



# Village of Los Lunas

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## PUBLIC WORKS DEPARTMENT

### Water and Sanitary Sewer Rate Increase FAQ

12/19/2014

At the December 18, 2014 Village Council Meeting, the Council approved a five year water and sanitary sewer rate increase to both the base usage charge (0 – 2000 gallons) as well as the per thousand gallon usage charge above the base usage charge. Here are some answers to frequently asked questions about the rate adjustment.

#### How much is the rate increase?

The base rate (0 – 2000) gallons for water and sanitary sewer will be increased eight percent per year for five years beginning January 1, 2015 and ending January 1, 2019. In addition, the per thousand gallon usage rate above 2000 gallons will be increased one time on January 1, 2015 and remain constant during the five year rate adjustment period according to the following:

- Water per Thousand Gallon Above 2000 gallons:
  - Current: \$3.25
  - January 1, 2015: \$4.25
  
- Sanitary Sewer per Thousand Gallon Above 2000 gallons:
  - Current: \$3.04
  - January 1, 2015: \$3.75

The average residential water customer, 6200 gal/month, inside Village limits will expect to see the following increase per month per year:

Service	Year 1	Year 2	Year 3	Year 4	Year 5
Water	\$ 5.56	\$ 1.47	\$ 1.59	\$ 1.71	\$ 1.85
Sanitary Sewer	\$ 4.70	\$ 1.86	\$ 2.00	\$ 2.17	\$ 2.34

The overall increase per month from current to Year 5 is:

- Water: \$12.18
- Sanitary Sewer: \$13.07

The water and sanitary sewer portion of the utility bill for the average residential customer inside the Village limits will be as follows:

- Water: \$42.84 (Current: \$30.66)
- Sanitary Sewer: \$47.34 (Current: \$34.27)

CHARLES GRIEGO  
MAYOR

GREGORY D. MARTIN  
VILLAGE ADMINISTRATOR

GINO ROMERO  
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AMANDA PEREA  
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**When will the rate increase go into effect?**

The rate adjustment will become effective January 1, 2015 and will be reflected in February 2015 bills.

**Why is the rate increase needed at this time?**

The rate adjustment is necessary to ensure the Village generates adequate revenue to meet existing water and sewer operational and maintenance costs, increasing costs for water supply treatment, sanitary sewer treatment, water distribution and sanitary sewer collection system maintenance and proactive management for planned water and sewer system capital improvements projects

**Will there be more rate increases in the future?**

Revenue vs. expenditures will be tracked monthly during the course of the five year rate adjustment period to ensure revenues adequately meet offsetting operational costs. A comprehensive reassessment is planned near the conclusion of the adjustment period to determine if rates are adequately supporting operational costs. If rate adjustments are necessary they will be proposed to the Village Council at the conclusion of the reassessment.