



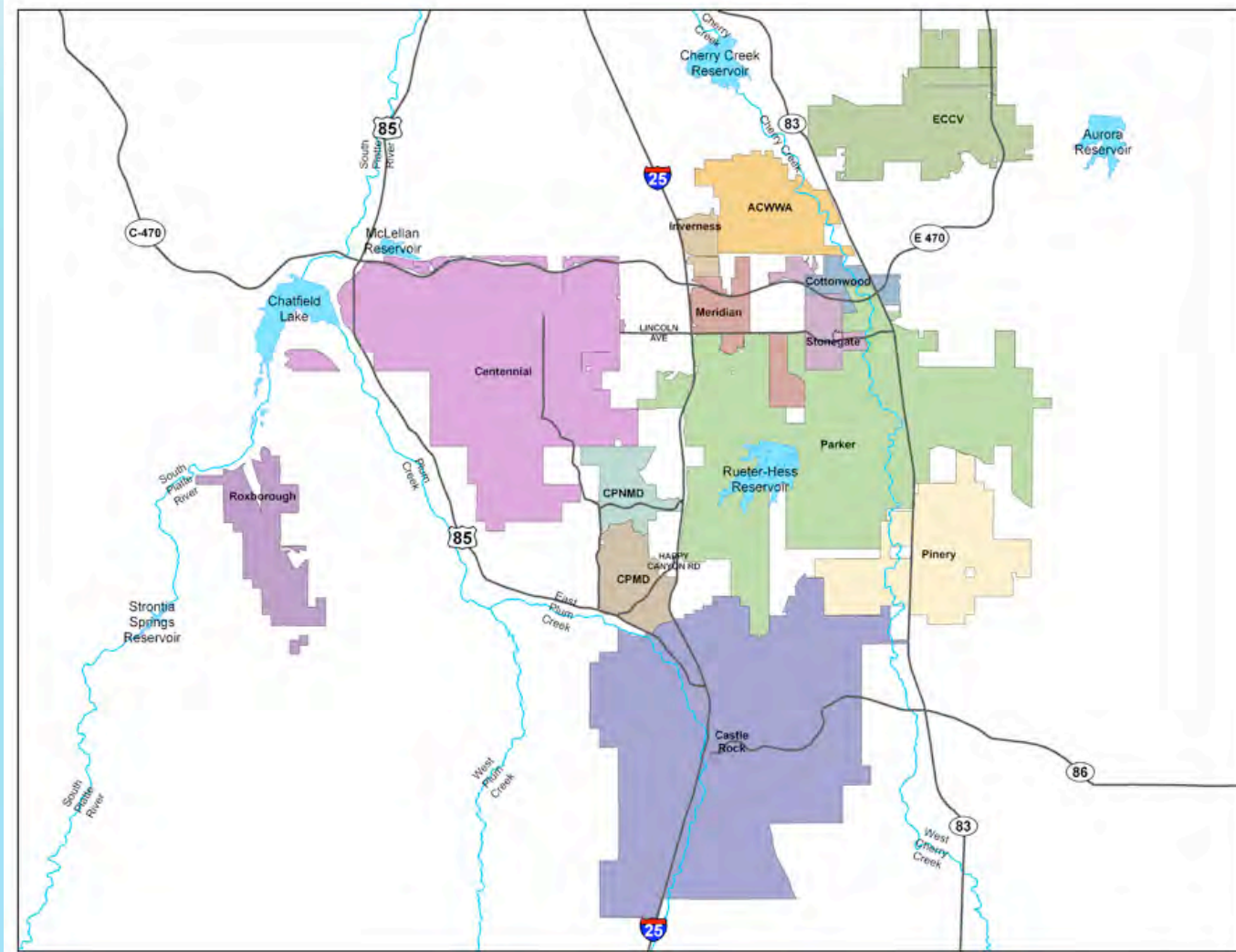
2008 Water Summit

South Metro Water Supply Authority
(SMWSA)

Who is SMWSA?

- SMWSA is an organization of 13 water providers that work together to develop long-term reliable water supplies through regional water-rights development and infrastructure.

SMWSA serves roughly 80% of Douglas County and 10% of Arapahoe County.



Why & When was SMWSA Formed?

