



# UTILITY RATE FEES

## FOR 2015 - 2019

**Projected monthly change for average residential utility accounts in 2015 will be \$1.91 or 1.7%\***

### UTILITY RATE STUDY

As required by Town of Erie Municipal Code, the Town recently completed the Utility Rate Study for the years 2015 through 2019 for the following utility funds: Water Fund; Wastewater (Sewer) Fund and Storm Drainage Operating Fund. The Rate Study is necessary to ensure the ongoing financial strength of these funds. The Utility Rate Study is comprised of all utility customer classifications including: Residential, Commercial, Irrigation and Multi-Family. To view the complete Rate Study, please visit [www.erieco.gov/water\\_rates](http://www.erieco.gov/water_rates).



### OBJECTIVES OF THE STUDY

- ✓ Ensure operating expenses are covered
- ✓ Ensure capital requirements and debt service are provided for
- ✓ Ensure compliance with debt covenants
- ✓ Ensure adequate working capital levels are maintained
- ✓ Review rate structure for equity and potential conservation incentives

### REVIEW OF ALTERNATIVES

More than fifteen scenarios were prepared by the consultant. The Board of Trustees considered those options believed to best provide a balance in achieving the various goals of the study. Ultimately, the Board adopted the option that has the least impact on the most customers and incentivizes water conservation.

### PROJECTED CHANGES FOR ALL RESIDENTIAL UTILITIES

The projected monthly change for the average residential utility account in 2015 will be \$1.91 or 1.7%\*

	WATER	WASTEWATER	STORM	TOTAL	\$ CHANGE	% CHANGE
2014	\$56.60	\$48.48	\$5.00	\$109.98	-	-
2015	\$58.00	\$48.48	\$5.41	\$111.89	\$1.91	1.7%
2016	\$60.90	\$48.48	\$6.60	\$115.98	\$4.09	3.7%
2017	\$63.95	\$48.48	\$8.05	\$120.48	\$4.50	3.9%
2018	\$66.51	\$48.48	\$9.82	\$124.81	\$4.33	3.6%
2019	\$68.51	\$48.48	\$11.98	\$128.97	\$4.16	3.4%

\*Average is based on the middle 60% of all utility customers.

# RESIDENTIAL & MULTI-FAMILY CUSTOMERS

## RESIDENTIAL & MULTI-FAMILY: WATER MONTHLY SERVICE CHARGE

Meter Size	2014	2015	2016	2017	2018	2019
3/4"	\$25.41	\$25.41	\$26.68	\$28.01	\$29.13	\$30.00

- **Monthly Service Charge:** **NO CHANGE** for 2015.  
*Increases in 2016 through 2019 will be 5%, 5%, 4% and 3%, respectively.*

## RESIDENTIAL & MULTI-FAMILY: WATER MONTHLY VOLUME CHARGE PER 1,000 GALLONS

Usage Tier	Gallons Used	2014	2015	2016	2017	2018	2019
Tier 1	0 - 5,000	\$3.65	\$3.75	\$3.94	\$4.14	\$4.31	\$4.44
Tier 2	5,001 - 15,000	\$4.56	\$4.68	\$4.91	\$5.16	\$5.37	\$5.53
Tier 3	15,001 - 25,000	\$5.70	\$7.03	\$7.38	\$7.75	\$8.06	\$8.30
Tier 4	over 25,000	\$8.55	\$10.54	\$11.07	\$11.62	\$12.08	\$12.44

- **Monthly Volume Charge:** Will increase for residential and multi-family customers as follows:  
*2015 - Tier 1 +2.7%, Tier 2 +2.6%, Tier 3 +23.3% and Tier 4 +23.3%.  
Tiers 3 and 4 were increased to incentivize water conservation.*

In 2016-2019 each block will increase as follows:  
*2016 +5%, 2017 +5%, 2018 +4% and 2019 +3%.*

## RESIDENTIAL & MULTI-FAMILY: MONTHLY STORM DRAINAGE FEE

	2014	2015	2016	2017	2018	2019
Monthly Charge	\$5.00	\$5.41	\$6.60	\$8.05	\$9.82	\$11.98

- Unchanged since 2004, the proposed monthly fee basis will be established at \$5.41 for 2015, an 8.2% increase, with increases for 2016 through 2019 as shown in the above table.

## ALL CUSTOMERS: MONTHLY WASTEWATER (SEWER) FEE

- **NO CHANGE** to existing monthly user rates is required.

### DID YOU KNOW?

The average residential customer uses about 8,500 gallons of water monthly on an annual basis, of which about 4,500 gallons represents irrigation consumption and 4,000 represents interior consumption. For this average customer, these rates represent an increase in 2015 of approximately \$1.50, or 2.7%, per month. For all customers, the average increase will be approximately \$2.02, or 4.0%, per month.

