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**FOR IMMEDIATE RELEASE**

## **Morgan County Quality Water District Secures Additional Water Supplies**

The Morgan County Quality Water District was established in the mid 1970's. The Board of Directors at that time had the foresight to acquire substantial water supplies that benefited not only Morgan County residents but also dairies, feedlots, and other commercial users within the county. Following the example of our founders, every Board member throughout the history of the District has diligently watched for economically advantageous opportunities to acquire additional supplies. This ongoing diligence has benefited the entire economic base of Morgan County. It has allowed growth, and most importantly, provided a reliable and sustainable water supply for all of the District's customers.

As most of you know the cost of acquiring additional water supplies has skyrocketed. In recent history, the District has budgeted approximately \$1,500,000.00 per year to purchase raw water. Most of those dollars have been used to purchase contracts for Colorado Big Thompson ("CBT units" which provide water from storage in Horsetooth and Carter Lakes) when and if they became available. On average, one CBT unit is required for each residence served. CBT prices have escalated dramatically over the past years due to Front Range growth, which has created huge demand for the limited number of CBT units remaining available in the market. Recent sales of CBT units have approached \$60,000 per unit, which equates to approximately \$86,000 per acre foot. The District is considering other projects and is finding the projected costs to complete those projects have also increased substantially.

As the cost of purchasing and developing those supplies increase so dramatically, the Board remained diligent in the search for opportunities to acquire more reasonably priced supplies. Recently the Board was presented with one of those opportunities. The District was offered 3000-acre feet of water in the Lost Creek Basin. After extensive discussions and research concerning how to best implement the use of the Lost Creek Basin water in Morgan County, the Board determined that it was in the best interest of the District to swiftly pursue the purchase of those water rights. After much discussion and research by the Board and Staff, the Board decided to fund the purchase with selling \$30,000,000 in municipal bonds. The bond sale was completed successfully in mid-December, and the District obtained a historically low all-in interest rate of 2.68%.

In summary, the District Board feels that this was a unique opportunity to acquire a substantial water supply for Morgan County at a very reasonable cost, and acquire financing for that purchase at a time when financing costs are at historic lows. Going forward, the District will use the annual allocation of \$1,500,000.00 for the purchase of new raw water supplies to service the bond indebtedness; thus, the purchase will have little or no impact on the District budget or our current customer's budgets.

The District's purchase nearly doubles the amount of future water supplies available to the District's taxpayers. The District estimates that roughly one-third of the water will be used to firm up its current supplies, and the remaining two-thirds will be available to supply future growth within the District, serving Morgan County and small parts of Washington, Adams and Weld counties.

In the short term and as the District builds out, most or all of the water will continue to be used as it is now for farming on the Roggen area ranch, except in very dry years when the District may need to use some of the water. This type of operation, switching back and forth between Ag and Municipal, is known as an “Interruptible Water Supply”. It has been a model that farming communities and the State have been encouraging and endorsing for years in an attempt to mitigate the effects of “scorched earth” “buy and dry,” which has devastated farming communities where it has occurred.

There is a lot of work ahead, but the District Board and Staff are very excited about this new water supply for our future here in Morgan County.

We look forward to answering any questions you may have about the purchase.