



# EAST BOULDER COUNTY WATER DISTRICT

P.O. BOX 18641, BOULDER, COLORADO 80308-1641  
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June 30, 2016

Dear District Member:

This letter is to notify you of a mid-year water rate billing change initiated by the City of Lafayette and the District. The District's revised 2016 Water Rates will be effective July 1, 2016 (first reflected in the July 31, 2016 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 June 13, 2016.

The District's water source is the City of Lafayette. While initially there was no change to the cost of water for January 2016, this was changed following a February 2, 2016 presentation by Lafayette Public Works to the City of Lafayette Council meeting. They announced that there will be six years of five percent water rate increases, through 2021. There are three main reasons for the water rate increases:

1. The need to cover costs to operate, maintains, repair and upgrade the water supply and treatment system.
2. Provide sufficient income to ensure debt coverage and adequate capital reserves.
3. To have sufficient funds to provide additional raw water storage and water transmission pipelines to ensure the City's water supply future.

The District has encountered additional maintenance costs and with the aging of the District's water distribution system, there are concerns that additional reserves will be needed for capital improvements as well as additional maintenance activities. With the increase in the cost of water provided by the City of Lafayette, our rates must be increased equivalently. The District Service Charge for Connected Households increased by five (5) percent. The District Service Charge for Non-connected Household was increased by five (5) percent. All marginal rates have been increased by five (5) percent.

On the back of this letter, you will find the July 1 Water Rate Calculator for 2016.

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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