



North Weld County Water District RATE SETTING INFORMATION

FREQUENTLY ASKED QUESTIONS

1) Why are you increasing rates?

These changes provide the necessary revenue to pay for the increasing costs of infrastructure maintenance, water purchases, and raw water projects. To ease the changes to customers, NWCWD will make the transition to the new rate calculation model over time.

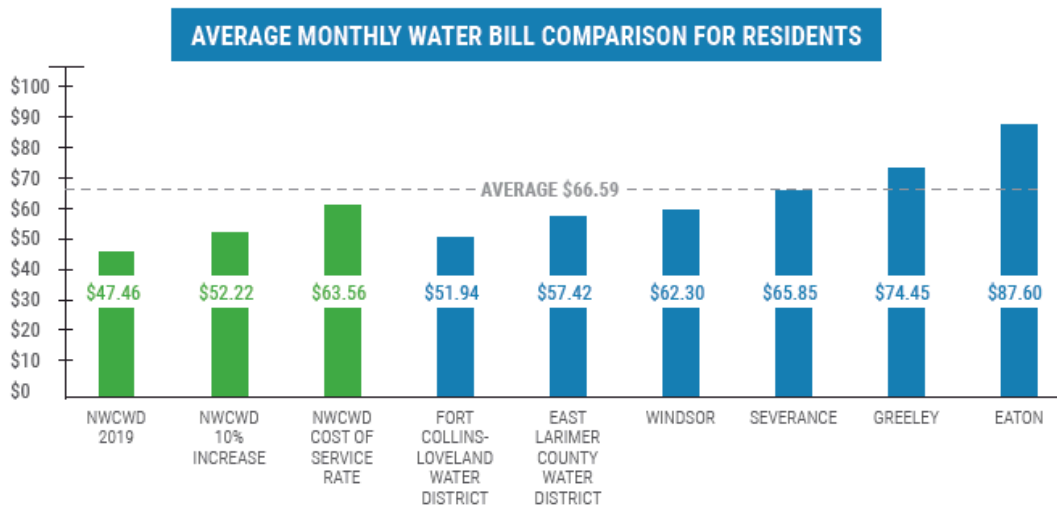
2) How do we know that we need to make these investments?

NWCWD commissioned a study with a third-party, industry expert to evaluate our current infrastructure and rates. The study revealed that our infrastructure is aging and needs replacement and maintenance. Water demand is also increasing across the district, adding stress to our infrastructure. Additionally, drought readiness is critical to the economic resiliency of Weld County, and we need to be better prepared.

3) How much will rates increase next year?

NWCWD is considering a 10% increase for next year. The rate per thousand gallons (Kgal) would be \$3.73 and the minimum bill for 0-6 KGal would be \$22.38 compared to \$20.34 currently.

4) How do NWCWD rates compare with other water providers in Northern Colorado?



* Average bill based on use of 14 Kgal per month



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5) How much of this needed investment is due to growth versus taking care of current customers?

We need to invest in both maintenance of our current system and new infrastructure. Our goal is to have growth pay its own way. That's why we are committed to using development fees to pay for new infrastructure. We estimate that we will need to invest approximately \$60 million.

Independent of that, maintenance and improvements to old infrastructure is still a critical need. NWCWD must invest \$46 million in major infrastructure improvements and water 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.

Rate increases and revenue from the mill levy (if approved by voters) will fund these investments along with water purchases.

6) So, is this just about making investments to support growth?

No. The additional revenues will be used to support needed upgrades and maintenance for current infrastructure.

7) How does growth pay its fair share?

- a. Plant Investment Fees
- b. For customers or developers seeking 5 or more acre-feet of water, water must be dedicated to the District to meet 70% of the water required.
- c. They also pay for other things like offsite water infrastructure improvements and system redundancy as determined by engineering and modeling review.

8) If we stopped growth completely, would we still need these rate increase?

Yes. We still need \$46 million in overall investment, \$38 million of which needs to be addressed in the next five years. In short, rate increases would still occur even if growth stopped completely tomorrow.

9) How much growth do we expect in Weld County?

