

EAST VALLEY METROPOLITAN DISTRICT

SERVING THE ALGONQUIN ACRES and VALLEY ESTATES SUBDIVISIONS, ARAPAHOE COUNTY, COLORADO
P. O. Box 3110, Parker, Colorado 80134 * 303-841-3474

May 21, 2009

Dear Water Customers:

On May 14, 2009, the Board of Directors of East Valley Metropolitan District (EVMD) held a special meeting to consider increasing water rates. As outlined in a letter to the customers of the district, sent on May 7, 2009, the board determined an increase in rates is necessary to service the debt required to finance the "down hole" pump, motor and related equipment for the new Carson II well.

Several homeowners attended the meeting and expressed an interest in EVMD joining a larger water provider such as Arapahoe County Water and Wastewater Authority (ACWWA). The board has been in ongoing discussions with ACWWA. Currently, the costs of EVMD joining ACWWA, which have been proposed to the board from preliminary discussions with ACWWA representatives, range from between \$4,000,000 and \$6,000,000 at a minimum. The board feels these costs, which would be \$40,000 to \$60,000 or more per customer, are cost prohibitive for most of the customers of EVMD at this time.

Consequently, the board approved a rate increase at the special meeting on May 14, 2009. The rate increase will allow the District to equip the Carson II well and ensure the District has two fully operational deep wells in the Arapahoe aquifer. The board does not see this as a permanent solution to the depletion of the Denver basin aquifers. However, the board is confident that bringing the second deep well to a fully operational status provides a long term solution for a reliable water source for our customers.

The new rates approved at the May 14, 2009 meeting are as follows:

Water Availability Charge (flat fee)	\$96.00 per month
Well Replacement Fee	\$40.00 per month (unchanged)

Water Usage Charge (per 1,000 gallons)

Tier 1	\$1.32	0 to 10,000 gallons
Tier 2	\$1.59	10,001 to 50,000 gallons
Tier 3	\$1.91	50,001 to 75,000 gallons
Tier 4	\$2.29	75,001 to 99,000 gallons
Tier 5	\$8.00	99,001 +

These rates will be reflected on the bills mailed on June 26, 2009.

In addition, after careful review of the water system capacity, the Board approved an additional hour of watering within the current watering schedule. Effective immediately the A.M. shift will be allowed to water from 2 a.m. to 12 noon and the P.M. shift will be allowed to water from 6 p.m. to 4 a.m.

If you have any questions, please feel free to contact our manager, Darcy Beard at 303-841-3474 or darcybeard@comcast.net. The District also maintains a website at www.EastValleyWater.20m.com that has a wealth of information about the District.

Sincerely,

Board of Directors
East Valley Metropolitan District