

# AGENDA

## Denver Board of Water Commissioners

Denver Water Board Room, 1600 W 12<sup>th</sup> Avenue, Denver, Co 80204 and

Video Conference: <http://zoom.us/join>, Meeting ID: 871 0117 3361 - Passcode: 161660 or

Dial in (669) 900-6833 - Meeting ID: 871 0117 3361 - Passcode: 161660

Members of the public are welcome to attend either in person or by video conference

**Wednesday, October 12, 2022 – 9:00 a.m.**

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### I. INTRODUCTORY BUSINESS

#### A. Call to Order and Determination of Quorum

#### B. Public Comment and Communications

At this point in the agenda, the Board may allow members of the public to address the Board on any item of interest within the jurisdiction of the Board, and not on the agenda for action. Speakers wishing to address a specific Action Item will be invited to address the Board when the item is being considered. Three minutes are allowed for each person unless the President determines otherwise.

1. Distributor Communications
2. Citizen Advisory Committee Communications

#### C. Ceremonies, Awards and Introductions

### II. ACTION ITEMS

#### A. Consent Items

Items listed below are considered routine and may be enacted by one motion and vote. If any Board member desires discussion beyond explanatory questions, or corrections to the Minutes, the President may order that item to be considered in a separate motion and vote.

1. Minutes from September 14, 2022
2. Minutes from September 28, 2022

#### B. Individual Approval Items

- |                                    |                 |            |
|------------------------------------|-----------------|------------|
| 1. Approval of 2023 Rate Schedules | Angela Bricmont | 10 minutes |
|------------------------------------|-----------------|------------|

*Our vision is to sustain vibrant communities that value water for future generations.*

Integrity :: Vision :: Passion :: Excellence :: Respect



## **POLICY MATTERS**

- |                                   |                 |            |
|-----------------------------------|-----------------|------------|
| <b>A. National Western Update</b> | Nicole Poncelet | 15 minutes |
|-----------------------------------|-----------------|------------|

## **III. EXECUTIVE UPDATE**

- A. CEO Update**
- B. CFO Update**
- C. Operations Update**

## **V. BRIEFING PAPERS & REPORTS**

- A. Briefing Paper**
- B. Report**

## **VI. ADJOURNMENT**

## **VII. TRUSTEE MATTERS**

## **VIII. EXECUTIVE SESSION**

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by D.R.M.C Sec. 2-34.

- A. Confidential Report**

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: October 12, 2022

Board Item: II-B-1

## Approval of 2023 Rate Schedules

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to request approval of the 2023 Denver Water rate schedules. The rates proposed represent a 5% overall increase to water sales revenue to meet the revenue requirements forecasted in the long-range financial plan.

Denver Water is at the peak of a \$2.3 billion in infrastructure investment needed over the next 10 years. The proposed 5% increase will support funding large strategic capital projects underway, including the new Northwater Treatment Plant, expanding Gross Reservoir to provide a more reliable future water supply, constructing a new water quality lab to ensure we maintain the highest water quality standards, replacing customer-owned lead service lines, planning for upgrades to the south side of our system, and repairing and replacing aging water pipes. In addition to major projects, inflation and supply chain issues also have affected costs.

The first reading of the attached rate schedules occurred on August 24, 2022, which served as notice of a proposed change to rates. In addition to Board presentations, the financial plan and proposed rates were presented at the Distributor Forum on September 1, 2022, and at the Citizen's Advisory Committee meeting on September 15, 2022.

### **Budget and Schedule:**

The 2023 revenue requirement totals \$660 million, consisting of operating and maintenance expenses, capital and debt service. The revenue requirement is met from a combination of water sales and miscellaneous revenues (including hydropower sales and System Development Charges), bond proceeds and cash reserves. The requested 2023 rate revenue increase of 5% is needed to meet the total revenue requirement from rates of \$358 million.

### **Recommendation:**

Staff recommends that the Board approve the 2023 rate schedules, which would result in an annual increase in water sales revenue of 5%. If approved by the Board, the rates would be implemented on January 1, 2023.

### **Approvals**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager            | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer                |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff            | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel                    | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer               |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer                  |

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**Denver Water**  
**Rate Schedule 1**  
**Treated Water Rates**  
*For Meters Read On or After January 1, 2023*

**A. Monthly Fixed Charges, \$ per Bill**

Meter Size inches	Inside City of Denver	Outside City		
		Read & Bill	Total Service	Wholesale
5/8" & 3/4"	\$17.90	\$17.90	\$17.90	\$17.90
1"	25.70	25.70	25.70	25.70
1 1/2"	49.86	49.86	49.86	49.86
2"	83.38	83.38	83.38	83.38
3"	178.47	178.47	178.47	178.47
4"	311.75	311.75	311.75	311.75
6"	693.67	693.67	693.67	693.67
8"	1,227.58	1,227.58	1,227.58	1,227.58
10"	1,914.26	1,914.26	1,914.26	1,914.26
12"	2,754.53	2,754.53	2,754.53	2,754.53

