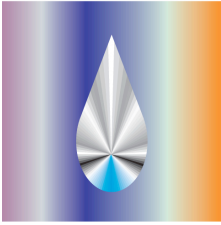


ACWWA



Arapahoe County Water and Wastewater Authority

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FOR IMMEDIATE RELEASE

NEW WATER ACQUISITION PROJECT MARKS ARAPAHOE WATER'S LONG-RANGE PLANS

CENTENNIAL, CO - The Arapahoe County Water and Wastewater Authority (ACWWA) has announced the completion of a significant transaction to acquire substantial long-term surface water rights, and the issuance of approximately \$153 million in bonds to purchase and develop the necessary infrastructure and renewable water to secure a water supply for ACWWA's current and long-term demands.

ACWWA serves over 3,000 residential and commercial accounts in Centennial, Foxfield and unincorporated Arapahoe County, provides wholesale wastewater service to the Cottonwood Water and Sanitation District, and serves small developments in Elbert County and Douglas County.

The surface water rights, purchased from the United Water and Sanitation District, are on the South Platte River in Weld County. The water will be delivered for treatment near Brighton and ACWWA has acquired space in East Cherry Creek Valley Water and Sanitation District's (ECCV) Northern Pipeline to bring the water to a new reservoir in the ACWWA service area for distribution.

"Our key goal has been to reduce our dependence on wells and the diminishing aquifers underlying our district," said ACWWA board president Ralph "Hap" Henderson. Henderson said the ability to use renewable surface water will allow ACWWA to reduce use of the wells and rely on them during drought periods.

Financing the complicated water transactions and construction projects and retirement of the bonds will be accomplished through a Water System Investment Fee to be placed on customers' monthly statements starting next month. The fee is set at \$26.50 per ¾" residential tap and increases with tap size. Use of an Investment Fee for debt retirement is a common practice among water utilities. ACWWA is following the lead of other local districts, including East Cherry Creek Valley, the Town of Castle Rock and Centennial Water and Sanitation, which have used similar financing mechanisms.

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Construction of the infrastructure will begin in mid-2010, and is expected to be complete, allowing delivery of the water by 2012, with Water Court approval. As Henderson pointed out, acquiring space in the ECCV pipeline substantially reduces costs and provides the water to be available as the economy recovers.

ACWWA's customer ratio is approximately 65 percent commercial and 35 percent residential, much of which is multi-family complexes. The commercial customers include AlloSource, Centennial Airport, the Denver Broncos headquarters complex and practice facility, and a number of hotels.

Henderson and ACWWA General Manager Gary Atkin said planning for the project has been underway for ten years, and includes financial reinforcement by the Arapahoe County Public Improvement District, created by voters in 2001 to fund infrastructure. ACWWA is a member of the South Metro Water Supply Authority, a consortium of local districts seeking long-term renewable water, and Atkin said this latest transaction does not reduce the importance of the South Metro Authority's planning.

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