

Water Rate Increase Effective February 2019

The District's revised water rates go into effect Friday, February 1st. Left Hand Water District's Board of Directors adopted rates for 2019 at the 2019 Rate Hearing held on November 15, 2018. A rate increase of 10% to the basic service fee and approximately 12% to volume usage was adopted by the Board of Directors based on financial planning and cash-flow modeling provided to the Board by the Municipal Advisor firm of Ehlers, Inc.

What are the new water rates?

For the typical single-family residential customer* using 7,000 gallons per month, the monthly bill will increase by \$5.77 effective on their February 2019 bill. For higher summer irrigation use, the monthly bill for 30,000 gallons of water would increase by \$21.65 over 2018 rates. You should note that the rate increases are higher per 1,000 gallons at the top tiers to recognize the impact to the overall system costs of high-volume users.

All other classes, including multi-family and commercial, will have similar increased fixed charges and volume rates.

2019 Residential Water Rates			
Residential Customers	Fixed & Volume Rate 2018	Fixed & Volume Rate 2019	% Increase
Fixed Meter Charge	\$26.90	\$29.59	10%
First 4,000 gallons	\$3.50	\$3.85	10%
Next 16,000 gallons	\$4.68	\$5.24	12%
Next 30,000 gallons	\$6.15	\$7.01	14%
Over 50,000 gallons	\$7.45	\$8.49	14%

* Each customer's bill is unique. Bills vary by meter size and volume of water used. Summer usage can be considerably higher than winter use and care should be taken to manage your sprinkler use.

Why did the LHWD Board increase water rates?

Beyond the need to ensure that rate increases keep pace with the cost-of-living increases that affect everything from employee salaries and utility rates to chemical expenses, there are several primary factors driving water rate increases, chief among them:

- **New Water Supply Investment:** LHWD and 14 other northern Front Range communities are developing an additional resilient water supply to be available in 2027. The new water supply addresses current and future demands for these communities by getting water from the South Platte River east of Greeley and the Poudre River west of Fort Collins through a combination of exercising junior water rights held by Northern Colorado Water Conservancy District and cooperative exchange agreements with existing agricultural diverters. The new supply includes the construction of two off-channel reservoirs which will provide safe, reliable water for decades as well as offering an array of environmental and wildlife mitigation aspects and bringing additional recreational opportunities to the region. See <https://northernwater.org/sf/nisp> for more information.
- **Replacement of Water Infrastructure:** From water mains to reservoirs to meters, much of the system that delivers water to LHWD customers was built decades ago. Aging parts of the system must be upgraded, repaired, and in some cases replaced to ensure safe, reliable drinking water for District customers. Although these costs have been planned for in the District's long-term strategic planning, construction, permitting and design costs have increased substantially over the past several years.

- **Increased Raw Water Costs:** LHWD currently has two main sources of drinking water. Each water source has challenges in maintaining their decades-old systems. The District receives approximately 70% of our raw water through the ownership of shares in the Colorado-Big Thompson Project operated by the [Northern Colorado Water Conservancy District](#). A 2015 rate study completed by Northern Water demonstrates similar increases in assessments on ownership of water shares continuing out beyond 2023. The other 30% of our water comes from our shares in the [Left Hand Ditch Company](#). Assessments on the ownership of Left Hand Ditch Company shares were increased to address the costs of recovery from the 2013 flood and have remained at that level in order to make repairs and improvements to the now 153-year-old irrigation company. Recognizing the expense involved with developing a new water supply by our participation in NISP, the importance of maintaining these existing sources is extremely evident. Supporting our current raw water suppliers as they address these challenges through continuous maintenance and replacement ensures their ability to deliver safe, reliable water for decades to come.

What do water rates accomplish?

LHWD is a self-sustaining water utility and does not receive any property tax dollars. Water rates pay for:

- Delivering almost 1.5 billion gallons of safe drinking water per year
- Flushing more than 350 miles of pipelines per year to maintain water quality and reduce pipe corrosion
- Inspecting and maintaining approximately 9,000 valves and 1,500 hydrants
- Responding to main breaks, extreme weather events and other emergencies
- Maintaining two water treatment plants: the newly-renovated 10 MGD Dodd Water Treatment Plant (WTP) and the 7 MGD Spurgeon Water Treatment Plant, including the construction of the [Southern Water Supply Pipeline II](#) which will bring a year-around supply of our Colorado-Big Thompson water from Carter Lake directly to the Dodd WTP
- Assuring that fire flow is available to protect life and property
- Constructing new and upgrading existing reservoirs, pump stations and pipelines to continue providing a consistent and resilient water supply
- Providing back-up water facilities to meet peak water demand and emergency supply
- Reading almost 8,000 meters monthly and preparing monthly water bills
- Providing a [Water Conservation Program](#) including free irrigation inspections, high efficiency appliance and fixture rebates and maintaining the Peterson Water Conservation Demonstration Garden

What is LHWD doing to manage finances?

- LHWD only provides treated water; rate revenue is not diverted to unrelated purposes.
- LHWD manages water deliveries from our water sources to take advantage of lower-priced utility costs at our Spurgeon Water Treatment Plant through a cooperative agreement with the Left Hand Ditch Company to minimize overall costs
- LHWD has included the construction of a small hydroelectric generator into the Southern Water Supply II Pipeline connection at the Dodd Water Treatment Plant. Not only will this trim a sizable portion of the electric costs at the treatment plant, but it will also offset approximately 750 metric tons of CO₂ per year or the energy used by 80 homes for one year.
- LHWD intends to issue long-term (e.g. 30-year) bonds and utilize low-interest loans to finance the Northern Integrated Supply Project. Future customers will pay a significant portion of the costs for this large-scale project through new connection fees.
- LHWD adjusts system development charges annually so that new development funds its share of growth-related costs.

For more information about current water rates, visit our [Water Rates](#) web page. For information on how you can manage your water use, visit our [Water Conservation](#) web page.