

July 3, 2018

Ron Redd, District Manager
Parker Water and Sanitation District
18100 E. Woodman Drive
Parker, CO 80134

Dear Ron:

The purpose of this letter is to memorialize the agreement by which Parker Water and Sanitation District ("PWSD") will treat and deliver to the Town of Castle Rock ("CRW") its Ruetter Hess Water supply (CRW RHR Water").

Accordingly, CRW and PWSD agree as follows:

1. PWSD shall treat and deliver to CRW up to 0.65 MGD of the CRW RHR Water from its Ruetter Hess Reservoir Water Purification Facility.
2. PWSD will account for deductions from CRW RHR Water account in accordance with the RHR Operations Agreement dated August 26, 2008.
3. The term of this service commitment shall commence upon the parties' execution of the acknowledgement set forth below, and expire December 31, 2018.
4. Water quality for CRW RHR Water delivered shall be accordance with the Town of Castle Rock and Parker Water and Sanitation District Wheeling Agreement dated March 6, 2018 ("Wheeling Agreement").
5. PWSD shall invoice CRW for such treatment and delivery at the rate of \$5.02 per 1,000 gallons, broken out as follows:
 - A. Treatment - \$4.50 per 1,000 gallons in accordance with Exhibit A.
 - B. Delivery - \$0.52 per 1,000 gallons, pursuant to the Wheeling Agreement, which rate accounts for the fact that CRW is paying the asset recovery charge up front and will not be using the Ridgeway Pipeline for deliveries of this water.

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PWSD will invoice CRW monthly for the treated and delivered CRW RHR Water and Castle Rock will pay such invoice within 30 days of receipt. In no event shall cumulative payments to PWSD exceed \$250,000, unless authorized by the Castle Rock Town Council.

6. Losses through the delivery infrastructure will be calculated in the same manner as set forth in the Wheeling Agreement (4% loss).

7. PWSD may discontinue treatment and delivery of CRW RHR Water at any time, as determined in their sole discretion based on treatment capacity or any other circumstance. Provided, PWSD agrees to give CRW 48 hours' notice of its intent to discontinue treatment and delivery, unless emergency conditions interfere with PWSD's ability to provide such notice, in which case, notice shall be provided as soon as reasonably possible.

8. CRW will provide PWSD with a minimum of 48 hours' notice prior to deliveries beginning, and 48 hours' notice prior to deliveries ending. The parties agree to work together to meet needs as reasonably determined by the parties on a daily basis.

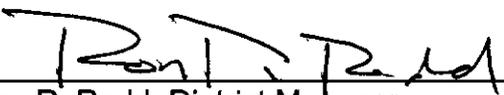
Should you have any questions or concerns with the terms set forth above, please contact me.

Sincerely,


for Mark Marlowe,
Director of Castle Rock Water

AGREED AND ACKNOWLEDGED this 12 day of July, 2018.

PARKER WATER AND SANITATION DISTRICT



Ron R. Redd, District Manager