

VILLAGE OF TAOS SKI VALLEY

RESOLUTION 2025-018

A RESOLUTION ESTABLISHING THE FEE SCHEDULE FOR THE JOINT UTILITIES FUND, COMMENCING JULY 2025 AND SUPERCEDING AND REPLACING ALL PRIOR RATE AND FEE SCHEDULES AND ALL ASSOCIATED RESOLUTIONS.

WHEREAS, The Village of Taos Ski Valley inherited an aging and deteriorating public water distribution and sewage treatment system, and

WHEREAS, in order to better serve the public and to meet mandated state and federal environmental and sanitary laws and regulations the Village and TIDD have strived to replace, modernize, and expand the public water, sewer, and solid waste collection systems of the Village for its residents, property owners, businesses, recreational activities, and visitors, and

WHEREAS, these upgrades and expansions have added to property and home values, the conveniences that would not otherwise normally be available in a rural mountain community, the improvement of our environment, resulting in the cleanest water course in the state, and the quality of visitor experiences, and

WHEREAS, in order to meet these service objectives and legally mandated requirements the Village has been required to secure loans and grants to meet the costs of these improvements, and

WHEREAS, as a condition of these financial obligations and operating a public utility eligible for public funding, the public lending entities and state regulatory entities have imposed the requirement that:

- a.) that a separate utilities fund shall be established, so as to be administratively and financially able to construct, operate, maintain, perform the required reporting requirements for, and meet the monthly repayment obligations of the utilities funded.
- b.) that the fund shall be a free-standing enterprise fund that is financially self-sustaining, generating sufficient revenue so as to meet all of its expenses, including loan repayments, operational costs, systems maintenance, and future infrastructure replacement, when planned for and as needed.

c.) That, subsequently, all rates for services provided to the utility's customers must reflect the full cost of the provision of those services, and

WHEREAS, the rates for the past 4 years have failed to meet the above requirements, resulting in an audit finding for those years, and

WHEREAS, it is the recommendation of the Village's Independent Auditor is that the rates of the Joint Utility Fund must be adjusted to address this audit finding, and

WHEREAS, the Village has received a directive from the NM Department of Finance Administration Bureau of Local Government Services to provide a corrective action plan, as is the standard practice for repeated findings, to address the finding and that the Village FY2025-26 Budget, which must be submitted by May 30, 2025, must reflect the proposed mechanism and revenues required to support the recommended corrective action by the Village, and

WHEREAS, failure to address the audit finding would affect the ability of the Village to obtain future state funding and could possibly result in the delay or failure of the state to accept the Village's July 1 operating budget, and

WHEREAS, the financial consultants/bond counsel for the Village have advised the Village that the failure to address the deficit in the joint utilities fund and the continued reliance on transfers from the General Fund would at some point impact the borrowing capacity of the Village, its ability to compete for, secure, and to effectively be able to utilize loans and grants that the Village relies on to supplement rates, fees and taxes, and would begin to negatively impact other operations and essential services supported by the General Fund.

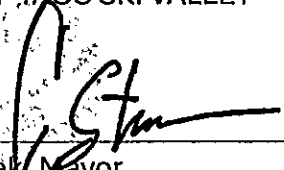
NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE VILLAGE OF TAOS SKI VALLEY THAT:

The Village does hereby approve the following:

1. The Village of Taos Ski Valley Joint Utilities Fund Fee Schedule and rates therein, as specified in Attachment 1 Village of Taos Ski Valley Joint Utility Fund Fee Schedule.
2. That the Village shall solicit for and contract with an independent, qualified and experienced outside consultant for the performance of a rate study to analyze and recommend on water, sewer and solid waste rates, as well as to advise on ways to reorganize current debt, implement operational efficiencies and otherwise reduce costs in order to stabilize and reduce utility costs to the Village and its rate payers.

PASSED, ADOPTED AND APPROVED BY THE GOVERNING BODY OF THE VILLAGE OF TAOS
SKI VALLEY, THIS 9th DAY OF MAY, 2025

VILLAGE OF TAOS SKI VALLEY


Chris Stanek, Mayor

ATTEST:



Marlene Salazar
Acting Village Clerk

(Seal)



VOTE: For 3 Against 1 Abstain N/A



VILLAGE OF TAOS SKI VALLEY
JOINT UTILITIES FUND

FEE AND RATE SCHEDULE
(Effective July 1, 2025)

VTSV MUNICIPAL WATER AND SEWER COMBINED RATES

EQR RATE:

The Usage rate or EQR (Equivalent Residential Unit) is a charge that is based on the amount of water your home or business requires for us to have on-hand for your peak usage at any time and the capacity to treat that same volume as sewage when it is returned to the system, and which covers the fixed costs and investment needed by the Village Joint Utilities Enterprise Fund to provide that customer with the service at all times.

The EQR is a water use calculation based on the occupancy type (residential, commercial, multi-family, etc.) and the number of occupant units used to calculate the projected use in gallons of the customer's property being served.

The more consumption/capacity you need, the higher the EQR rate, as the Village needs to have more storage, larger capacity pipes, more water rights to pump water, and more treatment capacity for both water and sewer treatment for larger demand customers.

