



Ratification of the 2023 Rates for the Replacement Water Supply Agreements (2-Tier Contracts)

***Presented by
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Chief Financial Officer***



Ratification of 2-Tier Rates

- **Replacement Water Supply Agreements (2-Tier) were created as the negotiated settlement of a rate case filed in 1991.**
- **There are thirteen (13) 2-Tier agreements, 98,999 ac-ft.**
- **Referred to as 2-Tier because there are two rates.**
 - **Activated Water (Election water) rate.**
 - **Not Activated (Option-water) at ½ the Election rate.**



Ratification of 2-Tier Rates

- **In July we present the estimated 2023 2-Tier rate in our Customer meetings and Board meeting.**
- **Annual Rate Increase is calculated using the change in the Consumer Price Index (CPI) for the month of November in a defined formula per the agreement.**
- **The November CPI is published in mid to late December, therefore the 2-Tier rate is calculated at this time for 2023.**
- **Letters are sent out to the 13 customers in December notifying them of the proposed new 2- Tier rates.**



Ratification of 2-Tier Rates

- **The proposed new 2023 rates require Board ratification in January.**
- **Proposed rate increase:**
 - **Activated Water (Election water) \$28.95 to \$29.93**
 - **Not Activated (Option-water) \$14.47 to \$14.96**
- **Once approved, we will bill the 2-Tier customers.**



“BE IT RESOLVED that the Board of Directors of the Brazos River Authority hereby ratifies the 2023 rates of \$29.93 per acre-foot for Election Use Water and \$14.96 per acre-foot for Option Use Water as adjusted in accordance with the formula stated in the existing Replacement Water Supply Agreements.”



Brazos

RIVER AUTHORITY