

First Amendment to IGA for PV ERU's

Current Status of PV ERU's

- *IGA between PV Metro District, City and South Adams February 8, 2006*
- *South Adams owns the water rights (1,266.8 acre feet)*
- *PV Metro District owned the right to sell ERU's water connections (4,775.836 ERU's)*
- *PV ERU's need to be used on properties annexed into City and included in South Adams*
- *Developers defaulted on obligations to buy ERU's*
- *City exercised options and currently owns 458.63 ERU's*

Proposed Auction

3,608 remaining ERU's to be sold

Bond holders control the terms to buy or sell the rights to those ERU's

Bondholders have proposed holding an auction to sell remaining ERU's

Proposed Auction Terms

Highest bid for 150 or more PV ERU's will set the price

Minimum price: \$8,000/ERU

Other parties can buy after the price is set – no minimum for number of ERU's

Amendment (City benefits)

- *Would allow small water users in GSA and Prairie Gateway to buy ERU's*
- *They could buy ERU's without annexing into City if criteria in Implementation Agreement are met:*
 - Less than 1 acre or would use 4 ERU's or less*
 - or*
 - Lack continuity to annex*
 - or*
 - Require more than standard allocation*
- *No dual systems would be required in GSA*

Amendment (District and PV benefits)

South Adams can buy ERU's – not contemplated under original IGA

PV, its successors and assigns given extension until 2016 to convey easements and facilities parcel

Questions?