

# UTSD Considers Rate Increase

## Public forum to be held May 16

The Upper Thompson Sanitation District Board of Directors will consider a proposed three year rate increase at the May 18, 2011 regular meeting. District customers are encouraged to attend a public forum, scheduled for May 16, 2011 at 7:00 p.m. at the District's Administration Office. At the May 16 forum, the rate proposal will be discussed and public comments recorded for consideration by the Directors at their May Board meeting.

*"Nobody likes to raise rates, especially in a lean economic climate, but this consideration is necessary for the continued sustainability and reliability of our system"* Chris Bieker, District Manager explained. In 2008, the District commissioned the engineering firm of Richard P. Arber Associates to conduct a rate study and develop a 10-year Capital Improvement Plan (CIP), but has since needed to reconsider the CIP due to decreasing revenues as a result of the economic downturn. *"The District's infrastructure is aging at a rate faster than can be replaced, similar to what is happening throughout the nation. More dollars are spent each year on repair and rehabilitation projects, but our revenue needs far outweigh the District's ability to keep pace with our aging infrastructure"* Mr. Bieker added.

The District maintains over 92 miles of collection system. In the last few years, over a million dollars were invested in the rehabilitation of critical areas of the collection system along Fish Creek Road, in the downtown area along Riverside Drive, and the Wonderview Avenue area on the west side of town.

The District's Wastewater Treatment Plant, rated at 2 million gallons per day, has undergone recent upgrades including new stand-by generators at both the Fish Creek Lift Station and the Wastewater Treatment Plant. The 2011 budget for capital projects includes replacing the aging electrical infrastructures at the Wastewater Treatment Plant, Fish Creek Lift Station and the Thompson River Lift Station. *"It is imperative that our electrical systems are reliable, provide a safe work environment and, of course, meet today's electrical code requirements. In addition, the EPA and Water Quality Control Division of the Colorado Department of Health are in the process of implementing more stringent nutrient requirements, specifically regarding the discharge of nitrogen and phosphorus. Once the State nutrient regulations are implemented, the District will be required to initiate upgrades at the Wastewater Treatment Plant which will further strain the District's financial resources"* Mr. Bieker explained.

*"The District has always taken pride in the level of service provided to its customers. Although operating costs continue to increase annually, the District does not impose a mill levy. The*

*District is funded through customer service charges, and plant investment fees which are collected from new customers connecting to the collection system. I think our Board has done an exemplary job by considering all of the information available and the ramifications of a rate increase”* Mr. Bieker offered. The District’s proposed three year 8.5% annual rate increase would begin January, 2012 for non-metered customers. For example, a 2012 typical non-metered customer bill, at the current Single Family Equivalent (SFE) annual base rate of \$324.00, would reflect an increase of \$27.54, or \$2.30 per month. The District is also considering billing non-metered customers on a quarterly basis, rather than the current semi-annual schedule. Proposed metered customer rates, for 2013 and 2014, would reflect an annual increase of \$0.54 above the current rate of \$6.25 per thousand gallons. The plant investment and permit fee structures for new customers are not impacted by the proposal, but will be reviewed at a later date.

Mr. Bieker encourages District customers to attend the May 16 public forum for a discussion of the District’s goals and the proposed rate increase. Following public comments, the Board will consider the proposed rate increase at its May 18, 2011 meeting and notify customers as soon as possible of any rate increase.