

This Election will be conducted by mail ballot. Walk-in voting is also available at the office of the District Secretary, 31 Chieftain Court, Lyons, Colorado, on Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m. from April 11, 2008 to May 5, 2008, and at the Pinewood Springs Fire Station, 61 Kiowa, Lyons, Colorado, from 7:00 a.m. to 7:00 p.m. on May 6, 2008.

TO: ALL REGISTERED VOTERS

**NOTICE OF ELECTION TO INCREASE TAXES AND DEBT
ON A REFERRED MEASURE**

**PINEWOOD SPRINGS WATER DISTRICT
Larimer County, Colorado**

Election Date: Tuesday, May 6, 2008
Election Hours: 7:00 a.m. to 7:00 p.m.

Local Election Office Address and Telephone Number:

Pinewood Springs Water District
183 Cree Court
Lyons, Colorado 80540
Telephone: (303) 823-5345

Ballot Title and Text:

PINEWOOD SPRINGS WATER DISTRICT BALLOT ISSUE 5A:

SHALL PINEWOOD SPRINGS WATER DEBT BE INCREASED BY NOT MORE THAN \$750,000.00 WITH A REPAYMENT COST OF NOT MORE THAN \$1,550,000.00 AND SHALL DISTRICT TAXES BE INCREASED NOT MORE THAN \$52,000.00 ANNUALLY TO PAY THE DEBT INCURRED FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING CERTAIN WATER IMPROVEMENTS, WHICH MAY INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING:

- DESIGN AND CONSTRUCTION OF A RAW WATER STORAGE RESERVOIR AND RELATED TRANSFER PUMPING STATION AND IMPROVEMENTS;
- REPLACEMENT AND RELOCATION OF MAIN WATER DISTRIBUTION LINES AND PUMPING FACILITIES;

- ACQUISITION OF WATER RIGHTS AND SOURCES; AND
- INCREASE OF WATER TREATMENT CAPACITY

AND SHALL THE MILL LEVY BE INCREASED IN ANY YEAR, WITHOUT LIMITATION OF RATE AND IN AN AMOUNTS SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH DEBT OR ANY REFUNDING DEBT (OR TO CREATE A RESERVE FOR SUCH PAYMENT), SUCH DEBT TO BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS OR OTHER FINANCIAL OBLIGATIONS BEARING INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 5.50%; SUCH BONDS TO BE SOLD IN ONE SERIES OR MORE,

FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT OF SUCH SERIES, ON TERMS AND CONDITIONS, AND WITH SUCH MATURITIES AS PERMITTED BY LAW AND AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE BONDS PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF THE PREMIUM OF NOT TO EXCEED THREE PERCENT; AND; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION, PROVIDED THAT AFTER THE ISSUANCE OF SUCH REFUNDING DEBT THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF ALL DEBT ISSUED PURSUANT TO THIS QUESTION DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT SET FORTH ABOVE, AND PROVIDED FURTHER THAT ALL DEBT ISSUED BY THE DISTRICT PURSUANT TO THIS QUESTION IS ISSUED ON TERMS THAT DO NOT EXCEED THE REPAYMENT COSTS AUTHORIZED IN THIS QUESTION;; AND SHALL SUCH TAX REVENUES AND THE EARNINGS FROM THE INVESTMENT OF SUCH BOND PROCEEDS AND TAX REVENUES BE COLLECTED, RETAINED AND SPENT AS A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

Total District Fiscal Year Spending

Fiscal Year

2008 (estimated)	\$ 944,144
2007 (actual)	\$ 1,131,577
2006 (actual)	\$ 2,446,679
2005 (actual)	\$ 1,419,690
2004 (actual)	\$ 1,379,019

Overall percentage change from 2004 to 2008	(32)%
Overall dollar change from 2004 to 2008	\$(434,875)

Proposed Tax Increase

District Estimate of the Maximum Dollar Amount
of the Proposed Tax Increase For Fiscal Year 2009
(the First Full Year of the Proposed Tax Increase):

BALLOT ISSUE NO. 5A: \$52,000

District Estimate of 2009 Fiscal Year Spending
Without Proposed Tax Increase: \$ 596,277

Information on District's Proposed Debt

BALLOT ISSUE NO. 5A:

Principal Amount of Proposed Bonds:	Cost Not to exceed	\$ 750,000
Maximum Annual District Repayment:	Cost Not to exceed	\$ 52,000
Total District Repayment:	Cost Not to exceed	\$ 1,550,000

Information on District's Current Debt*

Principal Amount Outstanding Debt:	\$3,126,180
Maximum Annual Repayment Cost:	\$ 218,794
Remaining Total Repayment Cost:	\$5,011,172

Summary of Written Comments FOR Ballot Issue No. 5A:

As a citizen of the Water District I must say that I am not happy about the increased costs for the Reservoir Project. However I feel that there is no other option at this time to ensure completion of the reservoir. It makes no sense to postpone the completion of the dam at this time due to lack of funding. The additional tax burden for each homeowner is not an easy thing to accept, but the long-range benefits to each home and landowner more than compensates for the increased tax burden. A reliable and cost effective water supply will increase property values and remove the stigma, "Oh, that's the place that doesn't have any water", that has been associated with Pinewood Springs for too long. You may count on my support in the upcoming election.

* Excluded from debt are enterprise and annual appropriation obligations.

The demand for more water in Pinewood Springs increases with each new build (200 gallons per day per household); water shortages (droughts) are forecasted to become more frequent and severe; buying water will get more expensive, if you can find it; hauling costs will continue to increase due to high cost of crude oil. The reservoir even with the additional costs to meet the State of Colorado's current safety requirements is the most economical solution to meet the future water demands of the Pinewoods Springs Community.

I am a Pinewood Springs resident who completely supports PWSWD Ballot Issue 5A because, since 1991, we have experienced a prolonged drought that has necessitated the hauling of water from Longmont in some years. If this bond doesn't go through, then the reservoir will not be finished, and we'll need to resume hauling water as in years past, thus incurring much higher water costs overall and resulting in water rationing of just 3.5 K gallons per household per month. When the bond passes, it will only increase average annual taxes by roughly \$120, which is a small price to pay for the benefits of having adequate water year round .

Summary of Written Comments AGAINST Ballot Issue No. 5A:

No comments were filed by the constitutional deadline.