

The WISE (Water Infrastructure and Supply Efficiency) Partnership

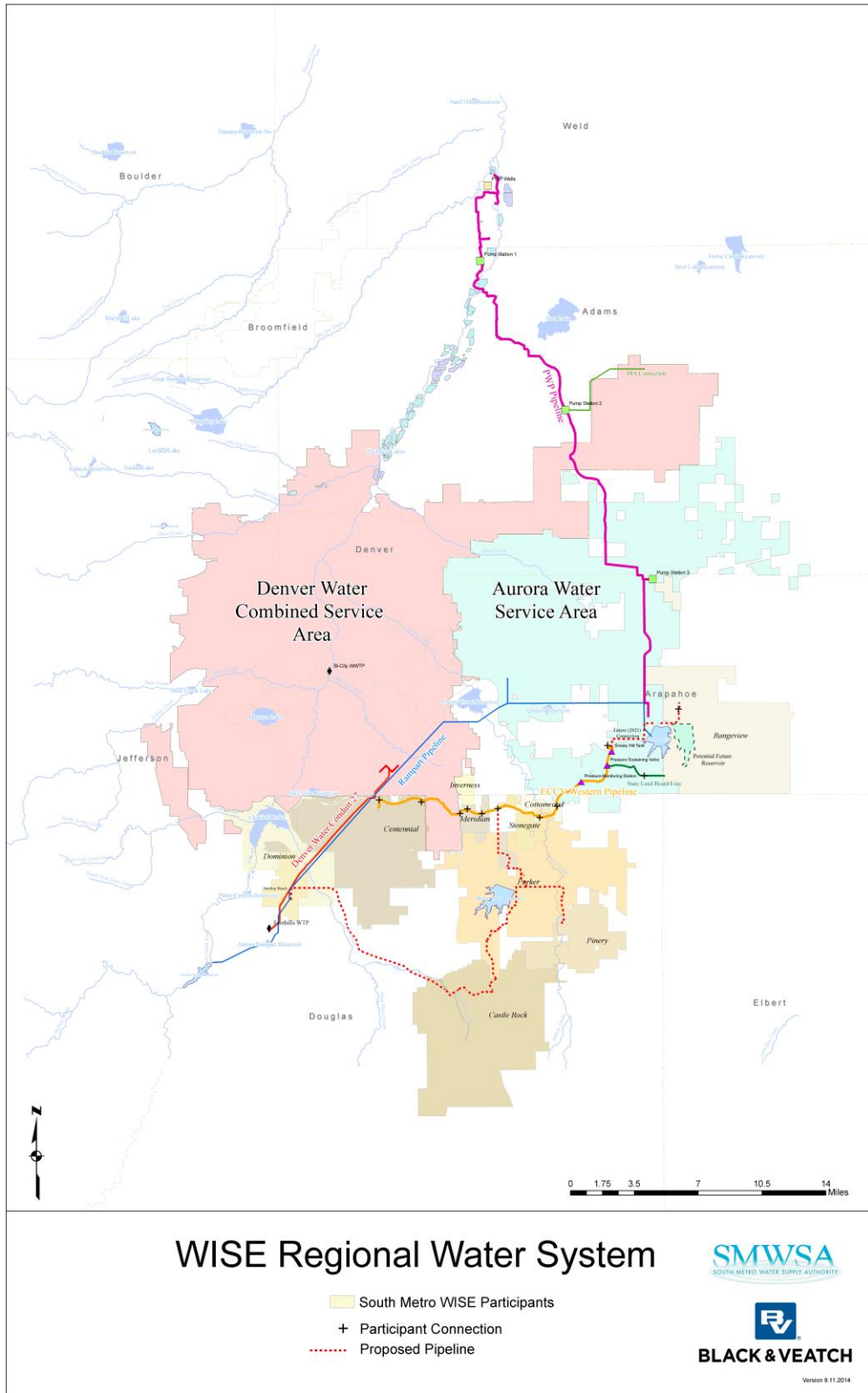
In February 2008, Aurora Water and Denver Water entered into an Intergovernmental Agreement (IGA) to investigate cooperative water supply opportunities; i.e., the sharing of water and/or infrastructure that could be mutually beneficial. In November 2008, the South Metro Water Supply Authority (SMWSA) joined the investigation through a Memorandum of Understanding (MOU). It was the expectation of the parties that the engineering investigations would lead to the development of a joint water supply project, utilizing available supplies and capacities in the parties' existing and planned water systems. The relationship between the three parties was solidified with an IGA executed in May 2009, with a final Water Delivery Agreement (WDA) defining the terms of deliveries executed in December 2013. The collective group of water suppliers are now referred to as the Water Infrastructure and Supply Efficiency (WISE) Partnership.

