



# North Weld County Water District RATE SETTING INFORMATION



## NWCWD IS CHANGING THE WAY WE SET RATES

North Weld County Water District (NWCWD) is changing the way rates are calculated. These changes provide the necessary revenue to pay for the increasing costs of infrastructure maintenance and water purchases. To ease the changes to customers, NWCWD will make the transition to the new rate calculation model over time.



## COST OF SERVICE RATE SETTING

NWCWD conducted a thorough study to calculate the true cost of providing water services to residential, commercial, and wholesale customers. NWCWD will use this information to determine what portion of total costs each customer class will cover. This rate calculation method is a best practice and is the fairest way to set rates for all customers.

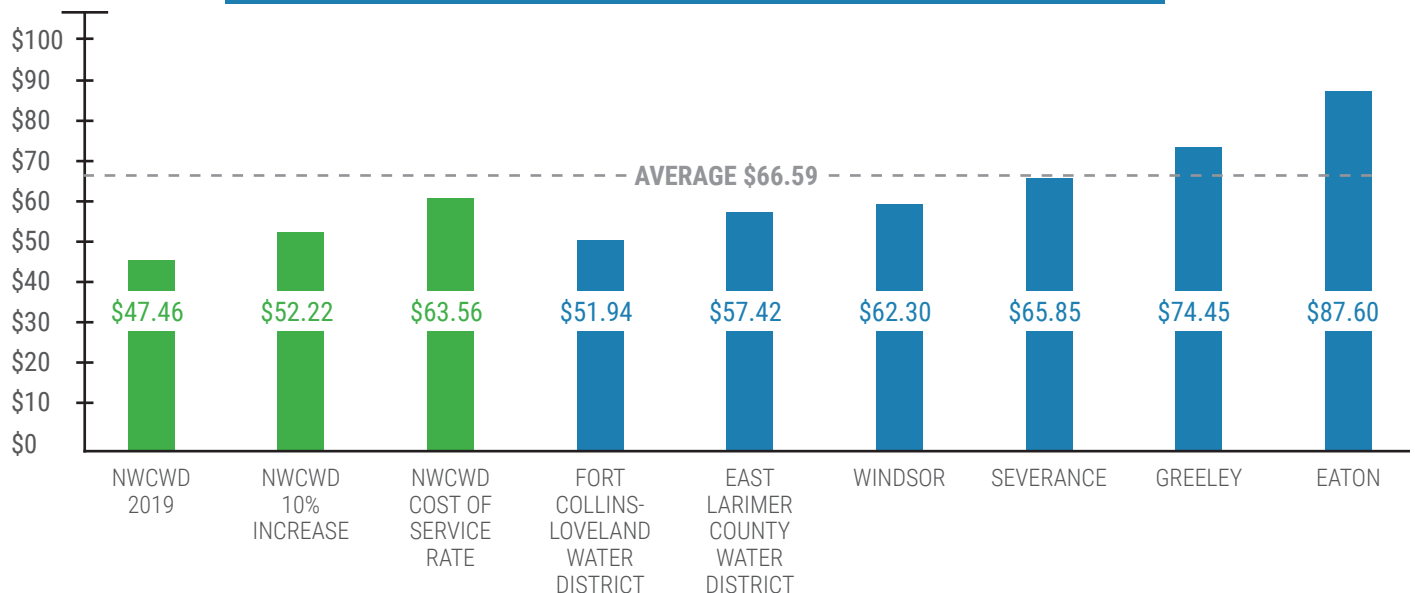
## WHY THE CHANGE?

NWCWD must invest \$46 million in major infrastructure improvements, water projects, and purchases to continue to provide water to current customers and prepare for the future. While we can defer some projects, we still have \$38 million of urgent needs to address in the next five years.

## WHAT WILL MY WATER BILL LOOK LIKE NEXT YEAR?

Instead of moving to the Cost of Service rate structure immediately, NWCWD will institute rate changes over the next few years. In 2020, NWCWD is considering a 10% rate increase for all customers (residential, commercial, and wholesale). Even with this increase, NWCWD rates will be lower than others in the region.

### AVERAGE MONTHLY WATER BILL COMPARISON FOR RESIDENTS



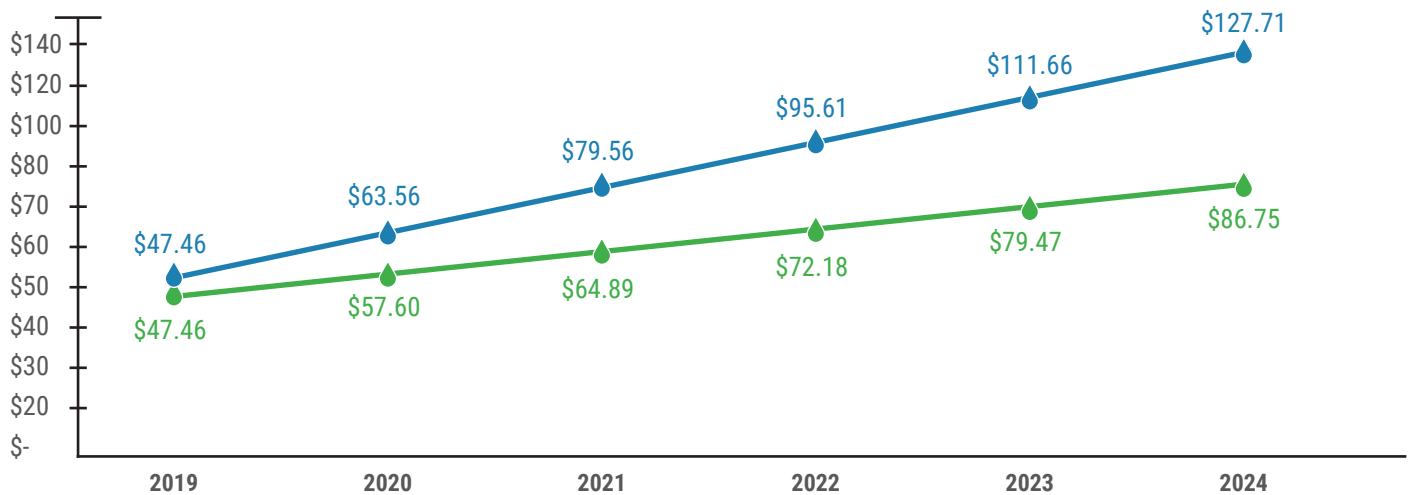
\* Average bill based on use of 14 Kgal per month



### WHAT ABOUT RATES AFTER 2020?

While rates for 2020 will be determined in the coming months, rate increases in 2021 and beyond will be impacted by the results of the November 2019 election. Voters will decide whether or not to approve a property tax increase of up to \$5 million, not to exceed 5 mills. The chart below shows the predicted average monthly cost to a household. The blue line shows predicted monthly bills and the changes needed to achieve Cost of Service rates. The green line shows predicted monthly costs to a household, including water bills and increased property taxes if residents vote yes for a mill levy.

### TOTAL AVERAGE MONTHLY WATER COSTS



- Total Household Cost of Service Rates Without Mill Levy
- Total Household Cost with Cost of Service Rates and Mill Levy Increase  
*(Includes monthly water bill and monthly increase in property tax)*

*The mill levy would apply to all property included within the NWCWD boundary, regardless of whether or not they are customers.*



### GROWTH PAYS ITS OWN WAY

NWCWD increased development fees so that growth pays its fair share. New infrastructure will be primarily funded by these fees. However, maintenance and improvements to old infrastructure is still a critical need. Rate increases and revenue from the mill levy (if approved by voters) will fund these investments along with water purchases.