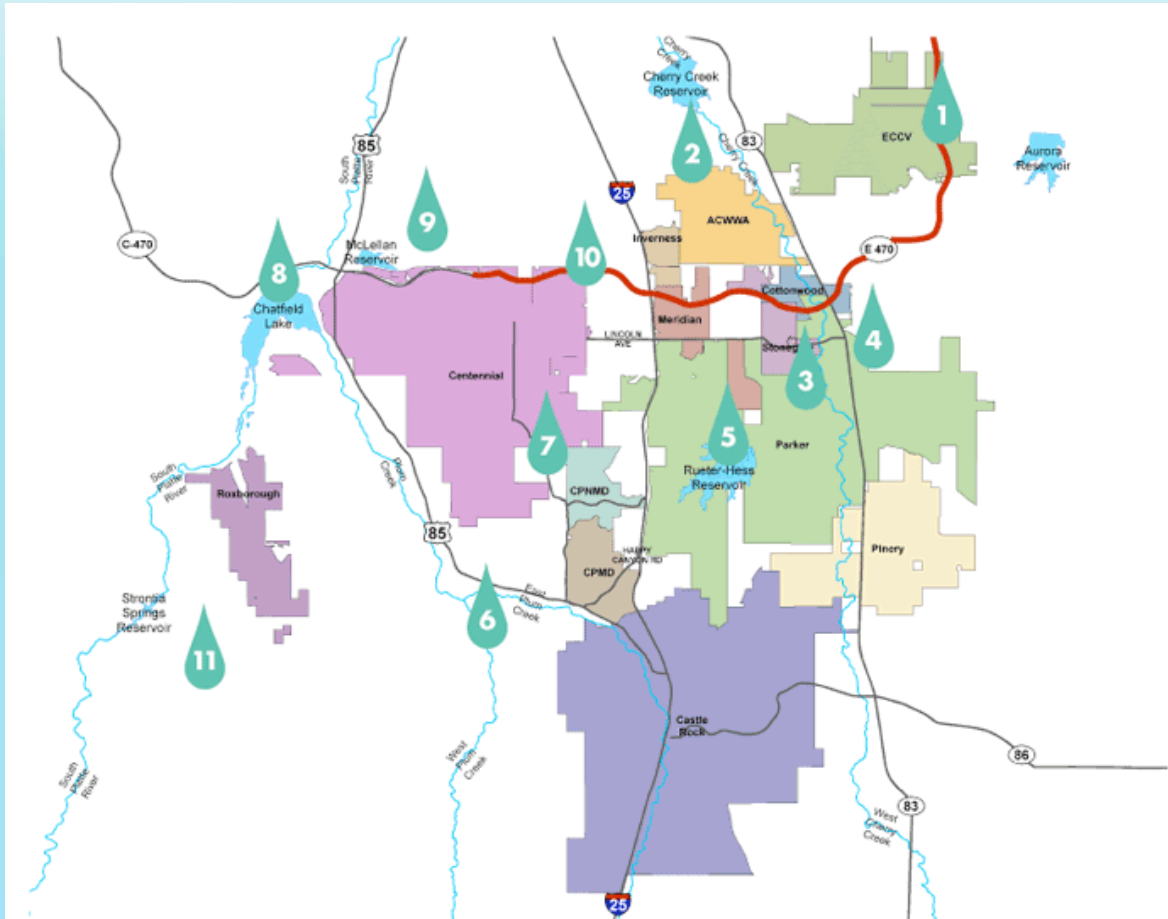


- SMWSA stemmed from the Douglas County Water Resource Authority and the South Metro Water Supply Study Board.
- SMWSA was formed in 2004 when larger providers requested to work with one regional entity.

- SMWSA's 13 providers plan, direct and implement water-development opportunities as a single entity.
- SMWSA maximizes infrastructure efficiency and acquires water rights and renewable water now, and for the future.



Members have funded more than \$350 million in water projects since 2000.



