



***Ratification of the 2025 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 totaling 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

- We presented the estimated 2025 2-Tier rates at our Annual Water Customer meetings in June and the Board meeting in July.**
- The 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 new 2-Tier rates are calculated when the November CPI is published in mid to late December. 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 rates require Board ratification in January.**
- **Proposed rate increases for 2025:**
 - **Activated Water (Election water) from \$30.37 to \$30.76**
 - **Not Activated (Option water) from \$15.18 to \$15.38**
- **Once approved, we will invoice the 2-Tier customers.**



“BE IT RESOLVED that the Board of Directors of the Brazos River Authority hereby ratifies the 2025 rates of \$30.76 per acre-foot for Election Use Water and \$15.38 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



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