

## Frequently Asked Questions

### Sewer Rate Increase

#### How much is the DPU proposing to increase the sewer rate?

The Department of Public Utilities is proposing sewer rate increases covering a three-year period to be approved by the Board of Public Utilities and adopted by the County Council. The increases are across the board – monthly service fees, flat rates for residential customers and variable rates for commercial or non-residential customers.

FY 2020	6 percent
FY 2021	3 percent
FY 2022	2 percent

#### Why do we need these sewer rate increases and what do they cover?

Due to the topography in Los Alamos, DPU needs to maintain and operate two wastewater treatment plants, a complicated network of pipes, pumps and lift stations. While the City of Santa Fe requires only four lift stations to service 83,000 citizens, Los Alamos requires 27 lift stations for 18,000 citizens.

The Los Alamos wastewater treatment plant was replaced in 2007 and DPU is still paying off that loan. We have now secured a low interest loan to replace the White Rock wastewater treatment plant, which was built in the 1960s. As a condition of the loan DPU needs to demonstrate adequate revenue to be able to pay back the loan.

To keep the system that collects and treats wastewater resilient and sound, DPU has future capital projects to complete to ensure:

- Adequate infrastructure to support increased demand for new housing in both White Rock and the Los Alamos townsite,
- Repair and replacement of aging infrastructure to reduce leaks and prevent sewer main breaks, including several lift stations and vulnerable vitrified clay pipes,
- Maintain safe, quality effluent that meets all federal and state standards.

Further, in 2016 the Board of Public Utilities adopted financial policies to build cash reserves for each utility fund to ensure the department's ability to meet operational needs, handle system retirement obligations, meet debt service requirements and be prepared for unanticipated system failures or external disruptions.

**DPU has been raising sewer rates each year. When will these rate increases slow down?**

The Board of Public Utilities approved an approach to improve the financial health of the wastewater fund, pay down the existing loan for the Los Alamos wastewater treatment plant and build reserves to replace the White Rock plant. DPU rate increases are as follows:

FY 2017	8 percent
FY 2018	8 percent
FY 2019	8 percent
FY 2020	6 percent
FY 2021	3 percent
FY 2022	2 percent

Currently, DPU is proposing an ordinance that requests the BPU and Council to approve and adopt the last three years of rate increases in one ordinance (represented in the orange cells above).

**Where Can I find the draft ordinance?**

The draft ordinance as well as other information is available on the DPU website at <https://ladpu.com/2019Infrastructure-Rates>

**What is the process for raising the sewer rates?**

The BPU will hold a public hearing on October 16<sup>th</sup> at 5:30 pm in the Council Chambers at 1000 Central Ave., Los Alamos, NM. If the BPU approves the ordinance, it will be introduced at the

October 29th County Council meeting. The Council will then hold a public hearing to consider adoption at the November 26<sup>th</sup> council meeting in Council Chambers

**When will these rates take effect?**

The proposed ordinance states that the increases will go into effect as follows:

Nov. 27, 2019	6 percent
Oct. 01, 2020	3 percent
Oct. 01, 2021	2 percent

**Is the BPU and County Council locked into these rates for the next three years?**

No. Rates can always be modified if the BPU and County Council determine it is appropriate and approve and adopt a new rate ordinance.

**Has the DPU neglected the wastewater/sewer infrastructure?**

Over the past 10 years, DPU has reinvested \$4,813,120 in wastewater collection infrastructure and \$1,888,250 in wastewater treatment systems.

However, maintaining the infrastructure is an ongoing process. DPU has carefully prioritized capital improvement projects. For the next 10 years going forward, DPU plans to reinvest \$5,780,700 in wastewater collection and \$3,240,290 in wastewater treatment systems.

**How will these rates impact my bill?**

For residential customers:

	Current	Nov. 26, 2019	Oct. 01, 2020	Oct. 01, 2022
<b>Monthly Svc Fee</b>	\$11.09	\$11.76	\$12.11	\$12.35
<b>Flat Rate</b>	\$40.15	\$42.56	\$43.84	\$44.72
<b>Total Bill</b>	<b>\$51.24</b>	<b>\$54.32</b>	<b>\$55.95</b>	<b>\$57.07</b>

**What if these increases are not approved?**

Delaying the replacement of the White Rock wastewater treatment plant is not an option. Violating permits due to sewer backups and overflows is also not desirable and most likely would result in fines from the New Mexico Environment Department.

#### **How do these rates compare with other communities?**

<b>Community</b>	<b>Monthly Bill Based on</b>	
	<b>6000 gal</b>	<b>14000 gal</b>
Los Alamos Current Rate	\$51.24	\$51.24
Los Alamos Proposed Rate FY20	\$54.32	\$54.32
Los Alamos Proposed Rate FY21	\$55.95	\$55.95
Los alamos Proposed Rate FY22	\$57.07	\$57.07
Silver City in town	\$25.76	\$51.44
Silver City out of town	\$32.52	\$58.20
Ruidoso	\$60.34	\$69.54
Town of Taos	\$46.36	\$79.72
Angel Fire	\$34.59	\$135.30
Chimayo	\$56.38	\$112.86
Aztec	\$55.95	\$87.95

#### **Is there any assistance for individuals on fixed incomes?**

DPU has a Utility Assistance Program. Originally set up to aid with energy bills for heating, the program was changed so that qualifying families can also apply the assistance for water expenses. Inclusion of sewer expenses is a revision to this rule that is going to the Board of Public Utilities for approval on October 16<sup>th</sup>. A copy of the UAP brochure can be downloaded at:

<https://ladpu.com/UAPBrochure>.

Funded by DPU customer donations, the program is available to:

1. Qualifying low income customers through the months of October through March;
2. Qualifying low income customers over age 65, year-round
3. Customers who demonstrate a financial hardship due to unforeseen circumstances may qualify for a single, lump sum credit.

Customers can contact the Customer Care Center to apply or to donate to the program – 505 662 8333 or [CustomerCare@lacnm.us](mailto:CustomerCare@lacnm.us).

Other programs available to assist customers' utility bills including water and sewer expenses are:  
LA Cares 505 661 8105 or Self-help, Inc 505 662 4666.

New Mexico State offers the NM Low Income Energy Assistance Program (LIHEAP) to assist with energy bills 505 753 2271.