



TOWN OF ESTES PARK Proposed Water Rate Increase

A proposed modification of the Town of Estes Park's ("the Town") water rates, resulting in an increase affecting all such rates, will be considered by the Town's Board of Trustees at a public hearing. Any water customer of the Town may appear, either personally or through counsel, at the public hearing to provide testimony or comment regarding the proposed modifications. This hearing will be held at:

TIME: 7:00 p.m.
 DATE: Tuesday, October 9, 2007
 PLACE: Town Board Room at Town Hall, 170 MacGregor Ave., Estes Park, Colorado

The Town's Water Department is operated as an enterprise fund with funding for the capital and operating expenses derived from water sales revenue, water rights fees, and plant development fees. Recognizing the importance of financially planning for capital improvements, the Town authorized HDR to perform a financial plan for the years 2008 through 2013 to ensure the Town maintains a financially sound Utility.

This financial plan was created to design rates to assist in financing the capital improvement program (CIP). The CIP includes the Mary's Lake Water Treatment Expansion in 2008, a capital improvement project that will increase plant capacity from 2 million gallons per day (mgd) to 4mgd. The Water Department is also changing its conventional treatment to a membrane filtration system. This new system will ensure the Water Department's ability to meet all current and upcoming state and federal regulations for drinking water. Another goal of the financial plan was to ensure that the Water Department exceed the industry standard ending balance reserve of 90 days' operation and maintenance expense plus 2% fixed assets.

To meet the goals of the utility, rate adjustments have been proposed for 2008, 2009 and 2010 to increase annual water sales revenue by 5.6 percent per year. These new rates were designed to equitably recover the cost of serving each customer class.

TYPICAL MONTHLY BILLS FOR TOWN OF ESTES PARK URBAN AND RURAL RESIDENTIAL CUSTOMERS

Gallons Used	2007		2008		2009		2010	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
Customer base 0	15.20	24.35	16.05	25.71	16.95	27.15	17.90	28.67
1,000	18.40	29.47	19.43	31.12	20.52	32.86	21.67	34.70
3,000	24.80	39.71	26.19	41.94	27.66	44.28	29.21	46.76
5,000	31.20	49.95	32.95	52.76	34.80	55.70	36.75	58.82

For more information on the water rate study, visit: <http://www.estesnet.com/publicworks/Water/default.aspx>