- | | |
|---|--|
| 1. ECCV Northern Pipeline | 7. Centennial/CPNMD Interconnect |
| 2. Upper Cherry Creek Water Users Association | 8. Chatfield Storage Reallocation |
| 3. Cherry Creek Project Authority (ACWWA/Cottonwood/Inverness/Pinery) | 9. Centennial South Platte Reservoir & Water Treatment Plant |
| 4. Joint Water Purification Plant (ACWWA/Cottonwood) | 10. ECCV Western Pipeline |
| 5. Rueter-Hess Reservoir | 11. SMWSA Storage Applications |
| 6. Plum Creek Rights & Reuse (Castle Rock/CPNMD/CPMD) | |

Today's Focus

- DCWRA Relationship
- Where SMWSA is Today
- Storage Projects
- Reuse Efforts
- Northern Pipeline
- Future Projects



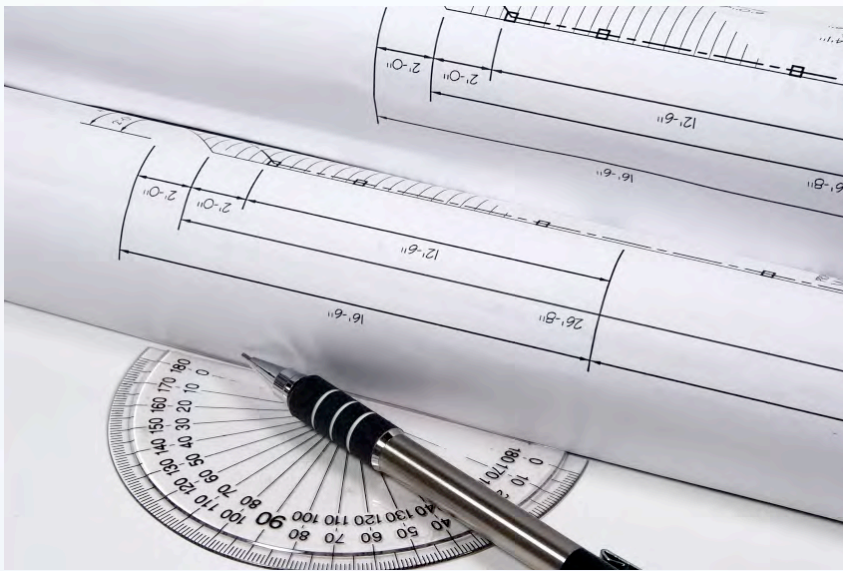
How does SMWSA differ from the DCWRA?

- SMWSA focuses on water development and distribution.
- SMWSA is a project-focused organization.
- DCWRA focuses on water conservation and education.



- Every SMWSA provider is also an active member of the DCWRA.
- Water conservation is an integral aspect of SMWSA's short- and long-term planning.
- DCWRA involvement allows SMWSA to expand its ability to influence water education and conservation efforts in Douglas County.
- **SMWSA members have the most state-approved conservation plans than anyone in Colorado.**

DCWRA & SMWSA are Sister Organizations



- Castle Pines North Metro District had the first state-approved conservation plan.
- Five other SMWSA-member plans are approved or pending.
- Roxborough reduced its total water usage by more than 17% since June 2007.

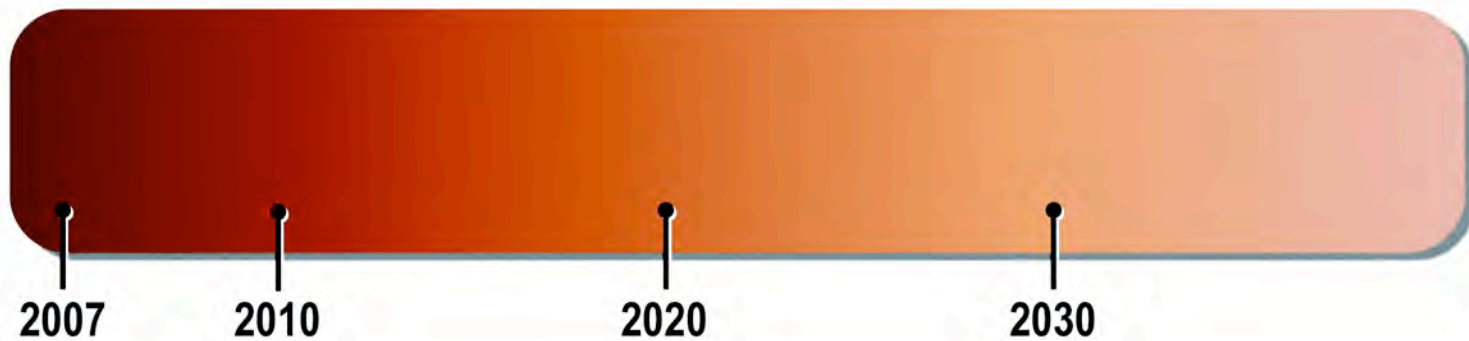
Where are we Now?

