

# DENVER WATER

1600 West 12th Avenue • Denver, Colorado 80204-3412  
Phone 303-628-6000 • Fax No. 303-628-6199



October 14, 2004

Steven G. Wright  
Holly Mutual Water Company  
633 17th Street, Ste. 2200  
Denver, CO 80202

Dear Distributor:

On September 29, 2004, the Denver Board of Water Commissioners [Board] approved Board Item V-C-1, which accompanies this letter. This rate adjustment was required to recover Denver Water's estimated cost of providing water service to its customers and Distributors for the year 2005. The rate adjustment is effective for all bills dated after January 1 2005.

You will note that there is no Rate Schedule 6 [System Development Charge] in the accompanying schedule list. That is because the Board did not address or approve a System Development Charge at its September 29, 2004 meeting.

If you have any questions on the rate adjustments that were approved, please contact either Jim Culligan at 303-628-6108 or me at 303-628-6112.

Sincerely,

G. T. Malmberg  
Sales Administrator

Attachment

FOR THE CONSIDERATION OF THE BOARD:

RECOMMENDED ADJUSTMENTS IN WATER RATES FOR 2005

Staff is recommending adjustments in the existing water rates for bills dated on or after January 1, 2005. The adjusted rates are designed to recover the estimated cost of providing water service for the year 2005.

The proposed water rate adjustments are the result of a Cost of Service Rate study conducted for retail and wholesale customers both inside and outside of Denver. As a part of the study, Staff presented the proposed rates to the Board on August 25, and entertained public comments at meetings on September 7, 8, 15, 29 and at the Citizens Advisory meeting on September 16, 2004.

Rate Levels

Based on the 2005 Cost of Service Rate Study, Staff proposes changes in rate levels that will ultimately increase revenue from water sales by approximately \$12.4 million. This equates to a 8.0% increase in revenue. Based on the Cost of Service Rate Study, it is recommended that the water rates be adjusted as shown in Attachment A. Staff's proposed changes in rate levels for all customers and includes the addition of a service charge for recycled water customers.

Bill Impacts

Assuming the consumption along the drought shadow, we are projecting that an average inside city residential customer will have a post drought consumption of approximately 111,000 gallons of water a year. Based on this figure and the proposed rates, the average water bill for an Inside City, Read & Bill and Total Service residential customer are estimated to increase by \$1.51, \$3.80 and \$4.17 per bimonthly bill, respectively.

An average "All Other" (Commercial, Industrial, or Government) customer is expected to use about eight hundred eighty five thousand gallons of water annually. For these customers inside the city, the average bimonthly water bill will increase by \$35.43 per bimonthly bill. For an average Read & Bill "All Other" customer, the average bimonthly bill will increase by \$26.27 per bimonthly bill. For an average Total Service "All Other" Customer, the average bimonthly bill will increase by \$41.32 per bimonthly bill. The rates for Master Meter customers will increase by \$0.20 per thousand gallons.

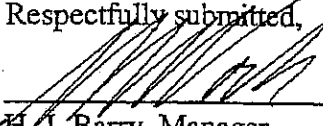
Rate Schedules

The proposed rate schedules for 2005 are displayed in attachment A

Staff's Recommendation

It is requested that the Board approve the rate adjustments described in Attachment A to be effective for bills dated on or after January 1, 2005.

Respectfully submitted,

  
\_\_\_\_\_  
for H. J. Barry, Manager

Initiated By:

  
\_\_\_\_\_  
David LaFrance, Director of Finance

Approved as to Form:

for   
\_\_\_\_\_  
Patricia L. Wells, General Council

**Rate Schedule No. 1 - Inside City**  
**For Bills Dated On or After January 1, 2005**

**A. Potable Water Consumption Charges:****Single Family Residential Customers:**

	<u>Monthly Usage</u> <u>Gallons</u>	<u>Bimonthly Usage</u> <u>Gallons</u>	<u>Rate per</u> <u>1,000 Gallons</u>
Block 1	0 - 11,000	0 - 22,000	\$1.71
Block 2	12,000 - 30,000	23,000 - 60,000	\$2.05
Block 3	Over 30,000	Over 60,000	\$2.57

**Small Multi-Family Customers (Duplexes through Five-plexes with a single meter):**

Block 1	0 - 15,000	0 - 30,000	\$1.52
Block 2	Over 30,000	Over 30,000	\$1.82

Monthly usage amount increases by 6,000 gallons and bimonthly usage amount increases by 12,000 gallons per additional dwelling unit up to five (5) dwelling units.

