



Baca Grande Water and Sanitation District

P.O. Box 520 | 57 Baca Grant Way S.
Crestone, CO 81131-0520

Over the course of the last year, the District has reviewed the various fees, rates and charges imposed by the District on users and property owners to determine whether these fees are fair and equitable to all users and whether, combined with the District's taxes, they are sufficient to cover the District's operational costs. These fees, rates and charges include the base rate for water and sewer service, the consumptions charge for water usage, the system improvement and fire hydrant fees and the availability of service charges. In doing so, the District has made changes to these rates in order to better allocate the cost of service according to usage and system impact while continuing to cover the District's operational costs.

WATER AND SEWER BASE RATES

For a typical single family residence, the current base rate for water service is \$22 per month and the current base rate for sewer service is \$20 per month. For properties receiving both water and sewer service, this is \$504 per year combined. With these rates users have received 4,000 gallons of water at no additional charge and water above the 4,000 gallons is charged at \$1.50 per 1,000 gallons. Along with these rates, users have paid a system development fee in the amount of \$21 per year and a fire hydrant fee in the amount of \$9 per year. Beginning on January 1, 2011, the District is eliminating the system development and fire hydrant fees. Instead, the District will charge base rates in the amount of \$22 per month for water and \$22 per month for sewer. Overall, with all fees combined, this is a slight reduction in the District's base rate for the combined service by \$6 per year.

Residential Customer (¾" Water Tap)	2010	2011
Monthly Water Base Rate	\$22	\$22
Monthly Sewer Base Rate	\$20	\$22
Annual Fire Protection Fee	\$21	\$0
Annual System Improvement Fee	\$9	\$0
Annual Total, Base Rate and Fees	\$534	\$528

TIERED STRUCTURE FOR USAGE

Along with the base rate, users are charged for the amount of water actually used on a monthly basis. As noted above, for a typical single family residence, the first 4,000 gallons is provided at no additional charge and considered to be included in the base rate. However, for amounts above the 4,000, these amounts, to date, have been charged at \$1.50 per 1,000 gallons. Effective January 1, 2011, consumption will be billed at the same rate, up to 10,000 gallons. For usage in excess of 10,000 gallons per month, customers will be billed at a rate of \$3 per 1,000 gallons. The District analyzed the twelve month period from September 2009 through August 2010, and found that less than 6.25 percent of residential customers used more than 10,000 gallons per month for four months or more.

EQUIVALENCY RATIO ("EQR")

In order to ensure consistent and uniform charges to customers, the District adopted a rate structure based on equivalency. Large users will be uniformly charged based on their equivalency to a single-family residence, which has an EQR of 1. This will apply to the base rate and the consumption allowances under the tiered rate structure in a proportional and consistent manner, as detailed on the table below:

Tap or Meter Size	EQR	Sewer Monthly Base Rate	Water Monthly Base Rate	Water Unbilled Usage Allowance	Water Consumption Charge \$1.50 / 1,000	Water Consumption Charge \$3.00 / 1,000
¾"	1	\$22	\$22	4,000	10,000	>10,000
1"	2	\$44	\$44	8,000	20,000	>20,000
1 ½"	5	\$110	\$110	20,000	50,000	>50,000
2"	8	\$176	\$176	32,000	80,000	>80,000
3"	16	\$352	\$352	64,000	160,000	>160,000
4"	36	\$792	\$792	144,000	360,000	>360,000

AVAILABILITY OF SERVICE CHARGES ("AOS")

The District currently imposes an AOS in the amount of \$40 per year on properties which have services available but which are not utilizing those services. In addition to this amount, the District currently charges a system improvement fee in the amount of \$21 per year and a fire hydrant fee in the amount of \$9 per year to these properties. Combined, these fees total \$70 per year per lot. In analyzing the AOS imposed on properties enhanced by the availability of the services to their properties and in reviewing the statutory authorizations for these fees, the District discovered that it has the ability to charge up to \$264 per year on each AOS customer (50% of what users receiving services pay). Effective January 1, 2011, the District is eliminating the system improvement and fire hydrant fees and, instead, the District will charge an AOS in the amount of \$120 per year, per lot. This is an overall increase of \$50 per year, per lot (or \$4.17 per month per lot). The due dates of the AOS will be different from prior years as well. Instead of the total amount being due in January, the fees will be due semi-annually with the first payment being due on March 1, 2011 and the second payment being due on September 1, 2011.

ELIMINATION OF SYSTEM IMPROVEMENT AND FIRE HYDRANT FEES

As previously explained, the District currently imposes \$21 per year for a system improvement fee and \$9 per year for a fire hydrant fee. Effective January 1, 2011, these fees will be eliminated. It is important to note that any unpaid fees will still be due and owing, but no additional system improvement and fire hydrant fees will be imposed by the District.