



1026 Park Ave · PO Box 99  
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[www.townofgrandlake.com](http://www.townofgrandlake.com)

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To: Mayor Kudron and the Grand Lake Board of Trustees  
From: Heike Fawkes, Treasurer  
Re: Review of 3% Annual Water Rate Increase  
Date: January 13, 2025

### **Background**

Following resident concerns regarding the 3% annual water rate increase indefinitely, staff recommends the Board revisit and discuss further.

### **Discussion**

1. Customer emails are attached for your review.
2. A model illustrating the last 4 years for revenues vs expenditures with revenue growth and deficits.
3. A model showing projected rates and revenues over 30 years under the current 3% annual increase with years 3,5,10 and 20 highlighted.
4. Annual inflation rates (Denver-Aurora-Lakewood Area)
5. Social Security cost of living adjustments over the last 4 years

While no specific action is recommended at this time, these materials are intended to facilitate an informed discussion about the rate structure moving forward.

**From:** [Heike Fawkes](#)  
**To:** [Steve Kudron](#)  
**Subject:** FW: 3% annual increase for water each year thereafter  
**Date:** Tuesday, December 10, 2024 12:30:00 PM

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-----Original Message-----

From: Chris Ruske <[chris.ruske@gmail.com](mailto:chris.ruske@gmail.com)>  
Sent: Tuesday, December 10, 2024 10:08 AM  
To: Heike Fawkes <[hfawkes@toglco.com](mailto:hfawkes@toglco.com)>  
Subject: 3% annual increase for water each year thereafter

Caution! This message was sent from outside your organization.

Dear Board of Trustees,

As a long time resident in the Grand Lake area I am very disappointed in this approach in regards to water billing. I don't have a problem with raising rates as it is needed, but automatically raising it 3% each year thereafter with no end date is not acceptable. My social security doesn't give us an annual 3% raise every year. Many employers don't give their employees an automatic 3% raise every year. How can the board justify a 3% increase with no end date? If it needs to be raised in the future I can understand that but a blanket approach with no end date is unacceptable.

Regards,

Chris and Laurie Ruske  
257 North Inlet Road  
PO Box 913  
Account # 2404040.00  
Grand Lake, Colorado 80447  
970-627-0252 Home  
970-531-0793 Cell

**From:** [Heike Fawkes](#)  
**To:** [Steve Kudron](#)  
**Subject:** FW: Water rate increase  
**Date:** Wednesday, December 4, 2024 5:10:00 PM

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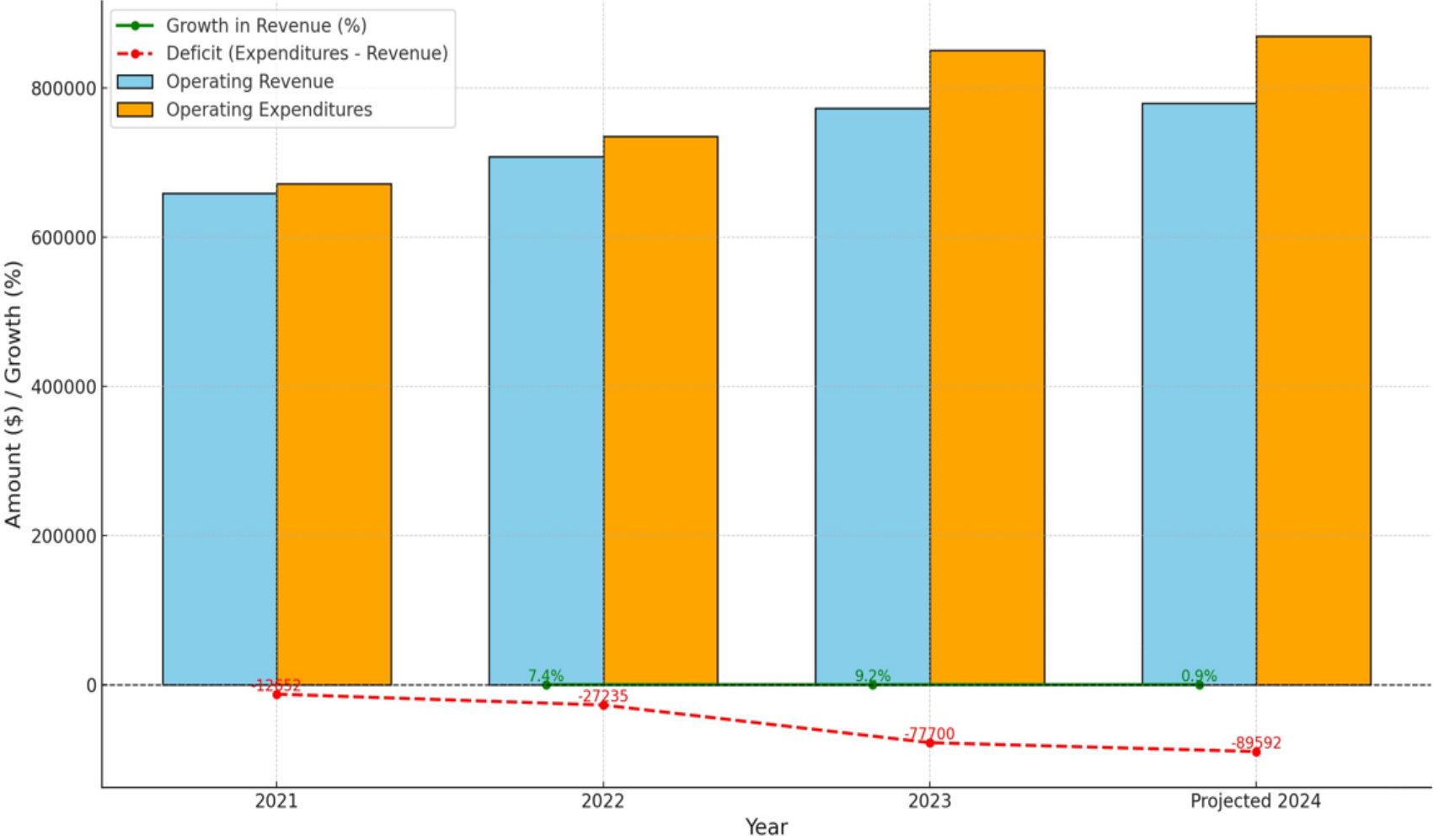
**From:** Deacon Curt Haffner <curt@ewrc.org>  
**Sent:** Wednesday, December 4, 2024 3:08 PM  
**To:** Heike Fawkes <hfawkes@toglco.com>  
**Subject:** Water rate increase