- Water providers have been working on long-term water solutions for decades.
- In 2007, SMWSA presented its Regional Water Master Plan.
 - The Plan outlines strategic initiatives to meet future demands by reducing groundwater use and increasing the role of renewable supplies.
 - The Plan ensures the water future of current users, and accounts for future growth projections.

Master Plan's Phased Approach

- Interim: Participating providers are seeking surface renewable water supplies on a temporary basis from other water providers and using local pipelines and infrastructure to transport water to service areas.
- Mid-Term: Acquire additional new water supplies to meet goals through the early 2020s, while phasing capital investments in major new water facilities.
- Long-Term: Acquisition of additional water rights.

Alternatives Phases

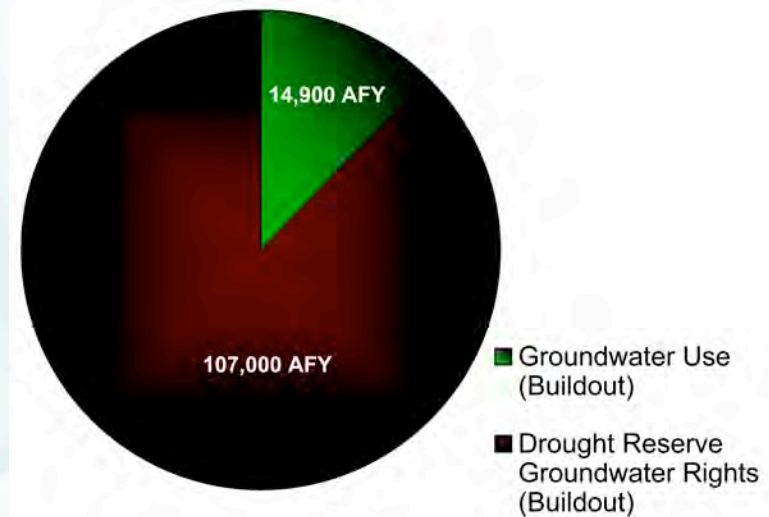


INTERIM
Supply options currently available with minor infrastructure modifications / additions

MID-TERM
Purchase of additional water rights with no new major infrastructure

LONG-TERM
Regional supply projects that would not go online for at least 20 years. Would require major infrastructure to connect to South Metro area

- If successful, the Master Plan will help SMWSA providers slash groundwater use to less than half of where it is today by 2030.



SMWSA Accomplishment

- Thirteen different water providers have come together and are committed to working together on regional projects to maximize efficiency.



What is an Acre-Foot?



- One acre-foot (af) of water is equivalent to one foot of water on top of a football field, not including the end zones.
- One acre-foot of water supplies two families of four for a year.