**All Other Customers:**

Winter	\$1.53
Summer	\$1.84

Winter billings include the 1<sup>st</sup>, 2<sup>nd</sup>, and 6<sup>th</sup> bills for bimonthly customers during a calendar year. For monthly customers, the winter billing period includes bills 1 - 4 and bills 11 - 12 during a calendar year. Summer billings include 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> bills for bimonthly customers during a calendar year. For monthly customers, the summer billing period includes bills 5 - 10 during a calendar year.

**B. Service Charge for all Customers:**

<u>Meter Size</u>	<u>Monthly</u>	<u>Bimonthly</u>
3/4 Inch	\$4.26	\$8.51
1 Inch	\$7.30	\$14.60
1 1/2 Inch	\$16.09	\$32.19
2 Inch	\$26.00	\$52.01
3 Inch	\$42.60	\$85.20
4 Inch	\$62.71	\$125.41
6 Inch	\$125.32	\$250.64
8 Inch	\$161.52	\$323.03
10 Inch	\$206.34	\$412.69
12 Inch and Above	\$291.77	\$583.53

**C. Private Fire Protection Charges**

<u>Fire Hydrant</u>	<u>Monthly</u>	<u>Bimonthly</u>
Sprinkler Systems and Standpipes	\$13.71	\$27.43
1 Inch	\$3.72	\$7.45
2 Inch	\$6.21	\$12.42
4 Inch	\$9.60	\$19.20
6 Inch	\$13.71	\$27.43
8 Inch	\$24.00	\$48.00
10 Inch	\$34.28	\$68.57
12 Inch	\$54.86	\$109.71
16 Inch	\$137.14	\$274.28

**Applicability:** All licensees for water use inside the limits of the City and County of Denver. **Private Fire Protection Service:** Applicable to all licensees inside the City and County of Denver.

**Payment:** Rates for potable water service under this schedule are net. Bills are due and payable to Denver Water upon issuance. Bimonthly bills are delinquent 30 days after the billing date. Monthly bills are delinquent 25 days after the billing date. Late Charges will be assessed per Denver Water policy.

**Rates:** Charges for potable water service consist of a consumption charge and a service charge. The consumption charge is based upon the amount of water delivered during the billing period. The service charge applies to all accounts that are "on" at any time during the billing period.

Board of Water Commissioners  
City and County of Denver  
1600 W. 12th Avenue  
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**Rate Schedule No. 2 - Outside City - Total Service**  
**For Bills Dated On or After January 1, 2005**

**A. Potable Water Consumption Charges:****Single Family Residential Customers:**

	<u>Monthly Usage</u> <u>Gallons</u>	<u>Bimonthly Usage</u> <u>Gallons</u>	<u>Rate per</u> <u>1,000 Gallons</u>
Block 1	0 - 11,000	0 - 22,000	\$2.76
Block 2	12,000 - 30,000	23,000 - 60,000	\$3.31
Block 3	Over 30,000	Over 60,000	\$4.14

**Small Multi-Family Customers (Duplexes through Five-plexes with a single meter):**

Block 1	0 - 15,000	0 - 30,000	\$2.25
Block 2	Over 30,000	Over 30,000	\$2.70

Monthly usage amount increases by 6,000 gallons and bimonthly usage amount increases by 12,000 gallons per additional dwelling unit up to five (5) dwelling units.

**All Other Customers:**

Winter	\$2.14
Summer	\$2.57

Winter billings include the 1<sup>st</sup>, 2<sup>nd</sup>, and 6<sup>th</sup> bills for bimonthly customers during a calendar year. For monthly customers, the winter billing period includes bills 1 - 4 and bills 11 - 12 during a calendar year. Summer billings include 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> bills for bimonthly customers during a calendar year. For monthly customers, the summer billing period includes bills 5 - 10 during a calendar year.

**B. Service Charge for all Customers:**

<u>Meter Size</u>	<u>Monthly</u>	<u>Bimonthly</u>
3/4 Inch	\$4.26	\$8.51
1 Inch	\$7.30	\$14.60
1 1/2 Inch	\$16.09	\$32.19
2 Inch	\$26.00	\$52.01
3 Inch	\$42.60	\$85.20
4 Inch	\$62.71	\$125.41
6 Inch	\$125.32	\$250.64
8 Inch	\$161.52	\$323.03
10 Inch	\$206.34	\$412.69
12 Inch and Above	\$291.77	\$583.53

**C. Private Fire Protection Charges**

<u>Fire Hydrant</u>	<u>Monthly</u>	<u>Bimonthly</u>
Sprinkler Systems and Standpipes	\$7.51	\$15.03
1 Inch	\$2.04	\$4.08
2 Inch	\$3.40	\$6.81
4 Inch	\$5.26	\$10.52
6 Inch	\$7.51	\$15.03
8 Inch	\$13.15	\$26.30
10 Inch	\$18.79	\$37.57
12 Inch	\$30.06	\$60.11
16 Inch	\$75.14	\$150.28

**Applicability:** All licensees for water use outside the limits of the City and County of Denver served under agreements whereby the Board of Water Commissioners operates and maintains the water system used to supply the licensee water.

