



For Immediate Release

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Partnership advances historic water-sharing agreement

Aurora, Colorado, October 4, 2011 — Three major metropolitan water entities are on the verge of executing a historic water-sharing agreement — one of the first of its kind in the country. The agreement represents a critical step toward bolstering water supplies in the southern metro area, while maximizing the use of existing water resources and infrastructure belonging to Aurora and Denver Water.

Aurora Water, Denver Water and the South Metro Water Supply Authority (SMWSA) — which represents 15 water providers in Douglas and Arapahoe counties — have developed a water delivery agreement that, when approved, can provide SMWSA with up to 5,000 acre-feet of water per year by June 2013, increasing to 10,000 acre-feet per year by 2020 as additional pipeline and other infrastructure are built. The amount of water delivered annually could eventually expand to up to 60,000 acre-feet per year. One acre foot of water is 325,851 gallons of water, enough to serve two typical households for a year.

The new supply of fully treated water from Aurora's state-of-the-art Binney Water Purification Facility will provide much welcomed relief to SMWSA and its members, who have been looking for ways to reduce their reliance on non-renewable underground aquifers. It also will reduce the need for the SMWSA members to pursue agricultural water rights in the South Platte River basin in the near term.

The collaboration, called the WISE (Water Infrastructure and Supply Efficiency) Partnership, is the result of several years of engineering and financial analysis among the various water providers, culminating in the provisions of a long-term agreement.

Aurora's Prairie Waters system provides the backbone for the partnership. That system, which can recapture water owned by both Aurora and Denver Water in the South Platte, was designed to provide drought protection for Aurora's customers and to ensure ample supplies for decades to come. When Aurora Water does not have the demand, capacity in the Prairie Waters pipeline, as well as excess water supplies from both Aurora Water and Denver Water, can be used to serve SMWSA members. Aurora's share of revenues from sales will help stabilize water rates.

The SMWSA members will work cooperatively to develop the infrastructure necessary for the delivery of water to their individual members, sharing both existing infrastructure and the cost of new infrastructure. Each member of SMWSA has the option of participating in the joint venture. Under the partnership arrangements, Denver Water will be able to access its unused water supplies in the South Platte River and, in times of need, can bring this water back into its system. When Denver Water does not need the supply, it can be made available to SMWSA.

Specifics of the draft agreement were released today. The parties continue to negotiate the terms of related agreements that will enable many pieces of the water sharing plan to fall into place. There will now be a 60-day review, during which SMWSA members, along with Aurora Water and Denver Water, will seek the necessary approvals.

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WISE Partnership Quick Reference

The WISE Partnership is a regional water supply project between Aurora Water, Denver Water and the South Metro Water Supply Authority to combine excess water supplies and system capacities to create a sustainable new water supply. Through WISE, Aurora Water and Denver Water will provide fully treated water to the South Metro Water Supply Authority for distribution to its members on a permanent basis. Aurora's Prairie Waters system will provide the backbone for delivering water from the South Platte when Aurora and Denver Water have excess water supplies and capacity available. WISE will also allow Denver Water to access its supplies through Prairie Waters when needed. Denver Water and Aurora Water will supply water to South Metro at a master meter located at a pipeline at Powhatan and Smoky Hill Road. South Metro will be responsible for infrastructure within their area for distribution to their members.

Entities involved:

- Denver Water
 - Aurora Water
 - South Metro Water Supply Authority
- Arapahoe County Water and Wastewater Authority
- Castle Pines Metropolitan District
- Castle Pines North Metropolitan District
- Centennial Water & Sanitation District
- Cottonwood Water and Sanitation District
- East Cherry Creek Valley Water & Sanitation District
- Dominion Water & Sanitation District
- Inverness Water & Sanitation District
- Meridian Metropolitan District
- Parker Water & Sanitation District
- Pinery Water & Wastewater District
- Rangeview Metropolitan District
- Roxborough Water and Sanitation District
- Stonegate Village Metropolitan District
- Town of Castle Rock

WISE Partnership Quick Reference

Costs

- Interconnect between Aurora's pipes and a pipe that connects to an East Cherry Creek Valley pipeline - \$412,000.
- Subscription fee for improvements or additions to Aurora and Denver Water's infrastructure to meet future demands from South Metro (equivalent to a tap fee) - \$15.4 million or \$1.98 million/year paid over 8 years.
- Initial water pricing to South Metro (treated water) - \$5.38 per thousand gallons. Increases will be based on cost-of-service.