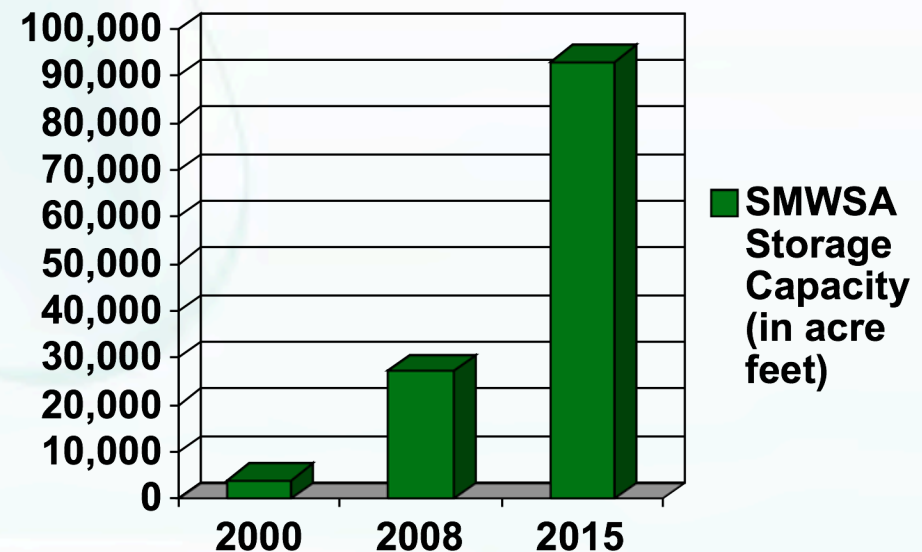
SMWSA Water Usage



- SMWSA provider total water use has increased approx. 10% since 2000, despite significant growth in Douglas and Arapahoe Counties.
- The calculated water usage per home has decreased approx. 20% in the same timeframe.
 - This reflects the significant water-conservation efforts of SMWSA members.

SMWSA Storage Capacity

- In 2000, SMWSA members had 4,000 af of storage capacity.
- Today, SMWSA members have 27,200 af.
- By 2015, this number will more than triple to 93,200 af of storage capacity.



Rueter-Hess Reservoir

- On Sept. 5, 2008, SMWSA member Parker Water and Sanitation District broke ground on the expansion of Rueter-Hess Reservoir.
 - It is the largest reservoir built on the Front Range in nearly 30 years.
- The reservoir's storage capacity will be expanded from its original 16,000 af plans, to 72,000 af, by 2011.
- In addition to Parker, SMWSA members Castle Rock, Castle Pines North and Stonegate have purchased storage capacity in the Reservoir.
- Rueter-Hess will serve as many as 400,000 people over the next 50 years.

Frank Jaeger Dam



- SMWSA board member and SEBP member, Frank Jaeger, is the driving force behind Rueter-Hess Reservoir.
- The dam at Rueter-Hess is to be named the Frank Jaeger Dam.

South Platte Reservoir



- A project by Centennial Water and Sanitation District, the Reservoir holds more than 6,400 af of water.
- The Reservoir stores surface water from Centennial's water rights on the South Platte River.

South Platte Reservoir

- Completed in 2007, and operational in February 2008, the reservoir was 55% full in May 2008.
- Centennial used the majority of the water to meet demands this summer, and the reservoir is expected to significantly fill again through winter 2008 and spring 2009.



Chatfield Reservoir Reallocation



- A flood-control reservoir on the South Platte River, Chatfield Reservoir stores floodwaters from the South Platte River and Plum Creek.
- The reservoir reallocation will provide SMWSA members with 10,000 af of additional storage.

Chatfield Reservoir

- Several SMWSA providers are developing plans and designs for diverting return flows from Plum Creek at Chatfield Reservoir.
- This water source will be treated and delivered to Castle Rock, Castle Pines North Metropolitan District and Castle Pines Metropolitan District through Centennial's existing infrastructure.