If you use more water consistently over time than originally anticipated when you initially were signed up for water and or sewer, your originally assigned EQR can go up based on your increased actual usage versus our original estimate based on your initial building permit, historical usage for the property, or building industry standards that are used to calculate it.

This factor is intended to fairly place a greater percentage of the cost for the systems fixed costs for the infrastructure of the system on larger users (typically large commercial customers) than those that need smaller quantities and use less (typically single-family homes and seasonally occupied homes).

The EQR customer classifications are also intended to encourage water conservation amongst all Village customers, in order to keep costs down for everyone and to preserve our aquifer as much as possible

EQR RATE TABLE:

2025 Base Rate (July 1, 2025 - June 30, 2026): \$ 89.04/EQR

2026 Base Rate (July 1, 2026 – June 30, 2027): \$ 103.88/EQR

2027 Base Rate (July 1, 2027 – June 30, 2028): \$ 109.07/EQR*

*Beginning on July 1, 2027, and for each fiscal year thereafter, a 5% annualized COLA will be added to cover the planned 5% average increases projected by the Taos Regional Landfill, Waste Management, the Village's on -call emergency water repair contractors, its sewer plant operations contractors, labs, and for materials, insurance and labor required by the Village Joint Utilities Fund based on historical evidence and the advise of the Village's financial advisors.



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PRICE PER GALLON, OR CONSUMPTION RATE

The consumption, or price per gallon rate, is a fixed rate for everyone that all customers pay for each gallon of water used at the meter and, presumably, then send back into the sewage system to be treated before being released.

No matter how much you use, the rate is the same, because the actual cost of water (water rights, well pumps, treatment, etc.) that runs through the system is a predictable and relatively constant cost throughout the year, regardless of how much each consumer uses.

RATE TABLE:

2025 Usage Rate (July 1, 2025 - June 30, 2026): \$ 0.0706/gallon

2026 Usage Rate (July 1, 2026 – June 30, 2027): \$ 0.0823/gallon

2027 Usage Rate (July 1, 2027 – June 30, 2028): \$ 0.0864/gallon*

*Beginning on July 1, 2027, and for each fiscal year thereafter, a 5% annualized COLA will be added to cover the planned 5% average increases projected by the Taos Regional Landfill, Waste Management, the Village's on-call emergency water repair contractors, its sewer plant operations contractors, labs, and for materials, insurance and labor required by the Village Joint Utilities Fund based on historical evidence and the advice of the Village's financial advisors.

VTSV COMBINED SOLID WASTE RATES

SOLID WASTE RATE:

The Solid Waste or "Trash Mitigation Rate" (TMR) includes the availability of a community collection and disposal program for trash, green waste, and other products by all residents at the Village's collection point at the trash compactor located on Ocean Blvd. adjacent to the Sewage Treatment Plant and Public Works offices.

The Village has partnered with TSVI, Taos County, our neighboring municipalities, the Taos Regional Landfill Board and the Governor's Office to construct a regional recycling facility and to begin local recycling again here in the Village later this year and is procuring an industrial grad wood and green waste chipper to provide on-site chipping and disposal services to our residents and property owners in order to clear dead vegetation and help create defensible wildfire boundaries around our homes this summer. All of these programs, as well as our annual Village clean-ups and soon to be instituted Village-wide collections days are included in the Solid Waste Rate.



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JOINT UTILITIES FUND

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(Effective July 1, 2025)

SOLID WASTE RATE TABLE:

2025 TMR Rate (July 1, 2025 - June 30, 2026): \$ 6.564/EQR

2026 TMR Rate (July 1, 2026 – June 30, 2027): \$ 7.658/EQR

2027 TMR Rate (July 1, 2027 – June 30, 2028): \$ 8.041/EQR*

*Beginning on July 1, 2027, and for each fiscal year thereafter, a 5% annualized COLA will be added to cover the planned 5% average increases projected by the Taos Regional Landfill, Waste Management, the Village's on-call emergency water repair contractors, its sewer plant operations contractors, labs, and for materials, insurance and labor required by the Village Joint Utilities Fund based on historical evidence and the advise of the Village's financial advisors.

COMBINED JOINT UTILITY RATE

Your individual monthly utility bill will break out each of the above costs for your service account by each service.

Your combined monthly bill will list the annual rates for each multiplied by your usage and classification for EQR.

For example, in 2025:

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- | | |
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| 1. Monthly EQR rate for water | \$89.04 x your EQR |
| 2. Monthly Usage rate for water | \$.0706 x gallons consumed for the month |
| 3. Monthly TMR rate for trash | <u>\$6.564 x your EQR</u> |
| 4. Total monthly Utilities bill | \$ Total of 1+Total of 2+Total of 3 |
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CHANGES IN USE

The Village of Taos Ski Valley will automatically review and adjust your EQR on an annual basis based on your usage over the prior three (3) years to reflect your actual usage and the most appropriate rate that applies, providing you with a decrease or increase in your EQR and monthly bill if there are any changes.

If at any time you believe that your circumstances, such as the ownership, number of units, or type of use of the property has significantly changed, or that the EQR may be inaccurate, please contact the Village Offices at (575) 776-8820 and ask for the Utility Billing Clerk and we will provide you with a copy of your records, review your account with you and work with you to resolve your concerns.

We are here to provide you with reliable, dependable and the highest quality of service possible.



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