# COMMERCIAL & IRRIGATION CUSTOMERS

## COMMERCIAL & IRRIGATION: WATER MONTHLY SERVICE CHARGE

Meter Size	2014	2015	2016	2017	2018	2019
3/4"	\$25.41	\$26.68	\$28.01	\$29.41	\$30.59	\$31.51

- Monthly Service Charge:** Monthly service charges will increase 5% in 2015. For a 3/4" tap, resulting in an increase of \$1.27 per month. Increases in 2016 through 2019 will be 5%, 5%, 4% and 3%, respectively.

## COMMERCIAL & IRRIGATION: WATER MONTHLY VOLUME CHARGE PER 1,000 GALLONS

Customer Class	Gallons Used	2014	2015	2016	2017	2018	2019
Commercial	All Usage	\$5.73	\$6.02	\$6.32	\$6.64	\$6.91	\$7.12
Irrigation	All Usage	\$6.03	\$6.33	\$6.65	\$6.98	\$7.26	\$7.48

- Monthly Volume Charge:** The charge per 1,000 gallons of usage will increase 5% in 2015 from \$5.73 to \$6.02 for commercial accounts and from \$6.03 to \$6.33 for irrigation accounts. Increases in 2016 through 2019 will be 5%, 5%, 4% and 3%, respectively.

## COMMERCIAL & IRRIGATION: MONTHLY STORM DRAINAGE FEE

- The Town currently charges a monthly \$5.00 fee to all customer classes to support the operations of the Storm Drainage Operating Fund. The rate study recommended changing the rate structure to assess a monthly fee based on the impervious square footage. Based on analysis, it was determined that the average single family residence in Erie has approximately 5,300 square feet of impervious square footage (which includes the house, driveways, sidewalks and similar surfaces). The monthly fee basis will be established at \$5.41 per Single Family Residential Equivalent (SFRE) for 2015.
- Commercial customers will be charged on the basis of how many SFRE's their property has and billed on that basis. For example, if a commercial customer has 15,900 square feet of impervious area, they will be billed \$16.23 per month in 2015 (15,300 square feet divided by 5,300 square feet = 3 times \$5.41/SFRE = \$16.23). The average commercial customer will be charged approximately \$45.00 per month in 2015 as a result of the rate study recommendation.
- Irrigation accounts will no longer be assessed a storm drainage fee.



# WHY ARE ERIE'S WATER RATES HIGHER THAN SOME OTHER CITIES?

When it comes to water in Colorado - no two cities are alike. That said, diverting water from the western slope to the Front Range is a very lengthy, complex and expensive process governed by what is referred to as the Prior Appropriation Doctrine – or as it's known in shorthand, “first in time, first in right.” Under this doctrine, older cities typically hold senior water rights and younger cities typically hold junior rights. Erie is among the latter group which means our costs for raw water are often higher than some of our neighbors.

But youth has its advantages too. For instance, in Colorado and nationwide, many utilities are grappling with the problem of aging infrastructure. Fortunately, as Erie is a younger community, our water customers enjoy the benefits of our newer, state of the art infrastructure.

The Town of Erie provides a high quality supply of available drinking water to over 7,000 residential and over 130 commercial customers 24 hours a day, 365 days a year. We continue to meet increasingly high water quality standards in a cost-effective manner for the citizens of Erie. We are proud that Erie meets and exceeds all federal and state drinking water standards. We do this while protecting the environment, community and economic interests that we all value.

## PAY YOUR BILL ONLINE!

The Town of Erie has a new online payment option for Utility Billing! With this new service, customers can choose to pay their utility bill online in one of two ways: choose to set-up an account or choose to make a one-time payment at any time.

**NEW FEATURES:** By setting up a new account, customers have the convenience of being able to view their account balances, transaction history and even store a credit card or checking account number for future payments! Customers also have access to view their past usage or submit requests for service, such as a request to check for a leak.

All current Town of Erie customers have received a NEW Utility Account Number – this number is available on your most recent statement. This new account number is necessary to submit payments online and to set-up an online account on our new site. Your old account number will no longer work to make payments.

[www.erieco.gov/utility\\_billing](http://www.erieco.gov/utility_billing)



Visit [www.youtube.com/eriecolorado](http://www.youtube.com/eriecolorado) and watch Episode 1 of Inside Erie to learn more about YOUR water.

For Utility Billing questions contact 303-926-2752 or visit [www.erieco.gov/utility\\_billing](http://www.erieco.gov/utility_billing).