

Alto Lakes Water Corporation
supports conversion to
Alto Lakes Water and Sanitation
District

February 2004

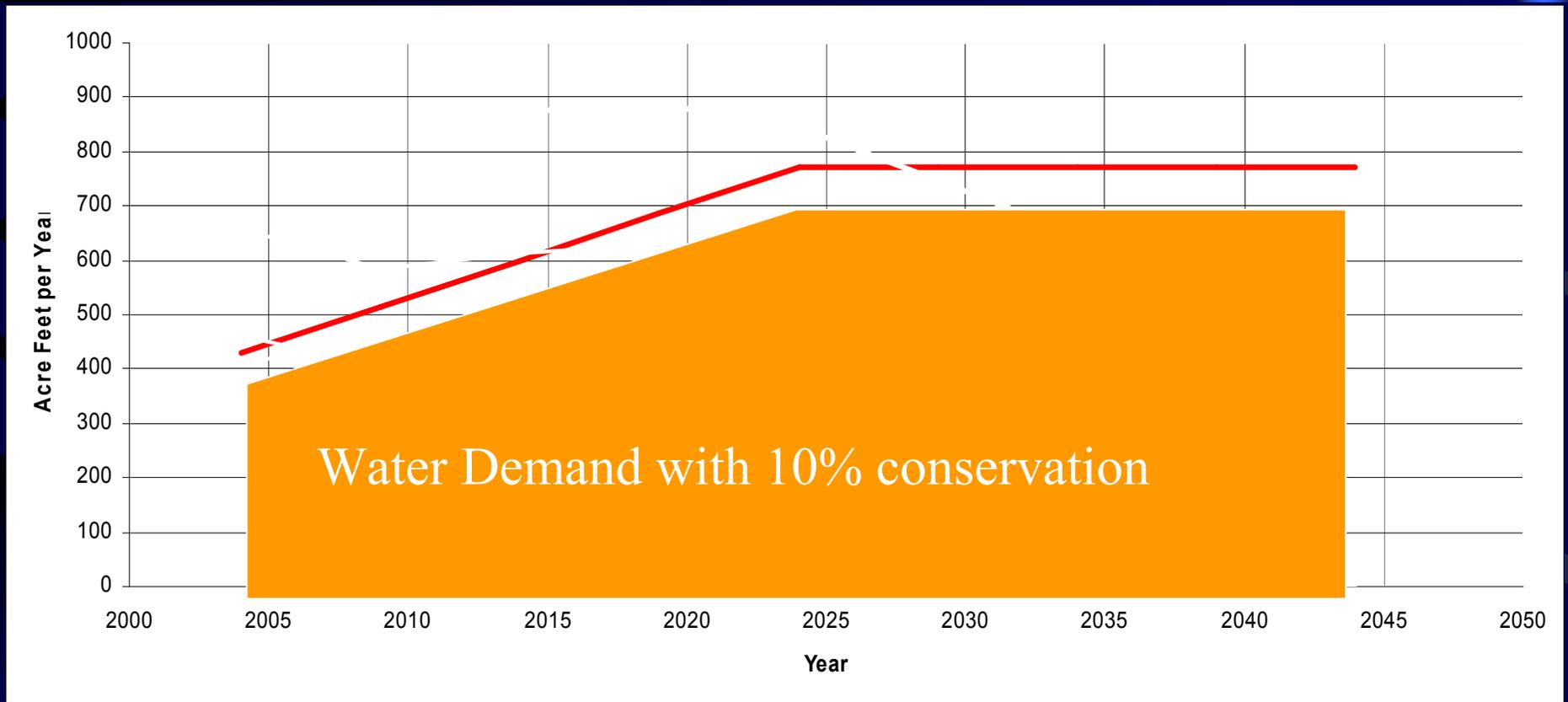
Items to be Discussed

- Challenges facing Alto and Upper Rio Hondo region
- Water Supply Scenario for Alto
- Capital Needs for Alto Lakes Water Corp.
- Why conversion to a Water & Sanitation District is necessary

