for the Town's use.

5.3. The Traded 1983 Right shall be charged for seepage or evaporation losses while in storage in Central's Storage Account. The Town will bear any transit losses on the Traded 1983 Right once released from storage at the Chatfield Reservoir outlet.

6. Coordination on Challenges. The Parties agree that if any third party challenges the Town's use of the Traded 1983 Right or Central's use of the Traded Town Credits, the parties shall use commercially reasonable efforts to address the challenges in a manner that effectuates the Parties' use of the Traded Water.

7. Costs. Unless otherwise agreed to in writing, the Parties will bear their own costs for activities undertaken pursuant to this Project IGA.

8. General Provisions.

8.1. Relationship of Parties. This Project IGA does not and will not be construed as creating a relationship of joint venture between the Parties. Neither Party is granted the right or authority to act on behalf of or bind the other Party.

8.2. Modification. This Project IGA may be modified, amended or changed only by an agreement in writing duly authorized and executed by the Parties. The Project IGA can be terminated as specified in paragraph 1.

8.3. Integration. This Project IGA contains the entire agreement between the Parties related to the Project and no statement, promise, or inducement made by any Party or the agent of any Party that is not contained in this Project IGA shall be valid or binding.

8.4. Severability. Invalidation of any of the provisions of this Project IGA or of any section, sentence, clause, phrase, or work herein, or the application thereof in any given circumstance, will not affect the validity of any other provision of this Project IGA.

8.5. No Third-Party Beneficiaries. There are no third-party beneficiaries of the Project IGA.

8.6. Governing Law and Venue. This Project IGA is governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof will be brought in Jefferson County, Colorado.

8.7. No Waiver of Governmental Immunity. The Parties, their directors, officers, agents, and employees are relying upon and do not waive or abrogate or intend to waive or abrogate the monetary limitations or any other rights immunities or protections afforded by the Colorado Governmental Immunity Act, C.R.S § 24-10-101 *et seq.*, as the same may be amended, by any provision of this Project IGA.

8.8. Counterparts. This Project IGA may be executed in one or more counterparts, each of which will be an original, but all of which when taken together constitutes one agreement. In addition, the Parties agree to recognize signatures of this Project IGA transmitted by telecopy or email as if they were original signatures.

IN WITNESS WHEREOF, the Parties have entered into this Project IGA effective as of the date set forth herein as evidenced by signature of each of the Parties.



CENTRAL COLORADO WATER CONSERVANCY DISTRICT

Ralph T. Anders
Ralph Anders, President

ATTEST

[Signature]
Secretary

ATTEST:

TOWN OF CASTLE ROCK,
acting by and through the Town of Castle Rock
Water Enterprise

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director of Castle Rock Water