The backbone of WISE is Aurora's Prairie Waters Project (PWP). PWP, shown in the map below, pumps reusable water from the lower South Platte back to Aurora, where it is treated at the Binney Water Purification Facility. There are times when Aurora has available capacity in PWP and unused treatment capacity at Binney. At times, Aurora also has available reusable supplies in the lower South Platte that could be delivered to PWP.

Denver Water has an extensive water delivery system, including water it diverts from the west slope to the South Platte through the Roberts Tunnel. After Denver makes use of that water, the unconsumed portions of these flows return to the lower South Platte near PWP. These return flows are fully reusable, which, at times, Denver cannot fully use.

The SMWSA is comprised of thirteen water providers in Douglas and Arapahoe counties. The SMWSA relies heavily on non-renewable groundwater, and has been investigating developing renewable surface water supplies for a number of years. Several years of engineering study have identified opportunities to achieve efficiencies within the three systems of the Partnership through sharing and cooperative uses of infrastructure and supplies. A regional water supply project concept was developed and the necessary agreements are in place. Ten of the thirteen SMWSA members have contracted to receive water under the WISE Partnership. The ten members formed the new South Metro WISE Authority (WISE Authority) and are a signatory to the WDA, and include: Centennial Water and Sanitation District, Cottonwood Water and Sanitation District, Dominion Water and Sanitation District, Inverness Water and Sanitation District, Meridian Metropolitan District, Parker Water and Sanitation District, Pinery Water and Wastewater District, Rangeview Metropolitan District, Stonegate Village Metropolitan District, and the Town of Castle Rock.

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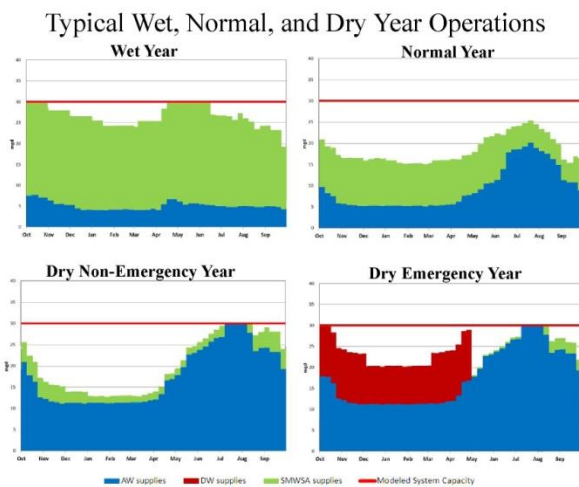
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How the WISE Partnership Works

Sharing infrastructure capacity and available water supplies will provide significant benefits to all three partners. The majority of the time, supplies will be made available to South Metro from both Aurora and Denver. Aurora and Denver offered to make available 100,000 ac-ft every 10 years. Of this, the WISE Authority subscribed to 72,250 ac-ft every 10 years with an average delivery of 7,225 ac-ft/yr, and under an option agreement with Douglas County the project can grow to the full 100,000 ac-ft/10 yrs. Deliveries noted in this summary are based on the current WDA; if additional options are exercised by Douglas County, deliveries will be adjusted accordingly. Water deliveries do vary and are interruptible, with annual deliveries ranging from at or near 0 up to a maximum annual delivery of 18,063 ac-ft under the WDA. Some South Metro water providers may be able to store WISE water in the Town of Parker's Rueter-Hess Reservoir, further stretching the yield of the project. Aquifer storage and recovery (ASR) is also being investigated by South Metro as a means to firm project yield.

Denver Water will benefit by being able to utilize the project to provide up to 15,000 ac-ft/yr of backup water supply for its own needs on an infrequent basis.

