

NOTICE TO CASTLE ROCK COUNTY WATER DISTRICT MEMBERS – JANUARY 2016

Last August we told you we came under the jurisdiction of LAFCO and what their oversight may mean to our district. Since then we addressed two of their initial issues:

- 1) We now have a new CRCWD website (please visit www.crcwd.org) providing information regarding board activity, district financials, and contact/other important information.
- 2) A system infrastructure engineering status report has been completed. It is posted on our website. The study points out weaknesses in our 60 year old system. Estimated costs to refurbish this system far exceeds our district's \$150,000 reserves.

In addition, Contra Costa Water District (CCWD) is now ready to offer connection incentives to 10 of our 56 members not receiving their service. If this happens, CCWD progresses towards shutting down the canal for maintenance every January through March. Irrigation during this period would then only be available using CCWD water.

Integrating the above factors, district board members wish to reiterate to members that **our value to you is inexpensive water relative to CCWD prices**. Given this, looking forward, our infrastructure options are:

- 1) Conduct a special assessment of district members to finance infrastructure refurbishment. Engineering study estimates for complete replacement of our storage tank and/or distribution piping could mean costs between \$200,000 to well over \$1M.
- 2) Conduct a search for possible financing for infrastructure refurbishment. Depending on financing terms, the maximum principal amount before financing costs resulting in CRCWD prices to equal CCWD prices would be in the \$200,000 - \$500,000 range.
- 3) Continue operations with repairs/replacement on an as-needed and common sense basis until a crisis/major failure occurs which either requires 1) or 2) above or ends CRCWD's viability. **This continues to be our current course of action.**

If you have any comments or suggestions, we encourage you to contact any of the directors listed on our website.