

RATES

As provided for by the State of New Mexico under the Water and Sanitation Act, AVSD has set rates and fees and has the ability to file liens on property for unpaid fees. Stand-by water fees are assessed on all property owners until a water supply is metered in order to maintain the system so that clean, safe water is available once a property owner decides to build, as well as to maintain an operational readiness for providing water needed to fight house and forest fires.

AVSD reads the meters on a quarterly basis, billing its customers 4 times per year. Therefore, all calculations of available gallons, gallons pumped, gallons sold, etc., are based on three months of data. AVSD does no daily, weekly or monthly readings or calculations. Average daily and monthly supply and demand numbers can be calculated based on the quarterly figures.

On December 15, 1994, AVSD filed with the New Mexico Public Utility Commission (Commission) revised water rates for residential use. Effective February 1, 1995, the current rates were approved as filed. The current stand-by fee is \$24.00 per quarter. Once a meter is installed, the stand-by water fee is replaced by a Minimum Quarterly Fee of \$51.00 for metered water up to 4,000 gallons. An additional \$0.003 per gallon is charged for all water metered in excess of 4,000 gallons during the same quarter. The approved rates were designed to encourage water conservation and permit Alpine Village to ensure that it can deliver water to all its customers during peak flows. They also permit Alpine Village to maintain cash reserves required by the United States Environmental Protection Agency, pay the remaining costs of a new water well and permit the rehabilitation of much of the system's pipelines. See the Table for an example of AVSD water rates with usage.

On February 2, 1999, AVSD filed with the Commission a new water rate for commercial use. Effective April 1, 1999, AVSD adopted the commercial rate of \$153.00 per quarter for water usage up to 4,000 gallons in that quarter, plus \$10.00 per 1,000 gallons above 4,000, plus gross receipts tax. Although Alpine Village has no commercial users at this time, such rate was adopted in order that both present and future customers of Alpine Village have a system that is capable of handling the demands that existing and future customers place on the system. Commercial service places different demands on the system, both in terms of peak flow and in timing of usage. This results in increased cost of service to these users.

Alpine Village Sanitation District Example of Water Rates and Usage

ITEM	READING	USAGE	QUANTITY	RATE	AMOUNT
Lot ID					
Current Meter Reading	1,394,050	8,740			
Previous Meter Reading	1,385,310				
LATE FEES	\$50.00 per month				
Minimum Usage (0-4,000 gallons)				\$51.00	\$51.00
Over 4,000 Gall/Qtr			4,740	\$0.003	\$14.22
Lot ID					
Standby Fee			1	\$24.00	\$24.00
SUBTOTAL					\$89.22
SALES TAX (5.375%)					\$3.51
TOTAL BILL to this Customer for Quarter					\$92.73

AVSD also recovers about one-half of its operating expenses through a mill-levy assessed on each owner's property taxes. Such mill levy rate has been 6.031, 6.102, and 6.039 for the years 2011, 2012, and 2013, respectively.