

MINTURN NEWSLETTER

SPECIAL EDITION; WATER SERIES

Issue 1: Understanding Your Water Bill



UNDERSTANDING MINTURN WATER

Over the coming months, I will be drafting a series of special editions to the monthly town newsletter. The topics will cover a variety of issues all devoted to Minturn's water system. This first edition will focus on understanding your water bill and will gradually dive (pun intended) into other topics such as: the new water tank, potential water treatment plant options, water rates, outdoor watering & consumptive use, distribution system, illegal by-passes, and more.

Thank you for your commitment to the Minturn community. I hope this series will promote an interest to learn about Minturn's water system and the challenges the town is facing. I look forward to working through these issues together. Questions are welcomed and can be sent to manager@minturn.org or by calling: 970-445-2418. The next issue in the series will cover water rates.

Michelle Metteer
Town Manager

YOUR WATER BILL—WHAT DOES IT ALL MEAN?

The town of Minturn independently owns and operates a water utility that serves approximately 1000 people and each water utility customer receives a monthly bill similar to the one below. Here we will break out what each part of the bill means and who is responsible for what—because the monthly bill is actually three bills combined into one (water, wastewater & trash).

Eagle River Water & Sanitation District (ERWSD)

Minturn independently owns its own water system, but contracts with ERWSD to handle the monthly billing. This is one reason why you see the ERWSD logo on your bill.

Usage

This is how much water was used in the last billing period, rounded (down) in thousands. This bill is for 3000 gallons used. (3 x KGAL = 3000 gallons)

Water

There are three elements of the water charge: connection to the system (Water base service charge), water used (usage) and debt service bond charges. These are explained below in detail:

Wastewater

ERWSD owns and operates the wastewater system in Minturn and the town contracts with ERWSD for all wastewater needs.

Trash

Minturn contracts with Vail Honeywagon for all residential trash accounts. Vail Honeywagon owns and operates the trash and recycling removal system and includes their invoices on the monthly water/wastewater billing.

Water Continued

Water Base Service Charge: This is the cost for the monthly connection to the Minturn water system. Regardless of water use, being connected to the system requires the town be prepared to service a structure at anytime which has associated ongoing infrastructure costs. (see next page for more details)

Usage Charge: This is a volumetric fee and is the cost for using per 1000 gallons of water. In this example, the homeowner used 3000 gallons so the usage was multiplied by 3. (see next page for more details)

Debt Service Bond Charges: This cost covers each utility payer's share of the debt for the utility. Like a mortgage on a home, these loans (debt) have monthly payments. Some of Minturn's loans from the 1990's are still being paid off as they were 40-year loans. Minturn recently took out a low interest, 20-year loan for a new concrete water tank for approximately \$2.4 million. (see next page for more details)

More information about these three charges is continued on the following page.

SFE (Single Family Equivalent)

An SFE is the unit of measure used by Minturn's town code for determining water charges and uses. Structures up to 3000sf with up to 2000sf of outdoor space are assigned 1 SFE. Larger units are assigned a greater SFE. The SFE is multiplied by the base rate (currently \$110.16) to calculate the "WATER BASE SERVICE CHARGE"

Account Information Balance Due By: 05/19/2023

Service	Meter No.	Prior Read Date	Prior Read	Current Read Date	Current Read	Days Billed	Usage	Units	SFE
Water	[REDACTED]	03/31/2023	26,230	04/28/2023	29,355	28	3	KGAL	1.00

Usage (thousand gal.)

Month	Previous Year Usage	Current Year Usage
May	1.5	1.5
Jun	1.5	1.5
Jul	1.5	1.5
Aug	1.5	1.5
Sep	1.5	1.5
Oct	1.5	1.5
Nov	1.5	1.5
Dec	1.5	1.5
Jan	1.5	1.5
Feb	1.5	1.5
Mar	1.5	1.5
Apr	1.5	1.5

Charges Breakdown:

Description	Usage	Amount
PREVIOUS BALANCE		\$230.77
PAYMENT - CREDIT CARD		-\$230.77
BALANCE FORWARD		\$0.00
Water		
WATER BASE SERVICE CHARGE		\$110.16
USAGE (\$8.32/KGAL)	3	\$24.96
DEBT SERVICE BOND CHARGES		\$17.37
Wastewater		
USAGE CHARGE		\$35.65
DEBT SERVICE BOND CHARGES		\$10.66
CAPITAL REPLACEMENT BASE CHARGE		\$5.31
Trash		
SERVICE & CAN CHARGE		\$24.98
SERVICE & CAN CHARGE		\$10.00
TOTAL NEW WATER/SEWER CHARGES:		\$239.09

Total Amount Due: \$239.09

ACCOUNT IS SUBJECT TO A 3% PENALTY CHARGE IF PAYMENT IS NOT RECEIVED WITHIN 25 DAYS OF THE BILLING DATE

Please detach and return this bottom portion with your payment. See reverse side for additional information.