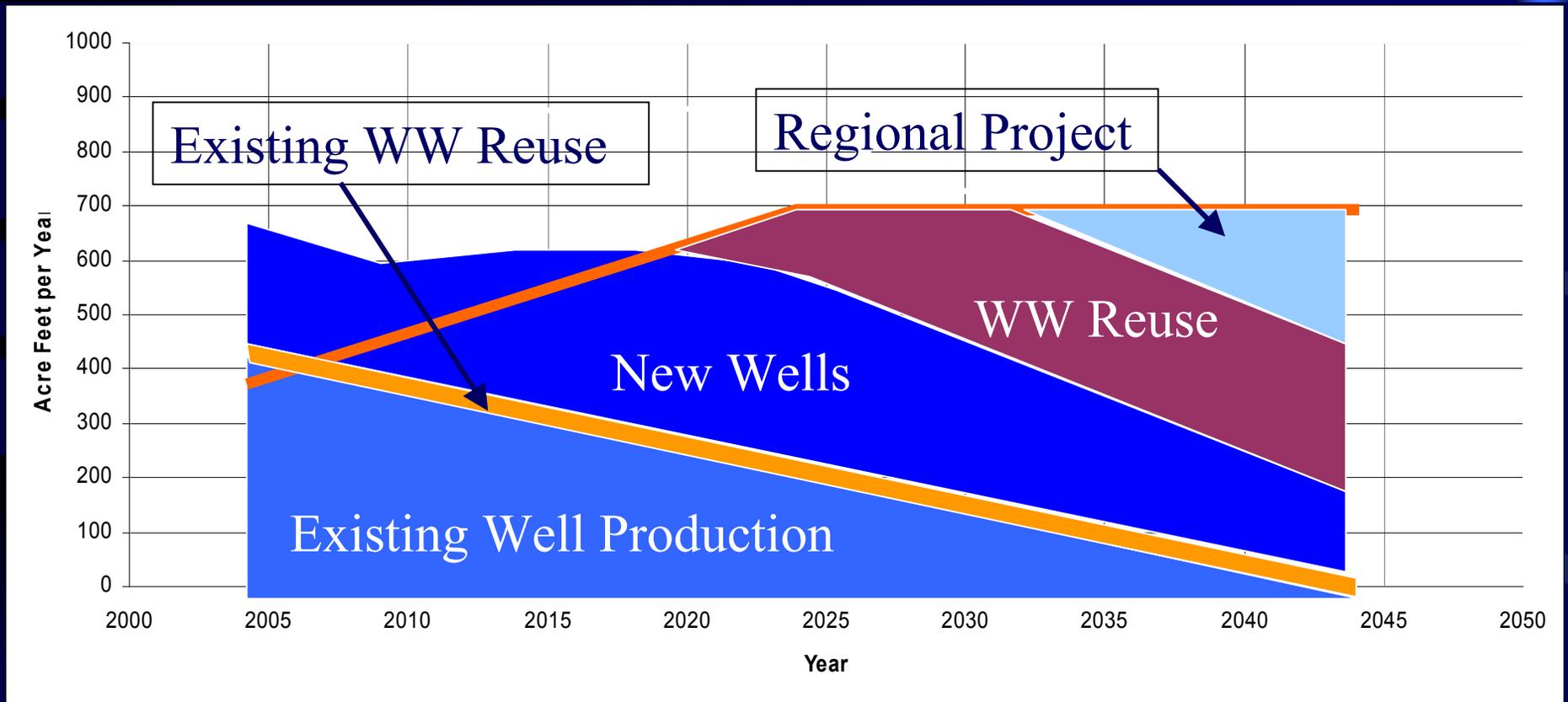
Challenges faced by ALWC

- Water Supply - Increasing the quantity and quality
- Financing the needed water supply improvements

Alto Water Demands



Alto Water Supplies



In long term, Upper Rio Hondo will likely need regional solution

- Ruidoso, Ruidoso Downs and Alto all have similar problems.
- There are 32 other water purveyors between Angus and Ruidoso Downs, most with long term shortages
- Importation of water will likely be required

Preliminary Estimate of ALWC Capital Required over 20 years

W & S and Zoning Districts address the ALWC Challenges

- Water Supply
 - Water rights may be held in reserve
 - Allows better participation in regional planning
 - Zoning District provides for water conservation
- Financing
 - Low interest loans, possible grants
 - Allows general obligation and or revenue bonds
 - Direct appropriations from State or Federal government are possible

Board of Directors of ALWC

Voted strong support of conversion to a
Water & Sanitation District at their
meeting of January 15, 2004