

The board recommends the formation of a special water district

1. It reduces our liability for Elk Springs owners

- A water district distributes liability across all customers. That means that owners in Elk Springs, Eagle Ridge, Auburn Ridge, Elk Mesa will share liability
- It provides access to a state-backed insurance pool which we currently cannot use
- It provides limited governmental immunity

Scenario: Currently, Elk Springs is responsible for the entire risk across all users - so if something breaks, we must fund repairs AND continue providing water to all neighboring users - without insurance. Water infrastructure can be very, very costly. This risk is considerable and remains so if we do not approve this measure now (and on the wider ballot in November).

2. Increase access to insurance coverage currently unavailable

- Currently the HOA cannot obtain adequate insurance for our water system
- A water district has access to appropriate insurance; formation of a district reduces exposure to potentially unlimited liability across the entire water system

3. Grant access to better financing options for expensive water infrastructure

With a water district, we get access to financing that we currently cannot access, which will relieve owners of the burden of having to potentially fund costly water systems. Other opportunities for financing include:

- We will have access to lower-cost capital through government bonds
- We get the ability to use property tax (mill levy) funding for large infrastructure needs if necessary. Infrastructure for water systems is often a significant expense, which may overrun our existing reserve budget.
- We will be eligible for [grants, loans, and forgivable funding](#) that is only available to water districts for infrastructure, planning, modelling, drought planning, storm water, water conservation, drainage, and so much more.

4. Supports financial stability

- A water district removes the risk to homeowners of large water related assessments due to water system failures.
- Allows costs to be managed through structured funding mechanisms, with greater transparency and accountability for all customers

5. Reduce the risk of potential legal action against the HOA

- Eliminates ongoing legal costs related to third-party water users
- Eliminates contract negotiations with neighboring users

6. Improve oversight & transparency

- Managed by a board of five elected directors
- Professionally operated and audited
- Ensures transparency and accountability through formal processes and audits

7. Allow the HOA to focus its efforts solely on the Elk Springs community

- A water district significantly reduces time and cycles on water negotiations, administration, communications and more.
- A water district's purpose is to focus on water-related management, such as infrastructure maintenance and repair, water supply, aquifer protection studies and engagement and collaboration with other districts and agencies in our watershed. Structurally, a water district is an entity designed to handle water management equitably, transparently, and exclusively. Once established, the HOA and current volunteer committee members are free to focus on other priorities.