



Water Rate Increase Fact Sheet

April 2025

Dear Palisade Residents,

For 15 years, our community has benefited from unchanged water rates, while the costs of maintaining safe, reliable water service have continued to rise. Beginning in June 2025, water rates will increase to ensure the continued quality water service you depend on every day. We've worked to minimize these increases while ensuring our water system remains sustainable for years to come. This fact sheet explains why these changes are necessary.

Our Water System at a Glance

- **Treatment Plant:** Built in 2006, with loans, it delivers up to 2 million gallons of clean water daily. Loans being repaid by water fees.
- **Distribution System:** Each individual home and business is served by 33 miles of pipe, 1,400 water meters, & 190 fire hydrants. Constant maintenance & repairs to ensure quality water delivery.



Palisade Water Treatment Plant



*Palisade Drinking Water,
Cabin Reservoir*

- **Palisade Water Source:** supplied by 22 natural springs, including infrastructure to capture the water.
- **Storage & Safety:** The Town owns & maintains its own dam & reservoir, including all its maintenance and inspections.
- **Dedicated Staff:** A skilled team of fewer than 10 operate and maintain the entire system, in addition to streets, wastewater, and more.



The Challenge: Water Fees Have to Pay for Water Infrastructure (By Law)

Water is an Enterprise Fund: This means the water system has to pay for itself. By law, the Town cannot use other funds such as marijuana fees, tax revenue or property mills. Water operations and infrastructure must be paid by the water tap customers.

Fewer Customers = Higher Rates: Palisade has less than 2,000 water tap customers. This means the full cost of maintaining our water system, from collecting spring water, to a reservoir, to treating in the water plant, to 33 miles of pipe to deliver to users, is shared among a small number of users. By comparison, Ute Water serves over 70,000 customers with similar infrastructure. In short, fewer customers = higher rates.

Still Paying Off Past Water System Upgrades: Palisade is still paying off big water infrastructure upgrades. In 1982 loans were taken out for repairs to the Cabin Reservoir dam. In 2006 loans were taken out for the new water treatment plant, instead of going on Ute Water. The monthly water rates include paying on these loans. Major loan payments are coming due 2028 - 2030 for these past projects.

Outside Experts Agree: In 2023, the nonprofit RCAC - Rural Community Assistance Corporation, spent over one year reviewing Palisade's water system. Their independent study confirmed water rates need to go up to keep the system operational and pay off the loans for past dam repairs and the new 2006 water plant. The Town Board of Trustees approved a gradual rate increase plan on April 8, 2025.



How will my monthly water rate change?

For Residential, Mobile Home Park, and Multi-Family Unit customers, monthly rates will change over five years for usage of up to 5,000 gallons per dwelling unit:

- **Current Rate:** \$40.10
- **June 2025 Rate:** \$55.00

Rates will then increase by 8% per year, beginning in January 2026.

Complete rate change information, including commercial rates, can be found in Resolution No. 2025-10 at palisade.colorado.gov/ordinances-resolutions-packets.

Please email info@townofpalisade.org or call Town Hall at 970-464-5602 with further questions.