Account Number: [REDACTED]
Address: [REDACTED]

Due Date: 05/19/2023
Total Amount Due: [REDACTED]
Amount Paid: [REDACTED]
Auto Pay: [REDACTED]

Remit to:

EAGLE RIVER WATER & SANITATION DISTRICT
PO BOX 712245
DENVER CO 80271-2245



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QUESTION & ANSWERS

FURTHER UNDERSTANDING THE THREE WATER BILLING CHARGES:

Water Base Service Charge

Q: What does the water base service charge include?

A: The water base service charge is calculated on the operational costs associated with operating the water system so that when you turn your tap on, the water is available. Operational costs include the operations, and maintenance of the water treatment plant, utility and chemical costs associated with treating the water, maintenance of water hydrants, wage and benefits of water personnel, and the metering of user's water usage.

Q: Why do I pay a water base service charge if I don't use water?

A: The water base service charge is charged to all users, regardless of whether they use water, because service is committed regardless of water usage. The base fee covers the minimum amount necessary to ensure that water service is continual.

Q: How is the water base service charge rate calculated?

A: The water base service charge rate is calculated on the above mentioned minimal operational costs. The costs are then divided by the number of single family equivalent (SFEs) users to arrive at the amount of annual revenue that will need to be recovered from each user. The annual number is then divided by the number of billing cycles to arrive at what the monthly water base service charge will be. This is why the fewer SFEs (houses, townhomes, apartments, commercial units, et.) in town to spread out the costs, the more your water bill will be.

Q: Will the water base service charge continue to rise?

A: As the minimal operational costs continue to rise, the base rate would need to increase to ensure that costs are recovered. However, as new users are added, the minimal operation costs are not necessarily linear, there are operational efficiencies with adding new users, so ultimately new users will provide a benefit as the minimum operational costs will be spread out over a greater number of users, which may result in a reduction of the base rate to all users.

Usage Charge (also known as Volumetric Rate)

Q: What is the usage charge (also called Volumetric rate)?

A: The usage charge or volumetric rate is based on that portion of the overall operational costs that is attributed to the delivery of water to each user. While the water base service charge covers the minimal operational costs, the usage charge or volumetric rate covers the costs associated with distributing the water to the users.

Q: Why is the usage charge or volumetric rate so much lower than the base rate?

A: As mentioned above, the water base service charge covers the minimum operational costs so that you are assured that water is available when you turn on your faucet or flush the toilet. The usage charge or volumetric rate covers the added costs of distributing the water to the users. This results in much less of the overall cost of operating and maintaining the water infrastructure being generated from the actual use, and thus a much smaller portion of the bill.

Debt Service & Bond Charges

Q: What is the Debt Service & Bond Charges?

A: The Debt Service and Bond Charges are the amount of funds necessary for annual repayment of outstanding loans associated with the water system. Currently there are two outstanding loans. One is a 40-year loan taken out in the 1990's and will be repaid in 2036. The second is the loan for the new concrete water tank which is a low-interest, 20-year loan.

Q: How are the Debt Service and Bond Charges calculated?

A: Similar to the Base Rate, the Debt Service Rate is calculated by taking the amount of debt payments due in the current year (principal and interest on the loan), then dividing the amount by the number of SFEs in the system. This again generates an amount that each SFE will need to pay so that the system has enough resources to make the annual debt service payment on the loans outstanding.

Q: Will the Debt Service and Bond Charges continue to rise?

A: As the Debt Service Rate is based on the amount of payment divided by number of SFEs, the more that is borrowed will require a larger Debt Service and Bond Charge rate. However, as with the Water Base Service Charge, increasing the number of users will help defray the costs that fall to each user.



Minturn - In it Together

Communities increase opportunities to thrive when working through issues together. These efforts start with communication and accurate information. I encourage residents to reach out for further discussion or questions about your water bill. There are staff members available to help. Thanks for caring about Minturn!