

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: May 9, 2012

Board Item: V-E-1

## Ratification of Settlement Agreement

Action by Consent

Action

Information

On April 25, 2012, the Manager approved a settlement agreement with Centennial Water and Sanitation District to resolve Centennial's concerns in Case No. 2004CW121 and other pending water cases. The agreement provides that during the months of October through March, Denver Water cannot interfere with the exercise of Centennial's junior exchange right when Denver Water operates its senior exchange using certain substitute supplies, including sewer effluent originating from South Platte sources, Lawn Irrigation Return Flows, and water released from Denver Water's Gravel pits ("Restricted Sources of Substitute Supply").

The agreement further provides that Denver Water may interfere with Centennial's junior exchange during the months of April through September using the Restricted Sources of Substitute Supply, but that Denver Water must pay Centennial back an amount not to exceed 330 acre feet per year on a five year running average, and a maximum amount of 500 acre-feet in a single year. Denver Water may continue to operate its senior exchange during these months without any interference repayments after these maximum amounts are met. Denver Water may also operate its senior right of exchange using unrestricted sources of substitute supply, including sewer effluent, without any repayment obligation to Centennial.

Centennial agrees not to contest Denver Water's senior rights of exchange and not to appeal the March 12, 2012 decision of the water court concerning Denver Water's rights of exchange under C.A. 3635 issued in Case No. 2004CW121. The agreement also provides for a peace pact on certain other water rights.

### Recommendation:

It is recommended that the Board approve and ratify the action of the Manager approving the settlement agreement attached hereto.

### **Approvals:**

  
Patricia J. Wells  
General Counsel

Respectfully submitted,

  
James S. Lochhead  
CEO/Manager