

Dear SDWD Membership,

Welcome to your quarterly newsletter. There are lots of moving pieces in the district and a newsletter seems to be a good way to reach the membership about all that's happening.

The district is working extremely hard to make the transition into treatment plant ownership a success. This is an extreme challenge, requiring all of Somerset to see the vision through. As a community we should be extremely proud of what we have accomplished so far. Many did not think we would be able to shoulder this responsibility at all, and here we are coming to the end of our first quarter.

SDWD recently received a \$50,000 grant from the Colorado Department of Public Health and Environment (CDPHE). In order to move forward and get our drinking water in compliance, CDPHE has set forth a series of steps that we must complete before we enact any structural changes to enhance our plant. These steps include conducting Technical, Managerial, and Financial (TMF) report, completing a design and engineering plan for a granular activated carbon (GAC) filter, and performing rate study.

The TMF report is meant to give SDWD a comprehensive look at what it takes to run the treatment facility. The technical component of the report will assess our current technology, look at what is outdated, what can last, and where improvements should be implemented. It will also give an overview of how we might obtain these upgrades over time and what the costs will be. The managerial component will look into the human resources side of things. It will assess how many people it ought to take to run the facility and how many hours the work should be completed in. The financial aspect of the report is the most sobering of the three components of the TMF report. The financial report will look into the financial health of the district and the additional burden of the treatment plant ownership. The financial report will give SDWD hard, analyzed facts by a third party that will look at the finances and assets the district currently has and weigh our ability to operate the treatment facility.

The design and engineering to install the GAC filter up at the plant will be an added measure to ensure Somerset moves forward with healthful, clean drinking water. Nobody wants to get out from underneath the CDPHE enforcement order more than the residents of Somerset; clean drinking water ought to be a right in the 2021 in the state of Colorado. The primary contaminant in Somerset's water is total trihalomethanes or TTHMs. TTHMs are disinfection byproducts and the addition of a GAC filter would greatly reduce these contaminants. Having a GAC filter as a component of our treatment facility will be an added safe guard to protect our

drinking water from these and other contaminants. Currently the Gridbee, which was installed to mitigate TTHM formation, has proven very effective. The combination of the Gridbee and the GAC filter will be a great step toward the assurance of clean drinking water here in Somerset.

The rate study will be a great way to wrap up the whole of the deep dive into SDWD's new beginning as owner/operator of our own water supply. The rate study will combine everything learned from the TMF report and the cost of purchasing and installing the GAC filter. It will then calculate a rate for members that will include the cost of day to day to functioning from office operations, to treatment facility operations, to water in your tap. It will also include a long-term view and financially plan for the inevitable and unforeseen. By having a rate that is ready for main breaks, system failures, and general maintenance, we will have a much stronger and more resilient water supply. The rate study will be an objective look into the financial burden of running the treatment plant and how best to structure our rates based on usage, time of year, and overages.

As a town, we have a lot to be proud of. There was a great hesitance on the part of many pertaining to the signing of the contract between SDWD and Oxbow Mining. The fact the we as a community have made it through our first 3 months is something worth celebrating. Every successful day bodes well for the future and sustainability of reliably clean drinking water for our community.

Jacquie Hill

SDWD Project Manager