

**ATTENTION
ST. CHARLES MESA WATER DISTRICT
CUSTOMERS
EFFECTIVE JANUARY 1, 2015**

The District's financial plan adopted December 13, 2006 will require a revenue increase of 4.2% in 2015. There will be an increase of \$1.00 added to the minimum. The increase will be allocated to the rate codes based on the AWWA equivalency ratio. The increase is needed due to increasing costs of our water rights administration and storage. Other cost impacting our customers are energy, water treatment chemicals, equipment, water main replacement and repair, and regulatory compliance. The increase will provide funds so that the District can continue its water main and facility maintenance, water meter replacement, debt service and construction of a hydroelectric generator on the Manning Rd raw water pipeline to help reduce of energy costs. The revenue will be monitored to verify the increase meets the financial needs of the District. The water rates for rate code 01 for 5/8"X3/4" meters are listed below:

Rate Code 01	Meter 5/8" x 3/4"	Cost/1000	Gallons	Cumulative
First:	0 Gallons			\$ 21.00 Minimum
5Next:	5,000 Gallons	\$1.17	5,000	(\$ 5.85) \$ 26.35
.1Next:	30,000 Gallons	\$1.96	30,000	(\$58.80) \$ 85.15
All Over:	35,000 Gallons	\$2.75		

The rate increase will cost the average customer using 24,000 gallons per month \$1.00 per month or \$12.00 per year. The rates are based on the cost of service as identified in a Financial plan for the District. The rates are designed to be uniform throughout the District's customer base by meter size and rate code according to American Water Works Association standards.

There will not be an increase in water tap fees for 2015. The associated costs are listed below:

Water Taps West of St. Charles River Charles River	Water Taps East of St.	
Reimbursement Fee	\$2,075.00	\$ 2,075.00
Improvement Fee	\$3,635.00	\$ 9,946.00
Meter Set Fee	<u>\$1,000.00</u>	<u>\$ 1,000.00</u>
Total	\$6,710.00	\$13,021.00

According to Article XI, Section 19.00 of the District By-Laws adopted May 10, 2006 all water tap requests must provide a share of Bessemer Irrigation Ditch Co. Stock. The District water bank fee will be set at \$5.028. This is based on the settlement of water case 04CW08 and its associated costs. Please review the Article in the District By-Laws at our web site www.scmwd-pueblo.org

SEE BACK

The water tap fees collected for the areas West and East of the St. Charles River will be used specifically for projects identified in the capital improvement plan. Water tap fees for meters larger than 5/8" x 3/4" will be based on the American Water Works meter equivalency ratio multiplied by the improvement fee East and West of the St. Charles River.

The St Charles Mesa Water District's goal is to ensure our financial integrity. We feel the financial plan adopted will enable the District to continue to produce a high quality potable water and the needed improvements for the next generation.

Sincerely,

St. Charles Mesa Water District
Board of Directors

David K. Simpson
District Manager