

Water Rate Increase Effective January 1, 2021

The Baca Grande Water and Sanitation District is implementing part two of the water utility rate increase effective January 1, 2021. Users will see the adjustment on their bill arriving in February. The base rate for water will increase from \$35 to \$43.75 and sewer from \$32.20 to \$37.03.

The Board of Directors voted to implement the rate increase at the March 27, 2020 meeting. After months of discussion, it was decided to implement the rate increases in two phases to give users more time to prepare. This decision was made after an in-depth study that began in 2019. The study, conducted by Raftelis Financial Consultants, Inc., deemed the rate increase necessary to align the cost of service with the utility rate. This increase is the second of two for District customers.

Rate increases approved by the Board of Directors to be implemented in April 2020 was delayed until July 2020 because of economic challenges due to the pandemic.

For details of the water rate study please visit our web site

http://www.bacawater.com/2020/PDFs/BacaGrande_032720_Final.pdf

The cost to provide service has increase exponentially, prompting this change after 5 years without any prior rate increases.

Main Reasons for the Increase:

- Capital improvements to maintain State of Colorado water quality standards
- Rising cost to purchase water
- Expanded infrastructure needed to meet current and growing demands
- Rates have not increased since 2016

We are confident this rate increase is necessary for us to continue providing safe water and sanitary services to Baca Grande Water and Sanitation residents for years to come.

If you have questions or would like to learn more <http://bacawater.com/rates> to view additional information and view our Frequently Asked Questions.

Rates as of January 1, 2021

Number of Gallons	Fee
Base Rate – 4000 Gallons	\$ 43.75
After 4000 up to 10,000 Gallons	\$ 2.35 per 1,000
Over 10,000 Gallons	\$ 4.69 per 1,000

1. **How much will the rate increase for the average household?**

Your exact bill will be determined by your household water usage.

The base rate of \$43.75 (an \$8.75 increase) for 4000 gallons of water will begin January 2021. Sewer service fee will go from \$32.20 per month to \$37.03 per month. The typical monthly water/sewer bill will be \$80.78.

To calculate a prediction for your household

To calculate the increase you can expect to see, use your past bills to determine the average gallons of water per cycle used in your household. Your bill will include a base rate increase of \$8.75 with usage charges over 4000 gallons of water used determined by the tiered structure <http://bacawater.com/rates>.

You can view up to a year's history of your account with your Xpress Bill Pay account online, so you can print and compare your current bill to previous bills.

2. **Why is there a tier structure and what does it cost?**

The tier structure is designed to reward users for conserving water. The less water you use, the less you pay per 1,000 gallons. Not only does this allow you to take your water bill into your own hands, the District is better positioned to meet current and growing demands.

The tier structure is detailed below

- o Base Rate (up to 4,000 gallons) \$43.75
- o Tier 2 (over 10,000 gallons) \$ 2.35 per 1,000 gallons used
- o Tier 3 (over 10,000 gallons) \$ 4.69 per 1,000 gallons used

3. **Why is the base rate increasing?**

The cost to produce clean water has increased exponentially. The base rate had to be adjusted to reflect the cost of providing safe water to your household.

The three main reasons for increasing cost:

1. Capital improvements to maintain State of Colorado water quality standards
2. Cost to purchase water
3. Infrastructure repairs and replacement needed to meet current and growing demands

4. **When was the last time rates were increased?**

Prior to the current two-phase increase rates were minimally raised in 2016.

5. **How is the District engaging residents to provide input on the proposed water rates?**

The District has held several Public Meetings related to this issue beginning in November 2019 including two different educational presentations.

6. **Why isn't there an option of just a \$2-\$3 increase?**

The Baca Grande Water and Sanitation District conducted a Water Rate Study and the proposed scenarios discussed were the most fiscally responsible results of the study to ensure that the water fund remained stable for the future of the District.

The Cost of Potable Water	The Cost of Wastewater
<p>Potable water also known as tap or drinking water is the water that enters your home and is fit for household use such as drinking, cooking, washing, etc.</p> <p>Some of the factors that help determine the cost to bring safe, reliable drinking water to District customers include:</p> <ul style="list-style-type: none"> • The cost of procuring water from USFW to meet district customer demand • The cost to maintain aging infrastructure • The cost to send water through treatment facilities for processing and safety testing regulated by the Colorado Department of Public Health and Environment 	<p>Sewer/Wastewater is the water that leaves your home and goes down a drain and through a system of pipes and lift stations before reaching the treatment facility to be treated.</p> <p>Baca Grande Water and Sanitation District's treatment plant is in danger of reaching capacity.</p> <p>The District is researching ways to determine the best way to meet our growing demand.</p>