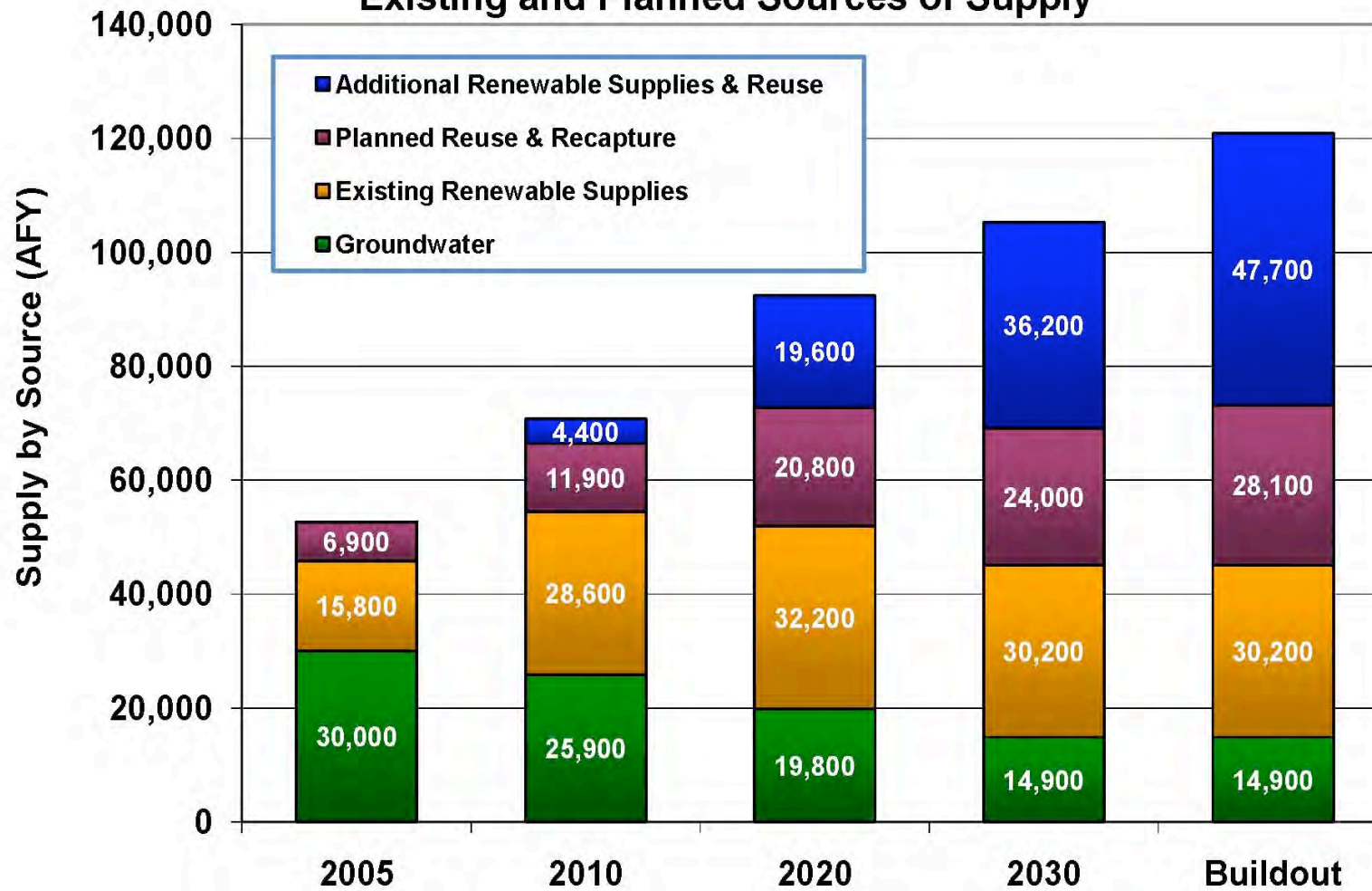


SMWSA Reuse

- SMWSA's goal is to maximize the efficient use of water resources.
- Through the Master Plan, SMWSA will more than double its recycled water use by 2030.
 - From 11,900 af to 24,000 af.
- SMWSA will increase water reuse and recycling to nearly 90%.



South Metro Water Supply Authority Existing and Planned Sources of Supply



Lone Tree Creek Water Reuse Facility

- The \$29 million facility was operational in September 2008 and celebrates a ribbon-cutting ceremony on October 10.
- The plant's capacity will range from 3.6 to 7.2 MGD.
- Treated water will be used for irrigation, and will serve Arapahoe, Cottonwood and Inverness.



