

Dear Property Owner,

Your property is located within the Timberon Water and Sanitation District which acquired and operates the water utility and other public facilities within Timberon and provides, or makes available, services within the community.

In 2006 a Court decision applied the Community Services District Act 10 mill tax limit to Water and Sanitation Districts reducing Timberon's income from property taxes from \$364,000 per year to \$134,000. That money was used to maintain the non-water facilities and provide the services to the District's residents and property owners. Under current law, taxes cannot be raised to replace the lost funds.

With that in mind, on June 16<sup>th</sup> 2012 the Board of Directors adopted Resolution 2011/2012-005 establishing a Facilities and Services Charge to replace the lost revenue.

In addition to user fees and charges, General fund revenue from property taxes and the Facilities and Services Charge are used to support the following:

<b>FACILITIES;</b>	<b>SERVICES;</b>
Community Center	Road Grading and Maintenance 184 miles
Golf course, Pro shop & Recreation area	Snow removal
Untreated Water Delivery System	Pool Operations
Swimming Pool	Building Maintenance
Slash Pits	Water for Fire Suppression
Fishing Lakes	Trash Compaction and Hauling
Fire Drops	Golf Course Maintenance
Maintenance Shop	
Cemetery	
Solid Waste Collection Site	

The replacement revenue from the Facilities and Maintenance Charge will put the District back in the position of being able to rehabilitate the facilities and infrastructure over time.

For instance, the cost of maintaining roads like the ones in Timberon is \$1,300 per mile per year plus the cost of fill and rock according to the Otero County Public Works Department. The County maintains only 16 of the 200 miles of roads in Timberon. The cost just for grading the remaining 184 miles of roads is \$239,200 per year. That is \$100,000 more than the \$139,000 amount the District expects to receive in tax revenue this year.

In addition to roads, the buildings, lakes, Golf Course and recreation area, all have deteriorated from the lack of sufficient revenue to maintain them properly.

The District supplies drinking water through a system that is about 45 years old and just like the rest of the infrastructure of the District the cost of maintaining it is rising. In 2010 the water utility came under the jurisdiction of the Public Regulatory Commission. The District is filing for permanent rates in two steps with the Commission. Once the process of filing is complete in the next fourteen months or so the District will have sufficient income from the water rates and charges to pay all of the costs associated with providing drinking water. The water enterprise is separate from other services and facilities of the District and revenue from the water billings may only be used for the water system.

One of the public facilities of the community that has received general fund monies is the Swimming pool. A group of community volunteers obtained funding to renovate the swimming pool. It had been shut down for two years because the District did not have the money available to repair or operate it. The pool is now in its second year of operation since the renovation. 100% of the cost of operating the pool is coming from donations.

While this community effort has allowed the pool to operate with donations and fees worth about \$28,000 to the District, failure of any major component of the Swimming facility would necessitate shutting it down. The District simply does not have the money to make major repairs.

Roads maintained by the District provide access to the property and also allow emergency vehicles to reach residents in order to provide services that protect their health, welfare, safety and security. Dozens of fire drops provide treated water for fire suppression and helicopters have used water from the lakes on the golf course to put out fires as well. Water from one of the District's wells is used to fill the storage tanks next to the fire station.

These and other facilities and services provided or made available by the District have a positive impact on the value of every piece of property in Timberon. Every property owner who bought land or a home in Timberon has the expectation that the facilities would remain in place and that the services provided would continue to be made available. The cost of the services and facilities must be borne by all of the property owners who benefit from them.

Timberon Water and Sanitation District  
P.O. Box 40  
Timberon, NM 88350  
(575) 987-2250  
Fax: (575) 987-2238