FAOs about Woodmoor Water and Sanitation District's Renewable Water Plan

Why is Woodmoor Water and Sanitation District pursuing a Renewable Water Plan?

For more than 40 years, the District has depended on Denver Basin aquifers—water-bearing geologic formations deep below the surface—for all of our water. For decades these aquifers have provided plenty of affordable water, but due to their diminishing traits, these aquifers cannot be expected to indefinitely supply affordable water.

Therefore, acquiring renewable water to meet the District's current and future needs remains our highest priority, and the Board and staff continue to take the necessary steps to implement the District's Renewable Water Plan.

What steps have already been taken to prepare for use of renewable water?

Over the past few years, the District has taken several steps to prepare for a sustainable water supply, including developing Lake Woodmoor and building a facility to treat surface water. In 2009, we filed a plan in water court to facilitate moving water from the Arkansas River and identifying additional storage sites. The District has since entered into several purchase contracts for renewable water rights along the Arkansas River.

What criteria does the District use when considering a water-rights purchase?

Our Renewable Water Plan utilizes four criteria to evaluate any potential water sources and water rights:

- 1. Reliability—Our customers expect water to flow when the faucet turns on, and the District must be prepared to meet that expectation
- 2. Independence—It is imperative that the District maintain independent control over our water resources.
- 3. Sustainability—The District must be able to develop dependable sources of water for our current and future customers.
- 4. Cost—Acquiring and delivering the water must be affordable for both the District and our customers.

How will the Renewable Water Plan benefit the community?

A reliable, sustainable and affordable water supply is critical to the long-term prosperity and value of any community, especially here in Colorado's semi-arid climate. By developing a Renewable Water Resource, the District will help our community thrive, while also protecting the value of the properties in our community.

Does the District work with local communities on water-supply issues?

Yes. The District has been open about its need for a reliable water source, and we have been working over the past several years with neighboring districts, towns and regional groups to find an answer to our needs. The District is an active participant in the Pikes Peak Regional Water Authority (a consortium of several El Paso County water providers with

similar water resource challenges) which enables us to seek solutions with our neighboring service providers.

Has the District been involved with other districts in a proposal to lease water from Super Ditch? Has Woodmoor Water changed its plans?

The District has not changed its planning and continues to monitor the progress of the Super Ditch Company's efforts to develop a plan for delivery of water to communities in the Pikes Peak Region. In the future, the District will continue to evaluate the Super Ditch project against our water plan criteria.

JV Ranch Acquisition

What is the JV Ranch and why is the District considering its purchase?

The JV Ranch is a large parcel of land in southern El Paso County. The ranch has significant water rights and reservoir storage that has the potential to provide much of the District's water needs.

How much will the JV Ranch cost the District?

The anticipated cost for the JV Ranch land, water rights and reservoir is between \$25 million and \$31 million, depending on the water court outcome. However, the gains for the District could be large and immediate if this proves to be the right water source for Woodmoor. The acquisition of these assets would be a significant milestone in our renewable water plan, providing long-term water security to the District.

How does the District plan to pay for the JV Ranch?

As with all assets, the JV Ranch and its water rights must be purchased. The District has selected the bond underwriting firm of George K. Baum & Company (GKB) for financing the JV Ranch with revenue bonds. GKB is tasked with preparing and selling the District's revenue bonds at the lowest possible cost.

When will this water be available for use by District customers?

Once the District closes on these assets and obtains the necessary water court approvals, the water rights will be available for the District to use. However, the District must complete the infrastructure portion of the Renewable Water Plan to enable the District to treat and deliver the water to customers. This includes a pump station, pipeline and water-treatment facilities. This infrastructure can be viewed as phase II of our plan.

Phase I is to acquire the renewable water asset. Until the District is ready to embark upon construction of the delivery infrastructure, the JV Ranch will continue to operate as a cattle ranch.

How will the District manage a parcel like the JV Ranch?

The existing sellers will retain a leasehold interest in the ranch and will continue their ranching operations into the future until they decide to retire or the term of the lease expires. Upon sale of the property, the Sellers become our ranch caretaker and manager. It's a benefit to the District and our customers to have this relationship for the care and management of the ranch and its assets.

What are the next steps for the District in the JV Ranch acquisition?

Next steps include financing and closing on the asset(s). Once owned by the District, the District will proceed to water court and file a change of use for the water rights—changing the decreed use from agricultural to municipal. Once the water rights are changed, the District will begin planning and designing the infrastructure that will one day treat and deliver the water to Woodmoor customers.

Has the District assessed the quality of water on Fountain Creek?

The JV Ranch water flows from Fountain Creek, south of Colorado Springs. The District and its water quality consultants have reviewed the water quality along Fountain Creek and have determined that treatment technology is available to treat this water to meet all State and Federal drinking water regulations.

Will the District recycle wastewater as a source for drinking water?

Not directly. The District currently recaptures a portion of its water used through its Monument Creek Exchange and like many Front Range communities, the District will continue to manage its water resources in as efficient a manner as possible.

Water Conservation

Does the District promote conservation efforts to save water?

Yes. The District considers its conservation plan to be a "living-breathing" document that changes over time. The District continues to encourage customers to conserve water, and the District uses every means reasonable to promote water conservation and provide waterwise practices to its customers.

What are the key elements of the District's conservation plan?

The Water Conservation Plan includes several measures to conserve water. Some examples contained within the Districts Conservation Plan are watering restrictions, information and education, as well as incentives for conservation through the use of rebates.

Additional information is available online at http://www.woodmoorwater.com/images/stories/docs/waterwisebrouchure.pdf.

Are there any rebates available for water-conservation efforts?

Absolutely. Key to the Water Conservation Plan is incentives offered to encourage and reward wise water use. Additional information on water-conservation rebates is available online at www.woodmoorwater.com/conservation/rebate-program.html.

Where can I get additional information about the District's plans?

Information about the district's current and future water search will be posted and updated on our web site at www.woodmoorwater.com. You can also contact our office at 719-488-2525 or <u>e-mail</u>.