Lone Tree Creek Water Reuse Facility

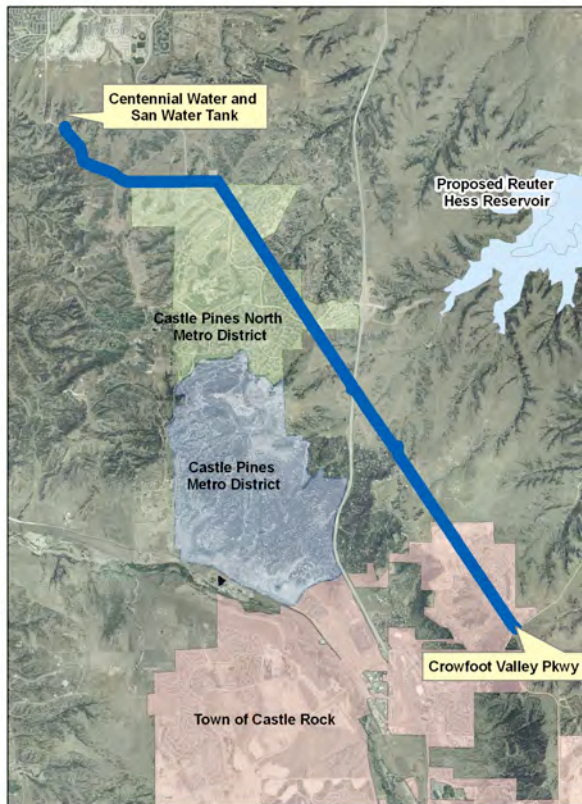


Joint Water Purification Plant

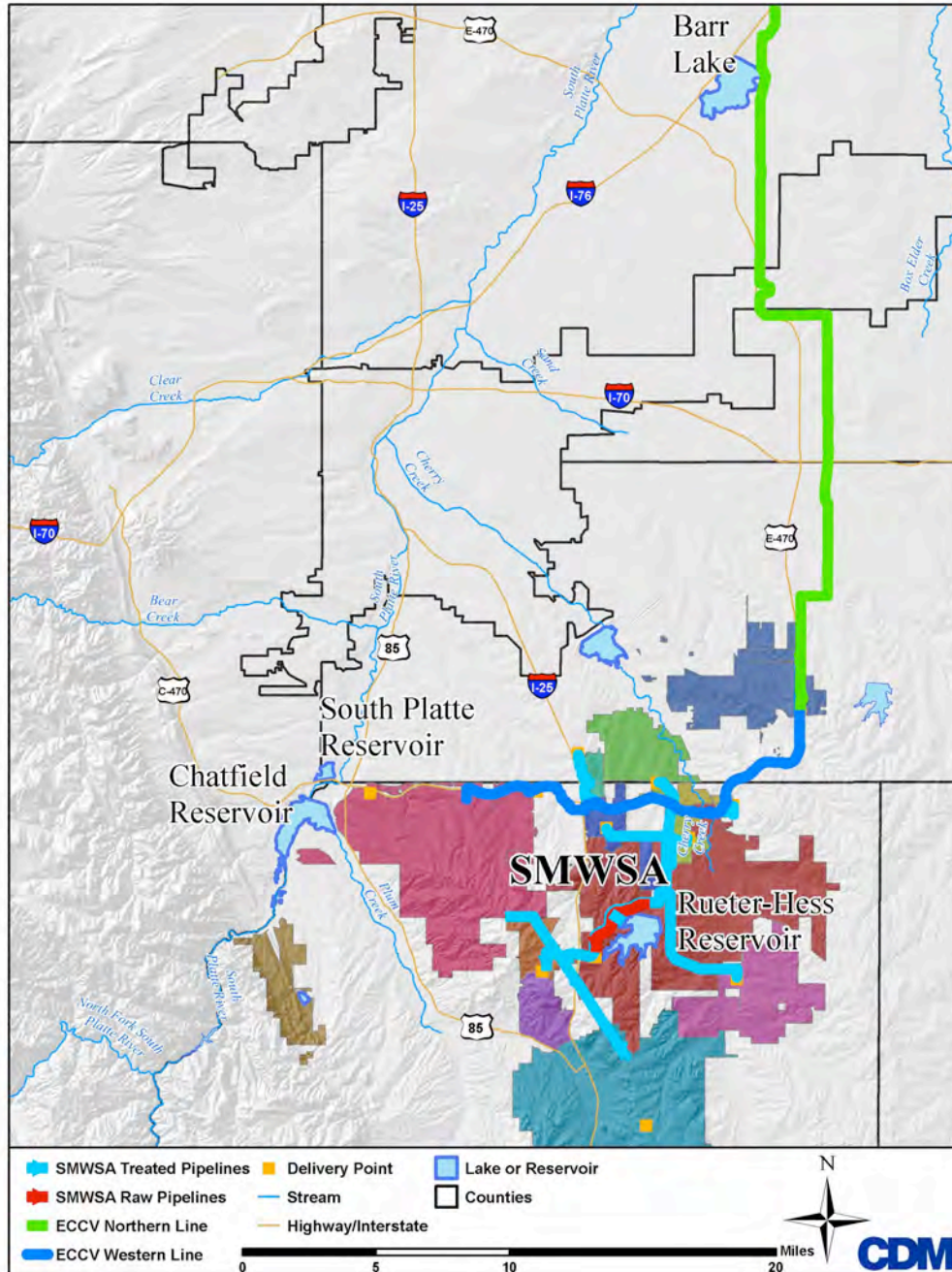


- The Lone Tree Facility and Joint Water Purification Plant work in tandem so that Arapahoe, Cottonwood and Inverness can fully reuse all of their water supplies.
- The Plant uses a cutting-edge reverse osmosis process that removes any contaminants in the water.
- Slated to open in late 2009, the Plant will have an initial capacity of 9 MGD, and will increase to 12 MGD by 2012.

Castles Interconnect



- Castle Rock, Castle Pines North, Castle Pines Village and Centennial are also exploring the possibility of connecting their water systems to allow for more efficient use of water supplies, along with evaluating other reuse alternatives.
- The proposed pipeline is in the planning phase and would enable reuse of return flows on Plum Creek.



Northern/Western Transmission Pipelines

Integral pieces in connecting SMWSA members.



- The northern 32-mile pipeline begins in the Barr Lake area, while the western 16.5-mile pipeline starts at the East Cherry Creek Valley Western Well Field near C-470 and University Boulevard.
- Both pipelines have a capacity of 47 MGD and convey water to ECCV storage tanks at Smoky Hill Road and E-470.

Northern/Western Transmission Pipelines



- Not including East Cherry Creek Valley, six SMWSA members own capacity in the Northern Transmission System, totaling 5.7 MGD.
- SMWSA is in negotiations with ECCV to obtain additional capacity in both lines, and a draft agreement is being considered.

Projected Mid-Term Costs

- The projected cost of implementing the mid-term plan infrastructure is approximately \$460 million.
 - Not including local storage or water rights.
- Implementing the Master Plan is more cost effective than continuing to rely on groundwater supplies.
- SMWSA will continue to responsibly manage the pace of its investments.



SMWSA Down the Road

- SMWSA is committed to working cooperatively with other regional water agencies, and together, to find additional sources of sustainable surface water.
- SMWSA and Denver Water have a pilot agreement through 2011 for raw water.
