



Information on Proposed Water Rate Increases

Water Rates are currently (As of January 1, 2014):

Residential: \$26.72

Commercial: \$28.22

Churches/School/Gov't: \$27.22

Base Gallons allowed 10,000

Overage is \$1.75 per 1,000 gallons over

Wastewater (sewer) is \$36.28 per month

Mancos water subscribers receive *more water for less money* each month than comparable towns. Average is 6,000 or 7,000 gallons base for \$29.41 per month.

Current rates barely cover operating costs for treating and distributing water to customers, let alone funding needed improvements. By 2018, expenses will outpace revenues.

Water system improvements are sorely needed. The town's infrastructure is in need of repairs and replacements. At this time, \$2.9 million in capital projects for the water system is needed in the next five years. Planned infrastructure projects include:

Water storage tank: \$1.0 million

Water line replacements* \$1.5 million

**(needs to be done prior to any street paving)*

New water meters \$358,000

An independent firm, RPI Consulting, conducted an analysis of town water system infrastructure needs and the amount of funds required to pay for those improvements. Increased water rates are required to fund those improvements and to leverage grants, loans and other outside funding.

RPI and Town Staff recommend a gradual increase in rates over the next five years to get to \$40.72/mo by 2018 and a decrease in the base gallons received to 7,000 or 8,000. An initial increase of \$5.00 per month in 2014 and increases of \$2.00 per month each year in 2015-2018 is recommended. An increase in the overage charge, taking it to \$2.00 per 1,000 gallons (from \$1.75), and a slight increase in the water dock fees are recommended. Please see the attachments showing water rates under two scenarios and planned infrastructure improvements.



The town encourages water conservation and monitoring.

Town is currently reviewing two options for an immediate rate increase in spring 2014. Both rate models assume an increase of \$0.25 in the overage charge to \$2.00 per 1,000 gallons over the base gallons allotted. Both also assume a \$5.00 per month increase to \$31.72 for residential customers, \$33.22 for commercial customers, and \$32.22 for churches, schools and governments. **Option One** proposes the base gallons be reduced from 10,000 per month to 8,000 per month. **Option Two** proposes a reduction to 7,000 gallons per month.

Existing Rate Structure		Updated Rate Structure #1		Updated Rate Structure #2	
Base Rate	\$ 26.72	Base Rate	\$ 31.72	Base Rate	\$ 31.72
Overage Rate	\$1.75/1,000 gallons	Overage Rate	\$2.00/1,000 gallons	Overage Rate	\$2.00/1,000 gallons
Base Gallons	10,000/month	Base Gallons	8,000/month	Base Gallons	7,000/month
Sample Billing					
7,000 gallons/month	\$ 26.72	<7,000 gal	\$ 31.72	7,000 gallons/month	\$ 31.72
8,000 gallons/month	\$ 26.72	8,000 gal	\$ 31.72	8,000 gallons/month	\$ 33.72
10,000 gallons/month	\$ 26.72	10,000 gal	\$ 35.72	10,000 gallons/month	\$ 37.72
12,000 gallons/month	\$ 30.22	12,000 gal	\$ 39.72	12,000 gallons/month	\$ 41.72
15,000 gallons/month	\$ 35.47	15,000 gal	\$ 45.72	15,000 gallons/month	\$ 47.72

