



# EAST BOULDER COUNTY WATER DISTRICT

P.O. Box 18641, BOULDER, COLORADO 80308-1641  
303.554.0031 ♦ WWW.EASTBOULDERWATER.COM

December 31, 2011

Dear District Member:

This letter is to notify you of the District's 2012 water rates effective January 1, 2012 (first reflected in the January 31, 2012 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 rate requirements were set in the public meeting held November 14, 2011.

The District's water source is the City of Lafayette. For 2012, there were five (5) percent water rate and account fee increases from the City of Lafayette. Water tap fees remain the same.

The District identified revenue requirements in the 2012 Budget. The 2012 water rates have been set to meet those revenue requirements, guided by the following principles:

- The base rate, non-connected user fee, and purchased water markup should be kept as consistent year-over-year and as low as possible.
- The District's basic "markup" of the water we purchase from the City of Lafayette remains at \$1.25 per thousand gallons.
- There is now more than 220 gallons per minute pump capacity. However, conservation is still being encouraged.
- The District must pass on the any rate increases initiated by the City of Lafayette during 2012.

Because of the General Obligation Bond Refunding that occurred in 2010, additional dollars were added to the Capital Reserves for system maintenance and improvement. Therefore, the amount of revenue required from the sale of water was reduced by approximately \$25,000 in 2011. This is reflected in the same water rates and non-connected service fee for 2012.

The progressive rate structure introduced in 2005 continues to be followed 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 2012 showing the new rates.

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

Sincerely,

East Boulder County Water District Board of Directors

/s/ Mark A. Johns

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Mark A. Johns, President  
303.579.1076 c  
president@eastboulderwater.com

MARK A. JOHNS  
*PRESIDENT  
TREASURER*

RICHARD MOELLER  
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