



September 22, 2011

Dear Woodmoor Water and Sanitation District Customer,

In May, I updated you on the latest developments in the Woodmoor Water and Sanitation District's ongoing efforts to acquire renewable water to transition the District away from dependence on the Denver Basin aquifers. That update included a Board decision to enter into a contract to purchase water rights from the JV Ranch, a parcel of land in southern El Paso County.

The Board at its October 13 meeting will consider finalizing the District's purchase of the JV Ranch and the issuance of bonds to finance the purchase of this important asset. The cost for JV Ranch's decreed water rights (approximately 3,500 acre-feet annually), land and reservoir will be between \$25 million and \$31 million, with the final cost dependent upon the outcome of Water Court processes that will change these agricultural water rights to be used in the District's municipal system. The District is currently in the final stages of the purchase contract and is moving forward on the financing and closing of this purchase—currently scheduled for late October or early November 2011.

This purchase represents the greatest milestone in the District's Renewable Water Plan. The JV Ranch will provide long-term water security and protect the value of properties in Woodmoor. As you know, acquiring renewable water to meet current and future needs is the District's highest priority, and the Board and staff continually work to implement the District's Renewable Water Plan.

Most likely, you are wondering how this purchase will impact your water bill. The Board and staff have been working diligently with the District's financial and engineering consultants to finance this purchase while limiting the financial impact to customers. The purchase will be financed through revenue-anticipation bonds and repaid through a modest increase in water rates and the implementation of a monthly "Renewable Water Investment Fee."

The implementation of the Renewable Water Investment Fee and water-rate change are anticipated to begin January 1, 2012. At the same time, property taxes in the District will actually decline as the WWSD mill levy expires on December 31. This mill levy allowed the District to develop water and wastewater infrastructure and fund the District's portion of expanding the Tri-Lakes Wastewater Treatment Plant back in 1996.

Attached is a brochure about the Renewable Water Plan, which includes a discussion of the January 1 changes in rates and an explanation of how the rates will be computed. Additionally, an interactive calculator for estimating the change in residential rates is available on the District's web site at [www.woodmoorwater.com/water/renewable-water-plan.html](http://www.woodmoorwater.com/water/renewable-water-plan.html). For information on commercial rate impacts, please contact me at 719-488-2525 x14.

The District has scheduled three public meetings to discuss the JV Ranch purchase, financial impacts on customer water bills and a general update on the District's Renewable Water Plan. Please join us at one of the following public presentations.

**Tuesday, September 27, at 6 p.m.**

Woodmoor Improvement Association  
The Barn  
1691 Woodmoor Drive

**Thursday, September 29, at 5:30 p.m.**

Tri-Lakes Chamber of Commerce  
Monument Town Hall  
645 Beacon Lite Road

**Saturday, October 8, at 8 a.m.**

Kiwanis Club  
The Mozaic Restaurant at the Inn at Palmer Divide  
443 S. Highway 105, Palmer Lake

Over the next six to eight weeks, additional information about the JV Ranch acquisition and water planning will be uploaded to the District's web site, added to billing statements and sent out in customer letters. The District is also planning a Teleforum for the first week of October. The Teleforum is a telephone-based community meeting held live over the phone so that you can participate from the privacy of your own home. Details about this Teleforum will be provided in the next few weeks.

Throughout the fall, we will continue to keep you informed of the District's progress. Please be sure to visit the District's web site at [www.woodmoorwater.com](http://www.woodmoorwater.com) for project updates and notices and to sign up for the District's e-mail newsletter to receive regular updates on the Renewable Water Plan, conservation efforts and service issues.

And if you have any questions, please do not hesitate to contact the District office.

Sincerely,

A handwritten signature in blue ink that reads "Jessie J. Shaffer". The signature is written in a cursive style with a large initial "J".

Jessie J. Shaffer  
District Manager