**B. Treated Water Volume Rates, \$ per 1,000 gallons**

Customer Class	Tier Threshold 1,000 gallons	Inside City of Denver	Outside City		
			Read & Bill	Total Service	Wholesale
<b>Single Family Residential</b>					
Tier 1	0 to AWC (note D.3)	\$2.63	\$2.75	\$4.00	N/A
Tier 2	AWC + 15	4.73	4.95	7.20	
Tier 3	Greater than AWC + 15	6.31	6.59	9.60	
<b>Nonresidential (note D.4, D.5)</b>					
Tier 1	0 to AWC	\$3.03	\$3.35	\$4.66	
Tier 2	AWC to 4 x AWC	4.24	4.69	6.52	N/A
Tier 3	Greater than 4 x AWC	4.85	5.36	7.46	
<b>Irrigation</b>					
	Winter (Nov. 1 through April 30)	\$1.53	\$1.52	\$2.20	N/A
	Summer (May 1 through October 31)	6.12	6.08	8.80	
<b>Wholesale</b>					
	Master Meter				\$4.69
	Outside the Combined Service Area				4.71

**C. Private Fireline**

Fireline Size inches	Inside City of Denver	Outside City		
		Read & Bill	Total Service	Wholesale
1"	\$3.78	\$2.56	\$3.93	
2"	6.31	4.27	6.56	
4"	9.74	6.60	10.14	
6"	13.92	9.43	14.49	
8"	24.36	16.51	25.36	N/A
10"	34.80	23.58	36.23	
12"	55.68	37.73	57.96	
16"	139.20	94.32	144.90	
Fire Hydrants	\$13.92	\$9.43	\$14.49	

**D. Notes**

**1. Applicability:** See Chapter 2 of [Denver Water's Operating Rules](#)

**2. Payment:** Bills are due and payable to Denver Water upon issuance. Monthly bills are delinquent 20 days after the billing date. Late charges will be assessed per Denver Water policy.

**3. Single Family AWC:** A customer's average winter consumption (AWC) is used to determine the tier 1 threshold. The AWC is calculated by averaging each customer's billed monthly water use from January through March, which is a way of determining essential indoor water use. Denver Water has set the tier 1 minimum threshold at 5,000 gallons. and a maximum of 15,000 gallons. For example, if the customer's AWC is less than 5,000 gallons, tier 1 is 0 to 5,000 gallons. If the AWC is over 15,000 gallons, tier 1 is 0 to 15,000 gallons. Volume rates are applied to billed monthly usage.

**4. Nonresidential AWC:** The tier 1 threshold is based on each customer's average winter consumption (AWC). This represents demands during the system off-peak period. The AWC is the average of a customer's billed water use for the months of January, February, and March. Volume rates are applied to billed monthly usage. Tier 2 is equal to 4 times the customer's AWC. Tier 3 is for usage in excess of 4 times the AWC.

**5. Small Multifamily:** The small multifamily class (duplex through 5-plex) is now included in the nonresidential class.

**Denver Water**  
**Rate Schedule No. 2**  
**Nonpotable Water Rates**  
*For Meters Read On or After January 1, 2022*

**A. Monthly Fixed Charges, \$ per Bill**

Meter Size inches	Inside City of Denver	Outside City	Outside Combined Service Area
5/8" & 3/4"	\$17.90	\$17.90	\$17.90
1"	25.70	25.70	25.70
1 1/2"	49.86	49.86	49.86
2"	83.38	83.38	83.38
3"	178.47	178.47	178.47
4"	311.75	311.75	311.75
6"	693.67	693.67	693.67
8"	1,227.58	1,227.58	1,227.58
10"	1,914.26	1,914.26	1,914.26
12"	2,754.53	2,754.53	2,754.53

**B. Nonpotable Water Volume Rates, \$ per 1,000 gallons**

Customer Class	Inside City of Denver	Outside City	Outside Combined Service Area
<b>Recycled</b>			
\$ per 1,000 gallons	\$1.04		\$1.32
\$ per Acre-Foot	338.89	N/A	430.12
<b>Raw Water (Monthly Fixed Charges Not Applicable)</b>			
\$ per 1,000 gallons	\$1.00	\$1.38	\$1.48
\$ per Acre-Foot	325.85	449.67	482.26

**C. Notes**

- 1. Applicability:** See Chapter 2 of [Denver Water's Operating Rules](#)
- 2. Payment:** Bills are due and payable to Denver Water upon issuance. Monthly

**Denver Water**  
**Rate Schedule 3**  
**City and County of Denver Governmental Rates**  
**For Meters Read On or After January 1, 2023**

**A. Monthly Fixed Charges, \$ per Bill**

Meter Size inches	Fixed Charge
5/8" & 3/4"	\$17.90
1"	25.70
1 1/2"	49.86
2"	83.38
3"	178.47
4"	311.75
6"	693.67
8"	1,227.58
10"	1,914.26
12"	2,754.53

**B. Treated Water Volume Rates, \$ per 1,000 gallons**

<b>Domestic</b>	
Year-Round	\$2.34
<b>Irrigation</b>	
Winter (Nov. 1 through April 30)	\$0.98
Summer (May 1 through October 31)	\$2.45

**C. Nonpotable Water Volume Rates, \$ per 1,000 gallons**

Raw	\$0.39
Recycled	\$0.24

**D. Private Fireline**

Fireline Size inches	Fixed Charge
1"	\$3.78
2"	6.31
4"	9.74
6"	13.92
8"	24.36
10"	34.80
12"	55.68
16"	139.20
Fire Hydrants	\$13.92

**E. Notes**

- 1. Applicability:** See Chapter 2 of [Denver Water's Operating Rules](#)
- 2. Payment:** Bills are due and payable to Denver Water upon issuance. Monthly bills are delinquent 20 days after the billing date. Late charges will be assessed per Denver Water policy.