**Payment:** Rates for potable water service under this schedule are net. Bills are due and payable to Denver Water upon issuance. Bimonthly bills are delinquent 30 days after the billing date. Monthly bills are delinquent 25 days after the billing date. Late Charges will be assessed per Denver Water policy.

**Rates:** Charges for potable water service consist of a consumption charge and a service charge. The consumption charge is based upon the amount of water delivered during the billing period. The service charge applies to all accounts that are "on" at any time during the billing period.

Board of Water Commissioners  
City and County of Denver  
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Denver, CO 80204

Rate Schedule No. 3 - Outside City (Read and Bill)  
For Bills Dated On or After January 1, 2005

V-C-1  
Attachment A

**A. Potable Water Consumption Charges:**

**Single Family Residential Customers:**

	Monthly Usage Gallons	Bimonthly Usage Gallons	Rate per 1,000 Gallons
Block 1	0 - 11,000	0 - 22,000	\$2.28
Block 2	12,000 - 30,000	23,000 - 60,000	\$2.74
Block 3	Over 30,000	Over 60,000	\$3.42

**Small Multi-Family Customers (Duplexes through Five-plexes with a single meter):**

Block 1	0 - 15,000	0 - 30,000	\$1.98
Block 2	Over 30,000	Over 30,000	\$2.38

Monthly usage amount increases by 6,000 gallons and bimonthly usage amount increases by 12,000 gallons per additional dwelling unit up to five (5) dwelling units.

**All Other Customers:**

Winter	
Summer	\$2.00
	\$2.40

Winter billings include the 1<sup>st</sup>, 2<sup>nd</sup>, and 6<sup>th</sup> bills for bimonthly customers during a calendar year. For monthly customers, the winter billing period includes bills 1 - 4 and bills 11 - 12 during a calendar year. Summer billings include 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> bills for bimonthly customers during a calendar year. For monthly customers, the summer billing period includes bills 5 - 10 during a calendar year.

**B. Service Charge for all Customers:**

Meter Size	Monthly	Bimonthly
3/4 Inch	\$4.26	\$8.51
1 Inch	\$7.30	\$14.60
1 1/2 Inch	\$16.09	\$32.19
2 Inch	\$26.00	\$52.01
3 Inch	\$42.60	\$85.20
4 Inch	\$62.71	\$125.41
6 Inch	\$125.32	\$250.64
8 Inch	\$161.52	\$323.03
10 Inch	\$206.34	\$412.69
12 Inch and Above	\$291.77	\$583.53

**C. Private Fire Protection Charges**

	Monthly	Bimonthly
Fire Hydrant	\$5.63	\$11.25
Sprinkler Systems and Standpipes		
1 Inch	\$1.53	\$3.06
2 Inch	\$2.55	\$5.10
4 Inch	\$3.94	\$7.88
6 Inch	\$5.63	\$11.25
8 Inch	\$9.85	\$19.69
10 Inch	\$14.07	\$28.13
12 Inch	\$22.50	\$45.01
16 Inch	\$56.26	\$112.52

**Applicability:** All licensees for water use outside the limits of the City and County of Denver served under agreements whereby the Distributor in some manner operates and maintains portions of the water system used to supply the licensee and the Board of Water Commissioners is responsible for billing each licensee on an individual basis.

**Payment:** Rates for potable water service under this schedule are net. Bills are due and payable to Denver Water upon issuance. Bimonthly bills are delinquent 30 days after the billing date. Monthly bills are delinquent 25 days after the billing date. Late Charges will be assessed per Denver Water policy.

**Rates:** Charges for potable water service consist of a consumption charge and a service charge. The consumption charge is based upon the amount of water delivered during the billing period. The service charge applies to all accounts that are "on" at any time during the billing period.

