

**FIRST AMENDMENT TO
INTERGOVERNMENTAL WATER RESOURCES AGREEMENT**

**AMONG PV WATER AND SANITATION METROPOLITAN DISTRICT, acting in an
enterprise capacity pursuant to PV WATER AND SANITATION METROPOLITAN
DISTRICT WATER ACTIVITY ENTERPRISE,
THE CITY OF COMMERCE CITY, and
SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT,
also acting in an enterprise capacity pursuant to its
WATER AND SEWER ENTERPRISE**

This **First Amendment to the Intergovernmental Water Resources Agreement** is entered into and made effective this ____ day of _____, 2015, by and between the PV Water and Sanitation Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado, acting in an enterprise capacity pursuant to the PV Water and Sanitation Metropolitan District Water Activity Enterprise (referred to as “PV”), the City of Commerce City, a Colorado Home Rule municipality (referred to as “Commerce City”), and South Adams County Water and Sanitation District, a quasi-municipal corporation and political subdivision of the State of Colorado, also acting in an enterprise capacity pursuant to its Water and Sewer Enterprise (referred to as “South Adams”), all collectively referred to as “the Parties.”

RECITALS

WHEREAS, pursuant to the Intergovernmental Water Resources Agreement with an effective date of February 8, 2006 (the “IGA”), PV dedicated water from Lost Creek Designated Basin to South Adams, and, in exchange, South Adams issued to PV the right to purchase 4,775.836 Equivalent Residential Unit (“ERU”) Water Connections and ERU Sanitary Sewer Connections (collectively the “PV ERUs”); and

WHEREAS, the Parties have determined that certain amendments to the IGA are necessary to facilitate sale of the PV ERUs and to clarify certain ambiguities.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein, the mutual covenants and conditions contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Sections 2.3.5 and 2.3.6 of the IGA are hereby amended, so that the obligations to convey easements and the Facilities Parcel to South Adams are extended until December 31, 2016 and shall not terminate until December 31, 2016.

2. Section 3.2 of the IGA is hereby amended to add the following language after the second sentence in Section 3.2:

In addition to properties which are located within the boundaries of South Adams and Commerce City at the time of the sale of the South Adams ERU Water Connections, the South Adams ERU Water Connections issued to PV and those assigned to Commerce City may be issued or sold to landowners, developers, other governmental or quasi-governmental entities, and other owners and purchasers of properties which are within the proposed service area of South Adams, provided that the property shall be included into the boundaries of South Adams prior to use of the South Adams ERU Water Connections. Also, said properties shall annex into Commerce City prior to use of the South Adams ERU Water Connections, unless: otherwise agreed to in writing by an authorized representative of Commerce City, or unless the property is located within the General Service Area ("GSA") or Rocky Mountain Arsenal Lands ("RMA") and (a) the proposed development is less than one acre in size or the new use, or expanded portion of the existing use, proposed would utilize four ERUs or fewer, or (b) the properties lack the necessary contiguity to annex into Commerce City.

3. Section 3.2.3 of the IGA is hereby amended as follows, to add the underlined language:

3.2.3 Construction of Dual Distribution System. The parties agree that with respect to development of property served pursuant to the South Adams ERU Water Connections, construction shall include a Dual Pipe Water Supply System, except for properties located within the General Service Area of South Adams which are not required to install a dual distribution system under the Rules and Regulations of South Adams, which properties will be charged connection fees at a different rate. The Dual Pipe Water Supply System shall be constructed pursuant to South Adams' specifications in the South Adams Rules and Regulations and each water system (Drinking Water System and Irrigation Water System) shall be separately metered. South Adams may, at any time, deliver Drinking Water through the Irrigation Water System in lieu of delivery of Irrigation Water.

4. Sections 3.2.4 and 4.3.1 of the IGA is hereby amended as follows, to add the following language at the end of the section:

Assignments of the right to purchase South Adams ERU Water Connections or South Adams ERU Sanitary Sewer Connections to South Adams shall not limit the use to specific property described in the assignment, but all subsequent assignments by South Adams to third parties shall specify the specific property on which the South Adams ERU Water or Sanitary Sewer Connections shall be used, and the South Adams ERU Water or Sanitary Sewer Connections may not be used with respect to any other property, unless otherwise agreed to in writing by Commerce City and consented to by South Adams in accordance with the South Adams Rules and Regulations.

5. Section 3.2.5 of the IGA is hereby amended as follows, to add the underlined language :

3.5.2 Construction within the property that is subject to the South Adams ERU Water Connections of a Dual Pipe Water Distribution System to serve the land that is to be the subject of the South Adams ERU Water Connection, except for property located with the General Service Area of South Adams which is not required to install a dual distribution system under the Rules and Regulations of South Adams, which properties will be charged connection fees at a different rate.

6. Sections 3.3, 3.4, 4.4 and 4.5 are hereby amended to add the following additional language at the end of each section:

South Adams may impose a transfer fee on all transfers of South Adams ERU Water Connections or South Adams ERU Sanitary Sewer Connections, in such amount determined in the discretion of the Board of Directors of South Adams, in order to cover the costs of South Adams' assistance in facilitating the sale of the South Adams ERU Water Connections or South Adams ERU Sanitary Sewer Connections and reviewing transfers.

7. A new Section 3.5.8 is added to read:

3.5.8 The property has included into the boundaries of South Adams and annexed into Commerce City, in accordance with the requirements hereof.

8. Section 4.2 of the IGA is hereby amended as follows, to add the underlined language and to delete the struck language:

4.2 Determination of South Adams ERU Sanitary Sewer Connections. The number of South Adams ERU Sanitary Sewer Connections needed for different types of development (i.e., multi-family, parks, etc.) shall be determined according to the then-current South Adams Rules and Regulations. The South Adams ERU Sanitary Sewer Connections purchased under this Agreement may be used on any lands within the boundaries of South Adams, which lands must also be that are annexed to Commerce City, unless otherwise agreed to in writing by Commerce City, or the property is located within the GSA or RMA Lands and (a) the proposed development is less than one acre in size or the new use, or expanded portion of the existing use, proposed would utilize four ERUs or fewer, or (b) the properties lack the necessary contiguity to annex into Commerce City.

9. Continuation of the Terms of the IGA. Unless otherwise specifically mentioned herein, the remaining terms and conditions of the February 8, 2006 IGA are continued in full force and effect.

10. Effective Date. This Amendment shall be effective on the date written above.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Intergovernmental Water Resources Agreement.

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____ Date: _____
President

SACWSD WATER AND SEWER ENTERPRISE, an enterprise entity of SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT

By: _____ Date: _____
President

STATE OF COLORADO)
) ss
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this _____ day of _____, 2015 by Glen Murray as President of the South Adams County Water and Sanitation District Water and Sewer Enterprise.

Witness my hand and official seal.

Notary Public

My commission expires:_____

CITY OF COMMERCE CITY, COLORADO, a Colorado Home Rule municipality

By: _____
Sean Ford, Mayor

Date: _____

Attest: _____
City Clerk

Date: _____

APPROVED AS TO FORM AND SUBSTANCE:

City Attorney

STATE OF COLORADO)
) ss
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this _____ day of
_____, 2015 by Sean Ford as Mayor of the City of Commerce City.

Witness my hand and official seal.

Notary Public

My commission expires:_____