



Dear Neighbors,

This is a further update with regard to the upcoming change in limits for the Total Inorganic Nitrogen (TIN) in our wastewater plant effluent that will become effective August 31st, 2023. The Board has been working closely with the team that supports our water & sewer infrastructure operations to successfully define a path to compliance in 2022.

In addition, the Board has worked diligently over the past couple months to study a number of paths forward to pay for the required TIN upgrade, as well as other general considerations for our aging water and sewer infrastructure (Water Treatment Facility, Distribution System, Wastewater Collection System and Wastewater Treatment Facility). To summarize:

-- Challenges facing the District W&S systems

- New TIN regulation for sewage effluent, requiring additional investment and upgrades
- Rapidly rising costs for routine operation and preventative maintenance of W&S systems
- W&S systems' aging infrastructure requires more significant repairs and/or replacements
- No capital reserves for improvements or updates to the W&S systems, or to address potential future changes in regulations

-- Solutions being implemented beginning 2022

- Grant and loan funds from the District's General Fund to W&S Fund to address a portion of the TIN upgrade investment
 - One-time grant from the District's General Fund for a relatively small portion (as a grant, there is no requirement for repayment to the General Fund of the amount)
 - One-time loan from the District's General Fund for a larger portion (as a loan, there is a requirement for the repayment to the General Fund for the amount)
 - The granting and loaning of General Fund dollars to W&S Fund will likely have the result of delaying larger General Fund infrastructure improvement projects from 2022 to 2023
- Increase of W&S rates (please reference attached) to cover the balance of the required TIN upgrade investment, as well as infrastructure maintenance, operations, repairs, existing loan repayment and establishing of a new capital reserve fund

The Board has determined the combined approach of granting & loaning money between District funds, as well as increasing in W&S rates to be the most cost-effective option to address the District's immediate W&S needs. Once the new capital reserve fund reaches a suitable level, the District will transition away from a reactive approach to the W&S infrastructure to a proactive one, so it can plan for, and take action on items before they become critical or reach the need for an emergency repair.

As the Board members are your neighbors, affected by all decisions just as everyone in our community, the Board fully appreciates the impact on us all of raising rates at this time and does not take this increase lightly. We very much appreciate your support and understanding on this difficult matter.

The FHMD Board of Directors

2022 Forest Hills Metropolitan District Water and Sewer Monthly Rate Schedule

Approved - December 15, 2021					
Gallons			Water Use	Sewer Base	
(Thousands)	Water Base Fee	Water Usage Rate	Charge	Fee	Total
0	\$93.00	\$2.76	\$0.00	\$122.50	\$218.26
1	\$93.00	\$2.76	\$2.76	\$122.50	\$221.02
2	\$93.00	\$2.76	\$5.52	\$122.50	\$223.78
3	\$93.00	\$2.76	\$8.28	\$122.50	\$226.54
4	\$93.00	\$2.76	\$11.04	\$122.50	\$229.30
5	\$93.00	\$2.76	\$13.80	\$122.50	\$232.06
6	\$93.00	\$5.50	\$19.30	\$122.50	\$240.30
7	\$93.00	\$5.50	\$24.80	\$122.50	\$245.80
8	\$93.00	\$5.50	\$30.30	\$122.50	\$251.30
9	\$93.00	\$5.50	\$35.80	\$122.50	\$256.80
10	\$93.00	\$5.50	\$41.30	\$122.50	\$262.30
11	\$93.00	\$16.50	\$57.80	\$122.50	\$289.80
12	\$93.00	\$16.50	\$74.30	\$122.50	\$306.30
13	\$93.00	\$16.50	\$90.80	\$122.50	\$322.80
14	\$93.00	\$16.50	\$107.30	\$122.50	\$339.30
15	\$93.00	\$16.50	\$123.80	\$122.50	\$355.80
16	\$93.00	\$27.50	\$151.30	\$122.50	\$394.30
17	\$93.00	\$27.50	\$178.80	\$122.50	\$421.80
18	\$93.00	\$27.50	\$206.30	\$122.50	\$449.30
19	\$93.00	\$27.50	\$233.80	\$122.50	\$476.80
20	\$93.00	\$27.50	\$261.30	\$122.50	\$504.30
21	\$93.00	\$38.50	\$299.80	\$122.50	\$553.80
22	\$93.00	\$38.50	\$338.30	\$122.50	\$592.30
23	\$93.00	\$38.50	\$376.80	\$122.50	\$630.80
24	\$93.00	\$38.50	\$415.30	\$122.50	\$669.30
25	\$93.00	\$38.50	\$453.80	\$122.50	\$707.80
26	\$93.00	\$49.50	\$503.30	\$122.50	\$768.30
27	\$93.00	\$49.50	\$552.80	\$122.50	\$817.80
28	\$93.00	\$49.50	\$602.30	\$122.50	\$867.30
29	\$93.00	\$49.50	\$651.80	\$122.50	\$916.80
30	\$93.00	\$49.50	\$701.30	\$122.50	\$966.30