

# East Boulder County Water District

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Dear District Member:

This letter is to notify you of the District's 2006 water rates effective January 1, 2006 (first reflected in the February 2006 billing). These revenues support all of our operating expenses, plus the cost of any future capital improvements and repairs. (We cannot use existing taxes for these purposes—these may only be used to retire our bonds.) The water rates were set in the public meeting held December 14, 2005.

The District's water source is the City of Lafayette. In 2003, the City of Lafayette adopted a four-year plan to help pay for new water source acquisition and delivery infrastructure. The plan called for increases in their water rates by 9 percent each year, with 2006 being the last year.

The District revenue requirements were identified in the 2006 Budget. The 2006 water rates have been set to meet those revenue requirements, guided by the following principles:

1. The base rate, non-connected user fee, and purchased water markup should be kept as consistent year-over-year and as low as possible. For the first time since the start of District operations, the operating portion of the base rate was increased by three (3) percent.
2. There is currently a limit of 220 gallons per minute of pump capacity without costly upgrades, so conservation is being encouraged.
3. The District increased the basic "markup" of the water we purchase from the City of Lafayette to \$1.25 per thousand gallons.
4. The District must pass on the rate increases initiated by the City of Lafayette.
5. The progressive rate structure introduced in 2005 continues to be phased in to meet future revenues needed for system improvements and to promote conservation.

On the back of this letter, you will find the rate calculator for 2006.

Please feel free to contact any board member if you have any questions about the new rates.

Sincerely,

Michael Deck, President

Michael Deck  
President

Richard Moeller  
Vice-President

Mark Johns  
Treasurer

Robert Champ  
Secretary

Nick Bennett  
Director