

M *Castle Pines North* METROPOLITAN DISTRICT

Providing the people, families, neighborhoods and small businesses of Castle Pines North with clean, safe, reliable drinking water, renewable water, wastewater, storm water, parks and open space services in the most fiscally responsible manner, while serving as stewards of the community's water-related assets and Standard & Poor's AA bond rating.

TWO FANTASTIC ANNOUNCEMENTS!

Hock Hocking Mine Water Rights

We are pleased to announce that on October 8, 2010, CPNMD successfully resolved the last of three outstanding legal issues regarding its ownership of 333 acre-feet of Hock Hocking Mine water rights.

This \$7 million purchase, the subsequent due diligence and the associated collaborative problem solving arguably translates into the most strategic, cost-effective, high-quality renewable water purchase CPNMD has ever made.

As a result, once CPNMD completes its InterConnect Pipeline Project (see below), 333 acre-feet of CPNMD's newly acquired Hock Hocking Mine water will be readily accessible to the people we serve.

Why are CPNMD's Hock Hocking Mine Water Rights Important?

- 1) CPNMD now owns an additional 333 annual acre-feet of water *outright*; all of which has been successfully adjudicated in Water Court for CPNMD residential and commercial users;
- 2) Gravity and natural streams will transport this water directly from its source (snowpack/snowmelt on Mosquito Pass in Park County) to Chatfield Reservoir;
- 3) Water flowing from the Hock Hocking Mine is particularly high-quality, in that it *meets EPA's surface water quality standards with no purification required*. (This is partly because the Hock Hocking Mine is low in mineral content to begin with and partly because the Hock Hocking

Mine tunnel lies within limestone rock layers, each of which naturally filters out many contaminants.)

- 4) CPNMD's purchase of 333 annual acre-feet of water will **annually** supply over 500 local families with reliable water and a more secure water future, even as the region's draught conditions persist.

"Our success with the Hock Hocking Mine's \$7 million water right negotiations demonstrate strong forward-momentum toward fulfilling our renewable water plan and our obligations to the people we serve," said CPNMD Treasurer Mark Carlson. "CPNMD's renewable water plan is essential to the quality of life, property values and economic opportunities we all want, but sometimes take for granted. I'm proud of my fellow CPNMD Board colleagues and CPNMD staff."

"We are pleased, to say the least," said CPNMD Vice President Dwight Zemp. "My only regret is we were unable to secure more renewable water at the same price and quality. Had such water rights been available, we likely would have purchased them. CPNMD's water purchase, subsequent due diligence and problem solving bring us one step closer to successfully implementing one of our top two renewable water priorities - the other being completing our InterConnect Pipeline Project."

"The fact is, CPNMD residents possess a far more secure renewable water future today than they did last year," said CPNMD Board Member Andy Rhodes.

"I suspect few people in our community realize that securing, transporting and

storing drinking water is the new gold rush in Colorado and throughout the southwestern U.S.," said CPNMD Board member Bill Santos. "We remain focused on implementing a bold, pragmatic, fiscally responsible renewable water plan. As a public servant and father of three, I'm proud of our strategic investment."

"Securing new renewable water resources is essential to the quality of life upon which each CPN resident personally relies," said CPNMD President, Steve Labossiere. "Having spent many years in second and third world countries working to finance and build water infrastructure to deliver clean, safe, reliable drinking water, I have a heightened awareness about these issues. I believe acquiring 333 acre-feet of Hock Hocking Mine water combined with this January's InterConnect Pipeline Project groundbreaking are essential building blocks for local property values and our collective quality of life."

InterConnect Pipeline Project

We are pleased to announce we will soon break ground on the vitally important InterConnect Pipeline Project – another of CPNMD's top renewable water priorities.

When complete, CPNMD will transfer its new Hock Hocking Mine water, and other upper South Platte River water through Centennial Water and Sanitation District (CWSD) infrastructure, and subsequently through the InterConnect Pipeline project, directly to the people we serve. This is a particularly efficient and low-cost renewable water source for CPNMD residents.

CPNMD intends to complete the entire project within the next 18-months.



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