Timeline

- Delivery agreement forwarded to entities – September 7, 2011
- Treated water deliveries can begin June 1, 2013.

Water delivered

- Phased in deliveries between 2013 and 2020 to allow South Metro to build the infrastructure for distribution.
 - 2013-2020 – 5,000 acre feet per year guaranteed minimum. Additional water can be provided if available.
 - 2020 and beyond – 10,000 acre feet per year on average (100,000 acre-feet over 10 year periods of time). Additional water can be provided if available.
- Engineering studies suggest significant additional amounts may be available in the future as much as 60,000 acre-feet/year

Benefits to Participants

- Aurora Water
 - Efficient utilization of the Prairie Waters Project (PWP) system
 - Offset PWP costs
 - Share in the cost of future expansion and water rights purchases
 - Stabilize water rates
- Denver Water
 - New supply for Denver
- South Metro
 - Reduces reliance on non-renewable groundwater
 - Minimizes costs to ratepayers
 - Greater regional cohesion
 - Efficient utilization of regional infrastructure
 - Opportunity to meet midterm goals most efficiently
 - Minimizes the need to purchase water rights in the near term

WISE Partnership Quotes of Support

"I applaud the water providers both big and small for coming together to form this historic partnership. The WISE agreement sets the standard for the type of cooperation needed to meet our water challenges now and in the future."

The Honorable Mike Coffman, Colorado House District 6

"Clean, safe and affordable water is vital to our communities and responsible economic growth. I applaud this water infrastructure and supply agreement because we can accomplish more when we work together because we really are in this together."

The Honorable Ed Perlmutter, Colorado House District 7

"The WISE Partnership is a big step in how the Front Range can capitalize on its existing water supplies. The use of recaptured water is an important tool to address future growth and help existing communities that are dependent on groundwater. What's especially noteworthy to Western Colorado is that the WISE Partnership will more efficiently deploy water that Denver and Aurora already import from the Colorado River."

Eric Kuhn, General Manager, Colorado River District

"We are encouraged by the spirit of cooperation reflected in the WISE Partnership. Colorado Trout Unlimited is especially pleased at how WISE can help more efficiently use existing water resources - and more efficiency means more water left instream, and that means healthier rivers."

David Nickum, Executive Director, Colorado Trout Unlimited

"The WISE Partnership is a terrific example of how to meet future water demands on the Front Range. We commend the partners for crafting a project that is win-win—one that will make productive use of existing infrastructure, provide safe and clean drinking water, and help keep Colorado rivers healthy."

Drew Beckwith, Water Policy Manager at Western Resource Advocates

"Denver Water, Aurora, and South Metro have constructed a cooperative project that uses existing infrastructure and new system components in an imaginative fashion that, among other things, will allow Denver to capture and use more of its Blue River return flows and to manage its strategic reserve more efficiently for the benefit of its customers and its partners. To me, the WISE Project looks like a model of the future for Front Range urban water suppliers."

Dan Luecke, Hydrologist and Advisor to Colorado Environmental groups such as Western Resource Advocates, Trout Unlimited, Colorado Environmental Coalition and the Crane Trust

"Douglas County commends the dedication and hard work of Denver Water, the City of Aurora, and members of the South Metro Water Supply Authority who are cooperatively addressing the future renewable water needs of Douglas County. We appreciate this regional, sustainable solution that leverages our existing water and infrastructure resources that will deliver permanent, renewable water supplies to Douglas County citizens and taxpayers."

Jill Repella, Douglas County Commissioner and Board Chair