

East Boulder County Water District

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Dear District Member:

This letter is to notify you of the District's 2007 water rates effective January 1, 2007 (first reflected in the February 2007 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 be only used to retire our bonds.) The water rates were set in the public meeting held December 12, 2006.

The District's water source is the City of Lafayette. For 2007, there are no announced water rate increases from the City of Lafayette.

The District revenue requirements were identified in the 2007 Budget. The 2007 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.
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's basic "markup" of the water we purchase from the City of Lafayette is \$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 followed to meet future revenues needed for system improvements and to promote conservation.

For 2007, the District will maintain the 2006 water rates without change.

On the back of this letter, you will find the rate calculator for 2007.

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

Sincerely,

Mark Johns, President

Michael Deck
President

Richard Moeller
Vice-President

Mark Johns
Treasurer

Robert Champ
Secretary

Nick Bennett
Director