Aurora will benefit by putting its PWP system to fuller use, keeping rates down for its customers.



WISE water deliveries are possible due to the manner in which the partners' water supplies and infrastructure can be utilized both seasonally and under varying hydrologic conditions. The chart to the left shows examples of how WISE could operate under a modeled wet, normal, and dry year, and in a year when Denver Water needs to use its supplies. The chart shows Denver Water using its supplies during a dry year for illustration, but Denver Water may choose to use its supplies in any type of hydrologic conditions when it needs its backup supply. The red line represents the capacity of the PWP system. The blue area represents Aurora's planned use, the red area is Denver's, and the green area represent water available to South Metro. For instance:

- ☐ *Wet Year* – Aurora would have adequate mountain supplies and not need to fully utilize PWP, Denver may also not need to take deliveries through WISE, leaving a large amount of water available to South Metro.
- ☐ *Normal year* (not wet or dry) – Aurora's use of PWP will increase, Denver might again not use the system, and significant supplies would be available to South Metro.
- ☐ *Dry year* – Aurora will rely heavily on PWP, likely using the full system capacity during the summer months. If Denver also needs to use its backup supply, there would likely be limited capacity and supply available for South Metro. However, Denver may not always choose to take water in dry years and some limited supplies and capacity may still be available to South Metro during such years.

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Note that if Denver chooses to take water in wet and normal years, there will generally be sufficient supply and capacity remaining to also allow some level of WISE deliveries to South Metro. The water available to South Metro is a mix of Denver and Aurora available reusable supplies. The relative mix will vary from year to year. In wet years, it will generally be mostly Aurora supplies as Denver is not anticipated to have reusable effluent. In drier years, the supply could be mostly from Denver. In normal years, the supply will be a mix of the two sources.

WISE water will be fully treated potable water through a process of treatment and blending that will result in water that meets or exceeds all existing and anticipated drinking water standards and provides water that will be indistinguishable from Aurora's current supplies. Deliveries under all scenarios would be at a master meter connection at which water will be conveyed to individual members of South Metro.

Delivery Schedule and Implementation

Downstream of the Master Meter, the WISE Authority will invest in significant infrastructure. The WISE Authority and Denver Water purchased East Cherry Creek Valley's Western Pipeline as the transmission pipeline for WISE water deliveries. Modifications necessary to make that pipeline successfully operate the WISE project are being designed and constructed in anticipation of water deliveries starting in 2016. In addition to Western Pipeline modifications, a number of connections to the pipeline will be constructed by WISE Authority members in order to take delivery of water. Initially, 5,000 ac-ft/yr will be offered each delivery year under this plan through 2021. Deliveries exceeding 5,000 ac-ft/yr may be offered on an as-available basis. During this delivery period, additional infrastructure will be constructed by the Partnership to increase these deliveries to an average of 7,225 ac-ft/yr with a commitment to provide 72,250 ac-ft over a 10-year block period on a permanent basis.

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Denver Water and Aurora Water have been providing water to more than 2/3 of the Denver Metro Area's population for over 100 years and 60 years, respectively, and the WISE Partnership can provide a much-needed reliable and sustainable water supply to the South Metro area for years to come. As indicated below, the WISE Partnership will be of mutual benefit to Aurora, Denver, and South Metro.

The WISE Partnership truly represents:

A Regional Partnership for a Sustainable Water Future

Benefits to Aurora



- Efficient utilization of the Prairie Waters Project (PWP) system
 - Offset PWP costs
 - Share in the cost of future expansion and water rights purchases
 - Protects current and future firm yield of water supply system

Benefits to Denver



- Back up supply for Denver
 - Access to unused supplies
 - May be used to replace portion of "Strategic Water Reserve"
 - New "system feed" from lower South Platte

Benefits to South Metro



- Greater regional cohesion
- Efficient utilization of regional infrastructure
- Provides a portion of the region's renewable water supply goal
- Reduces reliance on groundwater
- Minimizes the need to purchase agricultural water rights

Benefits to Partnership

- Connected systems and a cooperative atmosphere will provide added options and redundancy during emergencies
- A regional solution to best utilize existing water and infrastructure resources to meet future water supply needs in a regionally sustainable manner
- Reducing legal fees and water rights disputes between parties