Board of Water Commissioners  
City and County of Denver  
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Rate Schedule No. 4 - Outside City  
Wholesale (Master Meter)  
For Bills Dated On or After January 1, 2005

V-C-1  
Attachment A

**A. Potable Water Consumption Charges:**

All Consumption

Rate per  
1,000 Gallons  
\$2.20

**B. Service Charge:**

Meter Size	<u>Monthly</u>	<u>Bimonthly</u>
3/4 Inch	\$4.26	\$8.51
1 Inch	\$7.30	\$14.60
1 1/2 Inch	\$16.09	\$32.19
2 Inch	\$26.00	\$52.01
3 Inch	\$42.60	\$85.20
4 Inch	\$62.71	\$125.41
6 Inch	\$125.32	\$250.64
8 Inch	\$161.52	\$323.03
10 Inch	\$206.34	\$412.69
12 Inch and Above	\$291.77	\$583.53

**Applicability:** Municipalities, quasi-municipal districts and water companies outside the limits of the City and County of Denver served under agreements where the municipality, quasi-municipality and water companies operate and maintain water systems to supply individual licensees. The Board of Water Commissioners bills the Distributor for water delivered through "Master Meters." The Distributors establish the rates for its licensees.

**Payment:** Rates for potable water service under this rate schedule are net. Bills are prepared on a monthly basis and are due and payable to Denver Water upon issuance and become delinquent 25 days after the billing date appearing on the billing statement. Late charges will be assessed per Denver Water policy.

**Rates:** Charges for potable water service consist of a consumption charge and a service charge. The consumption charge is based upon the amount of water delivered during the billing period. The service charge applies to all accounts that are "on" at any time during the billing period.

Rate Schedule No. 5  
Non Potable Water Service  
For Bills Dated On or After January 1, 2005

Recycled Water Consumption / Service Charges:

A. Consumption Charge

All Consumption

Rate per 1,000 Gallons	
<u>Inside City</u>	<u>Outside City</u>
\$0.69	\$0.83

B. Service Charge:

Meter Size	<u>Monthly</u>	<u>Bimonthly</u>
3/4 Inch	\$4.26	\$8.51
1 Inch	\$7.30	\$14.60
1 1/2 Inch	\$16.09	\$32.19
2 Inch	\$26.00	\$52.01
3 Inch	\$42.60	\$85.20
4 Inch	\$62.71	\$125.41
6 Inch	\$125.32	\$250.64
8 Inch	\$161.52	\$323.03
10 Inch	\$206.34	\$412.69
12 Inch and Above	\$291.77	\$583.53

All Other Non Potable Water Consumption / Service Charges:

A. Consumption Charge

All Consumption

Rate per 1,000 Gallons	
<u>Inside City</u>	<u>Outside City</u>
\$0.47	\$0.58

All Consumption

Rate per Acre Foot	
<u>Inside City</u>	<u>Outside City</u>
\$153.15	\$189.00

B. Service Charge:

Not Applicable

Arvada Non Potable Water Consumption / Service Charges:

A. Consumption Charge

All Consumption

Rate per <u>1,000 Gallons</u>	Rate per <u>Acre Foot</u>
\$0.57	\$185.73

B. Service Charge:

Not Applicable



Rate Schedule No. 7 - Outside City  
Master Meter Maintenance  
For Bills Dated On or After January 1, 2005

V-C-1  
Attachment A

**A. Potable Water Consumption Charges:**

All Consumption

Rate per  
1,000 Gallons  
\$3.15

**B. Service Charge:**

Meter Size	<u>Monthly</u>	<u>Bimonthly</u>
3/4 Inch	\$4.26	\$8.51
1 Inch	\$7.30	\$14.60
1 1/2 Inch	\$16.09	\$32.19
2 Inch	\$26.00	\$52.01
3 Inch	\$42.60	\$85.20
4 Inch	\$62.71	\$125.41
6 Inch	\$125.32	\$250.64
8 Inch	\$161.52	\$323.03
10 Inch	\$206.34	\$412.69
12 Inch and Above	\$291.77	\$583.53

**Applicability:** A variation of the standard Master Meter Contract, in which a Master Meter Distributor elects to continue customer billing and collection functions within its service area but contracts with Denver Water to operate, maintain and replace its water system as needed. Denver Water will bill the Distributor through master meters at a special rate that reflects the cost of providing this level of service.

**Payment:** Rates for potable water service under this rate schedule are net. Bills are prepared on a monthly basis and are due and payable to Denver Water upon issuance and become delinquent 25 days after the billing date appearing on the billing statement. Late charges will be assessed per Denver Water policy.

**Rates:** Charges for potable water service consist of a consumption charge and a service charge. The consumption charge is based upon the amount of water delivered during the billing period. The service charge applies to all accounts that are "on" at any time during the billing period.