

**FINANCE MEMORANDUM**  
**#10-13**

DATE: April 22, 2010

TO: Honorable Mayor Joyce Downing and City Council Members

FROM: Bill Simmons, City Manager *WMS*  
Shawn Cordsen, Finance Director *SC*

SUBJECT: Water & Wastewater Rates Increases CB-1717

**BACKGROUND:**

The City of Northglenn provides water and wastewater services to approximately 10,250 customer accounts. The services are primarily funded via water and wastewater charges collected from utility customers. To ensure that future water and wastewater charges would meet the future costs of providing such services (e.g. water rights, operations, maintenance, capital etc.), the City contracted with Red Oak Consulting to develop a water and wastewater rate study.

The study determined that in order to meet the funding and service requirements of the water and wastewater functions, overall revenue collections would need to increase approximately 7.5% to 8% annually in each of the subsequent five years. Based on the information presented in the study, the City increased its water rates effective July 2009 which was soon followed by an increase in wastewater rates in September.

**UPDATE:**

In accordance with the rate study recommendations, staff has attached an ordinance for consideration by the Council, which would increase the water and wastewater rates effective June 28, 2010. The rates used were gathered directly from the rate study provided by Red Oak Consulting and are anticipated to increase water and wastewater revenue collections by \$591,706 or 7.85% (given similar weather patterns as those experienced in 2009).

**STAFF REFERENCE:**

If Councilmembers have any comments or questions, you may contact Shawn Cordsen at [scordsen@northglenn.org](mailto:scordsen@northglenn.org) or at 303-450-8719.

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1717  
Series of 2010

\_\_\_\_\_  
Series of 2010

A BILL FOR AN ORDINANCE APPROVING A WATER AND WASTEWATER RATE CHANGE FOR THE CITY OF NORTHGLENN

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The City Council determines that it is appropriate to change the water rates for the City of Northglenn effective as of June 28, 2010 at the first full billing cycle as follows.

**Current Rates:**

Residential Individually Metered  
Tier Rate

Tier 1 \$0.70 per 1,000 gallons  
Tier 2 \$3.15 per 1,000 gallons  
Tier 3 \$3.75 per 1,000 gallons  
Tier 4 \$5.37 per 1,000 gallons

Consumption Range

First 3,000 gallons  
Over 3,000 to 10,000 gallons  
Over 10,000 gallons to 20,000 gallons  
Over 20,000 gallons

Commercial Water Volume Charges

Mixed Use  
\$3.25 per 1,000 gallons

\$4.97 per 1,000 gallons

Domestic Use  
\$3.25 per 1,000 gallons

Irrigation Use  
\$4.97 per 1,000 gallons

Consumption Range

Up to 100% of the EQR as defined in  
Section 16-10-2 (f)

Over 100% of the EQR as defined in Section  
16-10-2 (f)

Residential Drought Surcharge

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Stage 4</u>
Over 18,000 gallons	None	\$2.00 per thousand gals	\$4.00 per thousand gals	\$4.00 per thousand gals

Commercial Drought Surcharge

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Stage 4</u>
Over 100% EQR	None	\$2.00 per thousand gals	\$4.00 per thousand gals	\$4.00 per thousand gals

Monthly Service Charges

Meter Size	Per Bill
5/8	\$9.55
3/4	\$10.00
1	\$11.00
1 ½	\$13.20
2	\$16.30
3	\$23.90
4	\$32.70
6	\$56.90

**New Rates:**

Residential Individually Metered  
Tier Rate

Tier 1	\$1.30 per 1,000 gallons
Tier 2	\$3.44 per 1,000 gallons
Tier 3	\$4.12 per 1,000 gallons
Tier 4	\$6.02 per 1,000 gallons

Consumption Range

First 3,000 gallons
Over 3,000 to 10,000 gallons
Over 10,000 gallons to 20,000 gallons
Over 20,000 gallons

Commercial Water Volume Charges

Mixed Use  
\$3.25 per 1,000 gallons

\$5.12 per 1,000 gallons

Domestic Use  
\$3.25 per 1,000 gallons

Irrigation Use  
\$5.12 per 1,000 gallons

Consumption Range

Up to 100% of the EQR as defined in  
Section 16-10-2 (f)

Over 100% of the EQR as defined in Section  
16-10-2 (f)

Residential Drought Surcharge

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Stage 4</u>
Over 18,000 gallons	None	\$2.00 per thousand gals	\$4.00 per thousand gals	\$4.00 per thousand gals

Commercial Drought Surcharge

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Stage 4</u>
Over 100% EQR	None	\$2.00 per thousand gals	\$4.00 per thousand gals	\$4.00 per thousand gals

Monthly Service Charges

Meter Size	Per Bill
5/8	\$9.65
3/4	\$10.55
5	\$12.55
1 ½	\$17.20
6	\$23.10
7	\$38.50
8	\$55.00
6	\$103.00

Section 2. The City Clerk is hereby directed to insert the revised water rates set forth above into Section 16-10-14(c) of the Northglenn Municipal Code.

Section 3. The City Council determines that it is appropriate to change the wastewater rates for the City of Northglenn effective as of June 28, 2010 at the first full billing cycle as follows.

**Current Rates:**

\$3.08 per 1,000 gallons (3,000 gallon minimum)

**New Rates:**

\$3.31 per 1,000 gallons (3,000 gallon minimum)

Section 4. The City Clerk is hereby directed to insert the revised wastewater rates set forth above into Section 16-10-5(f) of the Northglenn Municipal Code.

INTRODUCED, READ AND ORDERED POSTED this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

ATTEST:

\_\_\_\_\_  
JOYCE DOWNING  
Mayor

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

PASSED ON SECOND AND FINAL READING this \_\_\_\_\_ day of \_\_\_\_\_,  
2010.

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JOYCE DOWNING  
Mayor

ATTEST:

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JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

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COREY Y. HOFFMANN  
City Attorney