

TO THE CUSTOMERS OF LAKE DURANGO WATER AUTHORITY

NOTICE IS HEREBY GIVEN to the customers of Lake Durango Water Authority (LDWA), and all other interested persons, that the Board of Directors of Lake Durango Water Authority will consider the adoption of adjustments to the LDWA rate structure to cover costs incurred throughout the treatment and distribution system, including base fees and consumption. Rate adjustments on usage and monthly service fees have been analyzed over the last year with a cost of service study conducted by Raftelis Financial Consultants, Inc., a firm that provides management consulting services to local government utilities. The Board will consider officially authorizing this adjustment effective for the April 1, 2026 billing cycle, at an open public meeting. The meeting will be held at 5:15 pm on March 19th, 2026, at the LDWA office, 667 South Lakeside Drive, Durango, Colorado.

After a review of the overall costs to LDWA from the different customer classes it has been recommended that rates be adjusted to recover costs associated with each customer class based on the cost to serve. The Cost of Service Analysis gathered volumetric data and assigned cost pools for retail and wholesale to further examine the demand on the treatment and distribution infrastructure. By analyzing the volumetric usage and the demand on infrastructure each customer class rates were examined and instead of an overall rate increase based on a percentage, the adjusted rates were determined on a cost to serve basis.

Current and Proposed Monthly Fees:

Retail First 6,000 gallons - Current: \$8.64; Proposed: \$8.83
Monthly Base fee - Current: \$35.35; Proposed: \$36.03

Durango West 1 Bulk Customer First 6,000 gallons for each household served by the bulk customer - Current \$4.50; Proposed: \$3.93
Monthly Base fee - Current: \$2,350.20; Proposed: \$645.43

Durango West 2 Bulk Customer First 6,000 gallons for each household served by the bulk customer - Current \$5.58; Proposed: \$4.15
Monthly Base fee – Current: \$3,994.90; Proposed: \$897.43

La Plata Vista Bulk Customer First 6,000 gallons for each household served by the bulk customer - Current \$6.89; Proposed: \$7.57
Monthly Base fee – Current: \$316.73; Proposed: \$484.10

La Plata West Water Authority Bulk Customer First 6,000 gallons for each household served by the bulk customer - Current \$3.63; Proposed: \$10.37
Monthly Base fee – Current: \$5,612.96; Proposed: \$2970.38

Rates for usage above 6,000 gallons per month will also be adjusted. A complete rate structure is available by request.

NOTICE IS FURTHER GIVEN that any customer or other interested person may appear at said time and place for the purpose of providing input, comments or objections regarding the proposed rate adjustment. Written comments may also be sent prior to the public meeting. Written comments that are not submitted in person during the meeting must be received no later than 5 pm on March

18th, 2026 to be included in the Board's consideration. Further questions or comments may be addressed to Matt Nesbitt, General Manager, ldwamanager@gmail.com (970) 247-4062, PO Box 657, Durango, CO 81302.