

TO: ALL REGISTERED VOTERS

NOTICE OF ELECTION TO INCREASE DEBT
ON A REFERRED MEASURE

LOOKOUT MOUNTAIN WATER DISTRICT
Jefferson County, Colorado

Election Date:
Election Hours:

Tuesday, May 5, 2020
7:00 a.m. to 7:00 p.m.

Local Election Office Address and Telephone Number:

Lookout Mountain Water District
10200 West 44th Avenue, #130
Wheat Ridge, CO 80033
303-526-2025

Ballot Title and Text:

BALLOT ISSUE A:

WITHOUT INCREASING THE LOOKOUT MOUNTAIN WATER DISTRICT EXISTING PROPERTY TAX LEVY OF 17.7 MILLS, SHALL THE DISTRICT DEBT BE INCREASED NOT MORE THAN \$3,750,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$7,000,000, FOR CAPITAL IMPROVEMENT PURPOSES OF THE DISTRICT, INCLUDING:

- REPLACEMENT OF THE "HIGH RISK" DESIGNATED LOWER BEAVER BROOK DAM, WHICH WAS ORIGINALLY CONSTRUCTED IN 1903, AS REQUIRED BY STATE AND FEDERAL REGULATORS
- IMPROVEMENTS TO THE TREATMENT FACILITY SITE TO IMPROVE WATER CAPTURE AND TREATMENT EFFICIENCIES.

SUCH DEBT TO BE PAYABLE FROM THE CURRENT 17.7 MILLS LEVIED FOR DISTRICT PURPOSES OR OTHER AVAILABLE REVENUE OF THE DISTRICT; SUCH DEBT TO BE EVIDENCED BY THE ISSUANCE OF LIMITED TAX GENERAL OBLIGATION BONDS OR OTHER LIMITED TAX OBLIGATIONS, BEARING INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 4.50%; SUCH BONDS TO BE SOLD IN ONE SERIES OR MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT, ON TERMS AND CONDITIONS, AND WITH SUCH MATURITIES AS PERMITTED BY LAW AND AS THE BOARD MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE BONDS PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF THE PREMIUM OF NOT TO EXCEED 3.00%; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION AT A HIGHER OR LOWER RATE; AND SHALL 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

<u>Fiscal Year</u>	
2020 (estimated)	\$1,248,643
2019 (actual)	1,039,328
2018 (actual)	1,126,478
2017 (actual)	890,071
2016 (actual)	837,628
Overall percentage change from 2016 to 2020	49.06%
Overall dollar change from 2016 to 2020	\$411,015

over

Information on District's Proposed Debt

BALLOT ISSUE A:

Principal Amount of Proposed Loan:	Not to exceed \$3,750,000
Maximum Annual District Repayment Cost:	Not to exceed \$ 235,000
Total District Repayment Cost:	Not to exceed \$7,000,000

Information on District's Current Debt

Principal Amount Outstanding Debt:	\$2,934,157
Maximum Annual Repayment Cost:	\$215,394
Remaining Total Repayment Cost:	\$4,470,925

Summary of Written Comments FOR Ballot Issue A:

The federal government and the state of Colorado are requiring the Lookout Mountain Water District to replace the high-risk Lower Beaver Brook dam. This is not an optional project. The District has received almost \$4 million in grants from FEMA; however, the District will need to fund the remaining cost, potentially up to \$3.75 million to complete this project.

As members of the Lookout Mountain Water District we all pay a mill levy of 17.7 mills as a portion of our property taxes. The District collects these funds each year through Jefferson County and is asking the District members to be able to use a portion of these proceeds (with no increase in mill levy) to make debt service payments on loans that will be used to help pay for the replacement of Lower Beaver Brook Dam and improvements to enhance the Treatment Plant's and adjacent reservoir's efficient collection and use of water. TABOR laws require district voters to approve taking on debt obligations if they are to be repaid by tax receipts.

If the District members vote to approve this TABOR election, the debt financing will be paid from the current tax receipts. This is possible because other debt and lease payments have recently ended. The current property tax cash flow is sufficient to make the proposed debt service payments, but this can only happen if the TABOR vote passes.

If the District members vote NO on the TABOR election, property taxes will not go down. The tax receipts will not be able to pay the debt service and will go to fund other District needs. The District can raise water rates without any approval vote of the members and that would have to be done in order to pay the debt service. It is projected that the base rate for water bills would have to nearly double in order to generate the funds needed to pay the debt service. Customers could expect to pay as much as an average of \$500 a year more on their water bills.

The Lookout Mountain Water District is proposing a responsible plan for financing the Lower Beaver Brook project. Please vote yes on the TABOR election so the financing can be done in a responsible manner. Why double our water bills when we do not need to in order to finance this project?

Summary of Written Comments AGAINST Ballot Issue No. A:

No comments were filed by the constitutional deadline.