

RESOLUTION 09/10-005

WATER RATE ADJUSTMENT

Whereas, the Timberon Water and Sanitation District Board of Directors is charged with providing safe, reliable drinking water to its customers; and

Whereas, TWSD has concluded a capital asset depreciation exercise that shows the need for system wide upgrades and replacement of lines, tanks, collection systems, and treatment facilities; and

Whereas, TWSD has experienced water system maintenance and repair costs, coupled with legal expenses, that exceed its revenues, causing TWSD to utilize reserve funds to meet operating costs. As a result, TWSD is not currently able to set aside funds for water system infrastructure improvements and capital asset replacement; and

Whereas, TWSD seeks to balance operation and maintenance expenses with recurring revenues, build an operational reserve to ensure financial solvency, and dedicate funds to capital improvement of the water system.

Be it therefore resolved, that the Timberon Water and Sanitation District Board of Directors proposes water rate adjustments as follows:

1. The base water rate will be \$27.40 per month, which includes the first 1000 gallons of water with a progressive rate curve for water usage after the first 1000 gallons.
2. Rates for non-potable water, hooking up meters, extending water lines, turning meters off and on, connecting and disconnecting meters will remain unchanged.
3. The water standby charge will be \$56.70 per year, except that if an Infrastructure Maintenance Charge is adopted, the rate shall remain \$36.00 per year. One third of standby charges will assist in the payment of water system operation and maintenance expenses. The rest will be designated for water system capital improvements. Past due standby fees over one (1) year old that are paid will be added to the standby capital improvement reserve.

4. After two (2) months, there will be a 6% interest charge on unpaid metered water and standby charges.
5. There will be a \$10.00 late fee charged on all metered water bills after a two (2) week grace period. The grace period starts the day after the due date listed on the metered water bill.
6. To help the financially disadvantaged, there will be a voluntary donation program established. Proceeds from these donations would be distributed evenly amongst those who provide documentation that they are on the State "LiHeap" (subsidized utility bill) program; and

Be it further resolved, that TWSD will set this matter for public hearing at a date and time in accordance with New Mexico Statute, and publish notice of this hearing as prescribed by law.

ADOPTED AND APPROVED THIS 22TH DAY OF OCTOBER, 2009.

CHAIRMAN Arden Schug_____ **For**__ **Against**__

VICE CHAIRMAN Burt Rubinowitz_____ **For**__ **Against**__

TREASURER Joe Mainello_____ **For**__ **Against**__

DIRECTOR Vigil Beagles_____ **For**__ **Against**__

DIRECTOR Pete Bowidowicz_____ **For**__ **Against**__

Attest: _____ **Secretary of the Board Charlie Ross**

Date_____