

UNIFICATION/DISSOLUTION AGREEMENT

THIS UNIFICATION/DISSOLUTION AGREEMENT (“Agreement”) is made by and between **COLUMBINE LAKE WATER DISTRICT** (“Water District”) and **THREE LAKES WATER AND SANITATION DISTRICT** (“Three Lakes”). Water District and Three Lakes are hereinafter sometimes singularly referred to as a “Party,” and collectively as the “Parties.”

RECITALS

WHEREAS, both the Water District and Three Lakes are organized and operating pursuant to Article I of Title 32 of the Colorado Revised Statutes (“Special District Act”) and have the powers, duties, and responsibilities, and are subject to the conditions and limitations, provided in the Special District Act and the Constitution and other laws of the State of Colorado; and

WHEREAS, Water District has for multiple decades existed within the boundaries of Three Lakes and has contracted for all operations to be provided by Three Lakes; and

WHEREAS, for multiple reasons of efficiency and economy, Water District has determined to dissolve and to be absorbed formally by, and exist as a Subdistrict of Three Lakes Water and Sanitation District; and

WHEREAS, Article VIX §18(2)(a) of the Colorado Constitution and § 29-1-203, C.R.S. permit and encourage political subdivisions of the State of Colorado to make efficient and effective use of their powers and responsibilities by cooperating and contracting with each other; and

WHEREAS, Water District and Three Lakes previously determined and continue to believe that this Agreement is in the best interest of the health, safety, and public welfare of their respective citizens and for Water District to be dissolved in accordance with the provisions of Part 7 of the Special District Act; and

WHEREAS, in light of the foregoing, the Parties desire to enter into this Agreement to allow Water District to dissolve and transfer its duties, functions and assets to Three Lakes in a way that allows for the continuation of equivalent service.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein contained, it is agreed by and between the Parties hereto as follows:

1. The Parties agree that Three Lakes shall in a timely manner form a Subdistrict pursuant to § 32-1-1101 *et. seq.* to be known as the Three Lakes Water and Sanitation District Columbine Lake Subdistrict (the “Columbine Lake

Subdistrict”). The length of the title is dictated by statute, which requires a Subdistrict to include the name of the Special District that established it. The Columbine Lake Subdistrict shall be managed in accordance with statute by the Board of Directors of Three Lakes (“Board”) and all operating costs, capital costs, and assets shall be accounted for separately in recognition of the fact that Columbine Lake Subdistrict is an independent governmental entity.

2. Water District and Three Lakes will cooperate to create an inventory of assets, licenses, permits, and other contracts for the purpose of conveying and assigning all personal and real property from the Water District to the Columbine Lake Subdistrict. The Parties shall execute and deliver to each other such further instruments of conveyance as may be reasonably necessary to convey the foregoing assets. Three Lakes will, on behalf of Water District, take such measures as are necessary to obtain authorization to assign debt and water rights from Water District to the Columbine Lake Subdistrict.
3. The Parties have agreed to use identical legal counsel to undertake all procedural legal actions necessary to achieve the formation of the Columbine Lake Subdistrict, and the dissolution of Water District, the costs of which will be split equally by the Parties.
4. Water District has long engaged Water Counsel, which Water Counsel will pursue the approvals necessary for assignment of water rights, such activities will be paid by Water District. Further, it is the current intent of Three Lakes to continue to engage stated Water Counsel for the Columbine Lake Subdistrict’s water needs.
5. Due to the existence of outstanding debt, it is necessary for the District Court to Order the conduct of an election regarding the matters contained within this Agreement. The costs associated with conducting such election shall be paid by Water District.
6. Following completion of the Unification/Dissolution described herein, the Columbine Lake Subdistrict shall be accounted for as a separate Fund and identified in the Three Lakes annual audit as a separate Fund and independent governmental entity. Such separate Fund will account for all operating costs, capital costs, and water revenues of the Columbine Lake Subdistrict, and water rates shall be based upon those costs so allocated.
7. This Agreement may be executed in multiple counterparts, each of which shall be an original, but all of which, together, shall constitute one and the same instrument. The Parties consent to the use of electronic signatures and agree that the transaction may be conducted electronically pursuant to the Uniform Electronic Transactions Act, § 24-71.3-101, *et seq.*, C.R.S.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the most recent day and year written below.

COLUMBINE LAKE WATER DISTRICT

By: Mark Trumbo
Name: MARK TRUMBO
Title: Secretary / Treasurer
Date: 11/20/2023

**THREE LAKES WATER AND
SANITATION DISTRICT**

By: Scott R. Hoff
Name: SCOTT R. HOFF
Title: SECRETARY TREASURER
Date: 11-21-23