Caution! This message was sent from outside your organization.

Thank you for your letter regarding the water rate increase. The increase seems to be reasonable and it is important for water infrastructure to be maintained and improved. It would be great to have more detail on what is involved in maintaining the water infrastructure and what improvements are planned and the costs associated with those items. Further it would be good communication to explain the logic in a yearly 3% increase. It may be necessary but to indicate that it will be a yearly increase without any facts regarding the yearly inflation rate seems out of line. If you run the new rate of \$160 forward at a 3% increase over 10 years it will be a substantial increase. It seems that a yearly review of the capital need would be a more sound approach and more consumer friendly and understandable. Just a my 2cents worth....actually 2.06 cents with inflation.

Regards,  
Curt Haffner

Revenue Growth and Deficit Analysis (Enhanced Clarity)



Year	Starting at	Starting at	Projected Revenue
1	\$160.00	\$320.00	\$161,440.00
2	\$164.80	\$329.60	\$166,283.20
3	\$169.74	\$339.49	\$171,267.81
4	\$174.84	\$349.67	\$176,413.41
5	\$180.08	\$360.16	\$181,700.72
6	\$185.48	\$370.97	\$187,149.47
7	\$191.05	\$382.10	\$192,769.45
8	\$196.78	\$393.56	\$198,551.02
9	\$202.68	\$405.37	\$204,504.27
10	\$208.76	\$417.53	\$210,638.99
11	\$215.03	\$430.05	\$216,965.12
12	\$221.48	\$442.95	\$223,473.17
13	\$228.12	\$456.24	\$230,173.08
14	\$234.97	\$469.93	\$237,084.58
15	\$242.01	\$484.03	\$244,188.24
16	\$249.27	\$498.55	\$251,513.58
17	\$256.75	\$513.51	\$259,060.90
18	\$264.46	\$528.91	\$266,839.99
19	\$272.39	\$544.78	\$274,841.51
20	\$280.56	\$561.12	\$283,085.04
21	\$288.98	\$577.96	\$291,580.82
22	\$297.65	\$595.29	\$300,328.70
23	\$306.58	\$613.15	\$309,339.07
24	\$315.77	\$631.55	\$318,612.08
25	\$325.25	\$650.49	\$328,177.10
26	\$335.00	\$670.01	\$338,015.15
27	\$345.05	\$690.11	\$348,155.60
28	\$355.41	\$710.81	\$358,608.54
29	\$366.07	\$732.14	\$369,364.63
30	\$377.05	\$754.10	\$380,443.45

Annual Inflation Rates (Denver-Aurora-Lakewood Area):

2021: 7.0%

2022: 6.5%

2023: 3.4%

2024: 2.6% (as of October 2024)

Annual cost of living adjustments to social security

2021: 1.3%

2022: 5.9%

2023: 8.7%

2024: 3.2%