



Inverness Water and Sanitation District
Inverness Metropolitan Improvement District
2 Inverness Drive East, Suite 200
Englewood, CO 80112
303/799-1244

INVERNESS

April 22, 2003

Mr./Ms.
Company
Address
City

RE: 2003 Water Conservation Plan

As I am sure you are aware, despite the recent snowfall, water storage has been severely depleted and Denver Water is requiring a significant reduction in water supplies delivered throughout the Metro area including supplies to Inverness. In addition, it is evident that as growth continues in the South Metro area, we need to reduce water usage and hence demand on our ground water supplies. Therefore, the Board of Directors of the Inverness Water and Sanitation District ("District") has adopted a Water Conservation Plan effective May 1, 2003, consistent with the plan communicated in our newsletters of May and August 2002. The plan focus is on reducing both in-building and irrigation use through an increasing block rate pricing structure. In addition, the plan provides for cash incentives for the installation of low water use landscape and installation of low flow fixtures. Below is a description of the plan.

The water conservation program is based on an allotment of water that the District believes is sufficient (with proper management) to meet the needs of your property. The allotment does not limit the water available to your property, but instead costs increase significantly as the allotment is exceeded.

Annual In-Building Allotment

Using the billing records of the District, the average historic consumption by use per 1000 square feet (office, office/warehouse, hotel, athletic club, etc.) was determined. Based on the building square footage and the March 2003 occupancy, each building will receive, at the base pricing rate, an annual allotment of 80 percent of the historic average water supply as shown on the attachment. If your occupancy increases, please call us so that we may increase your water allotment. In-building use is assumed consistent during the year and hence the monthly base price allocation will be 1/12 of the annual allotment.

Annual Irrigation Allotment

Using the District's maps, we have determined the irrigated acreage for each property within the District. Based on that acreage, each property will receive, at the base price, the volume equivalent of 24-inches of water for the irrigation season. The 24-inches of irrigation has been determined by turf experts as the minimum amount required for healthy turf, and is consistent with historic usage on the Inverness Golf Course.

Please note that with the irrigation pricing allotment system, there are no restrictions on the days on which properties can be irrigated. However, if peak irrigation demands are such that excessive pumping of our wells is required to meet the demand, the District may implement a watering schedule by address later in the season.

The irrigation base price allotment will be distributed throughout the irrigation season from April through October based upon historical averages

Increasing Block Rate Structure

Water charges will be priced based upon the total of in-building and irrigation usage according to the following rates. These rates are designed to encourage customers to reduce usage by penalizing usage severely when pricing allotments are exceeded.

“Water Conserving Rate” - \$2.25 per 1000 gallons for consumption up to the property’s annual allotment.

“Excessive Rate” - \$4.50 per 1000 gallons for consumption between 100% and 150% of the property’s annual allotment.

“Abusive Rate” - \$6.75 per 1000 gallons for consumption above 150% of the property’s annual allotment.

Billing for water and sanitary sewer services will now be sent out on a monthly basis (versus the current bimonthly billing) to keep property owners better notified of water use and charges.

Cash Incentives for the removal of turf and installation of low flow fixtures.

The District will offer a rebate of \$ 1 per square foot of sod that is removed and replaced with an Inverness Planning and Architectural Control Committee approved low water use landscape (such as shrubbery with drip irrigation). In addition, the District will provide a rebate of 50 percent of the fixture cost on all low flow fixtures that are installed. The total amount available for the 2003 rebate program is \$100,000 and is offered on a first come first serve basis. The maximum rebate to any one property is \$10,000 in any year.

In summary, the District believes that the 2003 Water Conservation Plan is not only prudent for managing the water supply during the drought but is a necessary step in managing the water supply for long term. We anticipate that there will be questions related to this program and look forward to working closely with each of you to insure that the allotment determined for your property is correct and appropriate. In addition, please do not hesitate to contact Mitch Chambers in our office with any questions that you may have. Our phone number is 303-649-9857.

Sincerely,

Patrick F. Mulhern
General Manager