The State of Colorado's Demography Department predicts that the Weld County population will grow 24% in the next seven years, and the population will more than double by 2050.



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10) What specifically are we paying for with this rate increase?

PROJECTS	COST
Pipes and valves	\$15.9M
Pump stations	\$0.4M
Tanks	\$2.8M
Misc.	\$1.6M
Soldier Canyon Water Treatment Plant (maintenance and bond payment)	\$3.2M
Existing bonds	\$9.2M
Water purchases	\$12.5M
TOTAL COSTS	

11) You have said that we can defer \$9 million in projects to keep rates lower, what projects are you deferring?

Tank replacements and upgrades, Raw Water Projects, and new pipeline installations including the NEWT III construction.

12) I've seen lots of numbers thrown around, can you please explain the difference between them all?

NWCWD must invest \$46 million* in major infrastructure improvements and water purchases to continue to provide water to current customers and prepare for drought.

Of that \$46 million, NWCWD can defer \$9 million of investments so that we can lessen the impact of rate increases.

That means we still have \$38 million of urgent needs to address in the next five years.

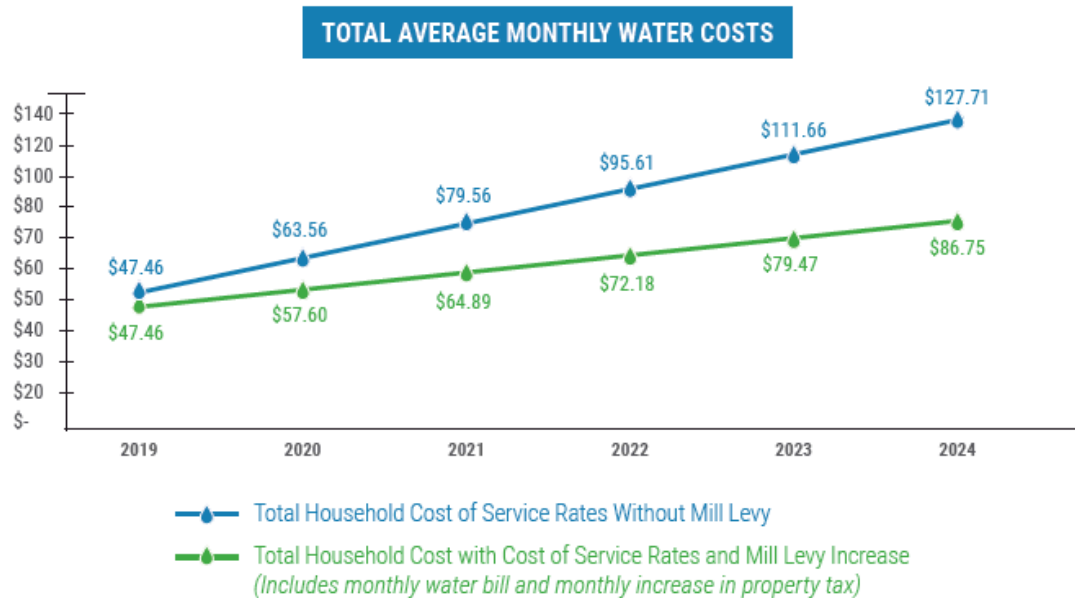
**This number appeared as an estimate of \$47 million earlier in the year, but has since been refined.*



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13) How does all of this fit in with the mill levy increase that is on the ballot this November?

Rate increases in 2021 and beyond will be impacted by the results of the November 2019 election when 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.



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

14) Why are rates in the graph lower with a mill levy?

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

15) If I vote yes for the mill levy, will my property taxes go up?

Yes. If 7B passes, your property taxes will go up. For a \$300,000 home, the property tax increase would be approximately \$60 annually.

16) If I vote yes for 7B, will rates still increase?

Yes. The mill levy revenues will cover a lot of the need, but not all of it.



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17) If I vote no, what will happen?

NWCWD will continue to move toward a Cost of Service rate model to raise the necessary revenue. However, if we do nothing, we may have system and low-pressure issues throughout the system. Replacement and continued maintenance is necessary.