

Quarterly Update
Steamboat Lake Water & Sanitation District
JANUARY 2014

Dear District Members,

2013 was a good year for our District. We started work on replacing the original well that has served this District for more than 40 years, 30 of them as our sole source of water. It is located on Golden Tide in Filing 1. To assist with the cost of this project, now budgeted at \$185,000, we received an \$84,000 grant from the Colorado Department of Local Affairs. After drilling the new well in September there were wonderful results: this new well, only yards from the existing, is producing 40 gallons per minute whereas the existing well produced 25 gallons per minute at best.

Due to this fortunate turn of events, the Board authorized redesign of the pumping and water treatment process to accommodate the additional capacity, which can be accomplished with minimal additional expense. We had to go back through the State of Colorado review process, which has been completed and are now poised to bring the new well on line this spring/summer. As mentioned in our October Quarterly Update, we have also commissioned our District Engineer to do a comprehensive analysis of our existing infrastructure and make recommendations for capital improvements in the future. The upgraded capacity of our new well will be fully understood when this study is complete and we will be sharing the findings with all of you.

January is also the time of year when B Lot owners are billed the annual \$300 "Availability of Service" fee. An explanation of this fee was requested at the Question and Answer session before our annual Homeowners meeting in September. First, the definition of a "B" lot is one that is adjacent to our water and sewer lines, where a home has not yet been built. "A" lot owners are on water and sewer, have built a house, and pay service fees for use of the water and sewer.

Between 2004 and 2007, we upgraded our Wastewater Treatment Plant, located at the bottom of Willow Creek Pass, just north of Seedhouse Road. If we had not upgraded the Plant, the State would have put a halt to additional taps into our sewer system, thus preventing any new home building in our District on lots less than five acres. This was an expensive project and, in addition to grant money received from the State, we also took out two loans, at an interest rate of 4%, each for a 20 year term. Service fees paid by A lots include interest costs. By Colorado law, the interest on these loans can be shared by those property owners who will benefit at some time in the future by accessing these services. When the loans are retired in 2025 and 2027 respectively, the assessment will be ended.

We expect this coming year to be a busy one and will be looking forward to reporting to you the progress we are making on master planning for the District, and bringing our Replacement Well on line. In the meantime, we would like to wish all of our District members a very happy and prosperous New Year,

Steamboat Lake Water and Sanitation District Board,

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