

December 1, 2008

Pinery Water and Wastewater District Customer

**SUBJECT: 2009 WATER AND SEWER RATES**

The Pinery Water and Wastewater District Board of Directors, after consulting with financial and legal advisors, has determined that we need to increase our water and sewer revenues for 2009. The new rates are presented below. The table shows our rates for residential customers; similar changes in rates are also being implemented for our commercial customers and our out-of-district sewer customers who currently pay a 25% premium for service. This rate increase is necessary as our costs have increased in many areas. For example chemical costs for treatment have increased from 5% to 67% depending on the chemical, electricity costs are projected to increase by 14% this year and our analytical testing costs have gone up due to increased regulation.

**Residential Water Rates – Billed Bi-Monthly**

Base Rate	\$46.00
0 – 6000 Gallons	\$46.00 + \$1.50/1,000 gallons
7000 – 40,000 Gallons	\$55.00 + \$2.55/1,000 gallons
41,000 – 60,000 Gallons	\$141.70 + \$3.55/1,000 gallons
61,000 – 100,000 Gallons	\$212.70 + \$4.50/1,000 gallons
101,000 – 120,000 Gallons	\$392.70 + \$6.50/1,000 gallons
Over 120,000 Gallons	\$522.70 + \$13.00/1,000 gallons

**Sewer Rates – Billed Bi-Monthly**

Rate is based on winter water use measured during the Jan-Feb (or Feb-Mar) billing cycle

0-6000 Gallons	\$49.00
Over 6,000 Gallons	\$72.00

For our average customer, we project that the change in water rates will mean an increase of \$31.50 per bi-monthly bill, or \$15.75 per month (based on a usage of 36,000 gallons for two months). We are also working on changing our billing cycle to monthly billing. This will provide our customers with more immediate feedback on water use, thus encouraging conservation and provide for easier household budgeting.

I want to assure you that the Board of Directors and the staff of the District are doing everything we can to control and reduce our costs. In our budget process for next year, we eliminated or deferred over \$2,000,000 of projects. We are also working with suppliers to assure that we are getting the most favorable prices we can and evaluating if there are more cost-effective ways for us to provide our services. The graphs that are attached show our 2009 rates compared to the 2008 rates (or 2009 rates if available) of many of our neighboring Districts. As you can see in the graphs, even with this increase our rates are still among the lowest in the area.

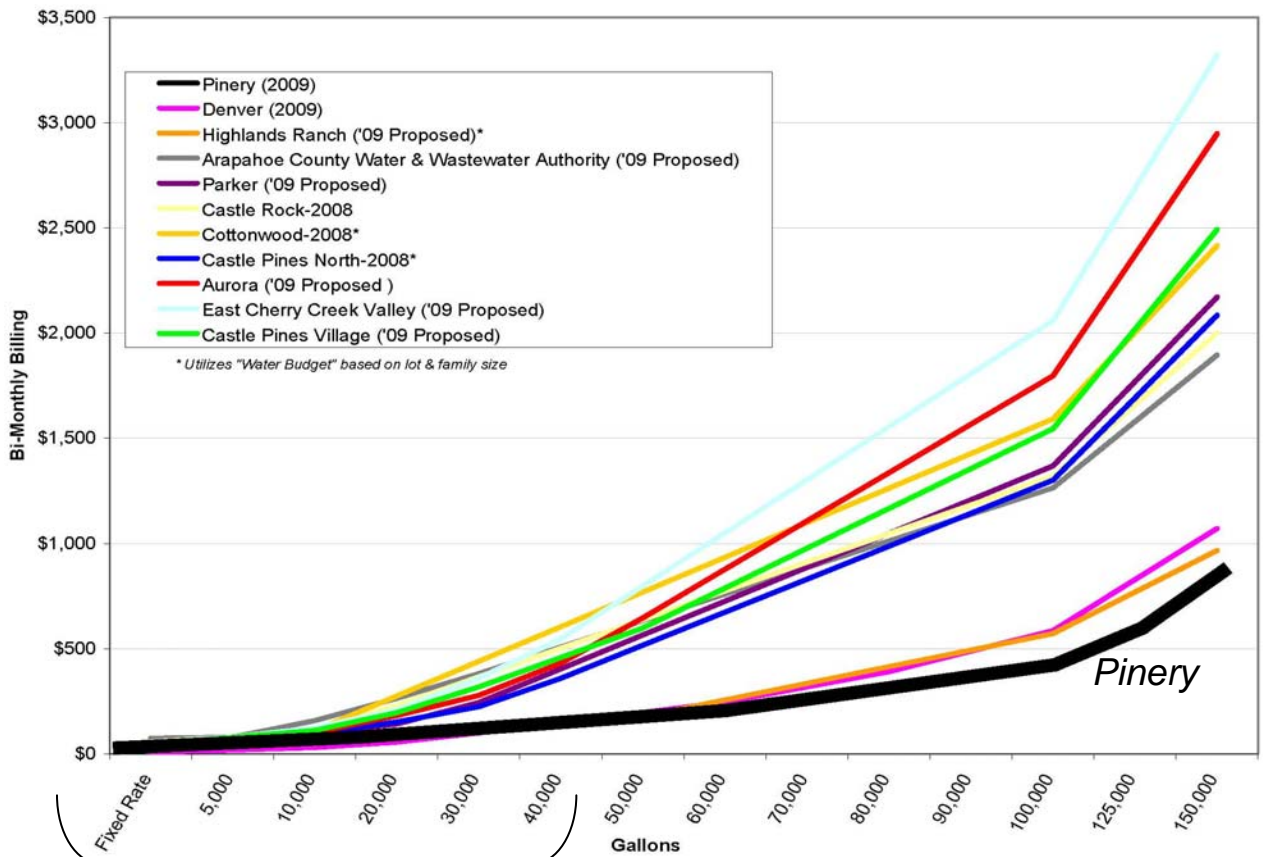
We know that this increase in rates is coming at a difficult time for many of our customers with the uncertainty in the economy today. We will continue to seek ways to reduce or control our costs wherever we can. However, even with this increase we will still not be generating enough revenue to fully cover all of our costs. A similar rate increase will likely be necessary again next year to assure the financial viability of the District.

If you have questions, please use our *information@pinerywater.com* email address, or call our office at (303) 841-2797. Thank you for your understanding as we work to ensure that the District is able to provide high quality service long into the future.

Sincerely,  
PINERY WATER & WASTEWATER DISTRICT



Robert T. Greene  
Treasurer



**0 - 40,000 Gallon Usage Enhanced**