 - Established in 2007, SMWSA and Denver Water work cooperatively to test the feasibility of a future operations agreement and to promote water conservation and efficiency.

Denver Water & Aurora Water Discussions



- SMWSA is involved in ongoing discussions with Denver Water and Aurora Water regarding the most efficient and cost effective manner of meeting long-term water supply needs. While discussions are preliminary, SMWSA looks forward to developing mutually beneficial solutions to these complex issues.

SMWSA Future Water Rights



- SMWSA is pursuing water rights acquisitions from the Barr Lake area to Sterling. Any acquired rights will feed into ECCV's Northern Transmission System.

SMWSA Conjunctive Use

- Centennial's aquifer storage and recovery program has allowed them to successfully inject potable water back into the Denver Basin aquifers, helping to sustain water levels for the past 15 years.
- SMWSA may be able to regionalize Centennial's ASR program through a \$100,500 grant from the Denver Metro Water Roundtable.



Aquifer Supply Study Grant

- Through the grant, SMWSA will conduct a regional aquifer, storage and recovery study.
 - Including conjunctive use of surface and groundwater, as well as optimizing aquifer use.
- The assessment will evaluate the impacts of continued reliance of non-renewable groundwater supplies in the south-metro area and explore a more coordinated regional management of water resources.

SMWSA's Promise



- SMWSA is dedicated to continuing our unified approach to water development and implementation to deliver concrete solutions.
- SMWSA will continue to explore other opportunities, collaborate on infrastructure projects and execute the Master Plan and Mid-Term Plan.
- SMWSA members are working together so that Douglas County will continue to be a good place to live, work and play.

Rural Water Supply Act



- The Act authorizes the establishment of a rural water supply program in the 17 western states and will provide assistance with appraisal investigations and feasibility studies for rural water projects.
- The Act is beneficial in helping to finance the development of water systems and resources of Douglas County rural-water users.



Questions?

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