

City of Evans, Colorado

“The Citizen’s View”

2009

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This is the fourth article in a six part series on water issues that will impact the future of Evans. In this article we talk about the monthly bills that we pay. Our monthly water bill includes a base rate and a variable rate. The base rate is the part of the bill that stays the same each month. The variable rate is determined by how much water we use and will be the focus of the next article.

The water distribution system consists of the following:

- water mains,
- service lines,
- pumps, and
- facilities necessary to deliver the water to our homes or businesses.

The two major expenses within the base rate are *operations* and *replacements*. The City's replacement plan for water lines, buildings, equipment, and major facilities is called the Asset Management Plan.

The *operations* portion of the base rate includes staff, services, supplies and expenses necessary for the water distribution system to work properly. We carefully reviewed every expense in the Water Fund to determine if it was required before it was included in the base fee formula.

The *replacement, or asset management plan*, portion of the base rate has also been extensively reviewed. The replacement of worn out water lines, buildings, and equipment can be completed at a significantly lower cost if they are planned. In some cases the costs can be reduced even more if two or three smaller projects are completed at one time. One project is also less disruptive to water delivery to our customers than several projects completed at different times.

The base rate is the amount we pay to maintain the water distribution system; it does not include the cost to treat the water. The formula to set the base rate is fairly straightforward. The total operations and asset replacement cost is divided by the number of customers (with adjustments for the outside-of-the-city taps and size of taps).

There are different rates for residences and businesses inside the City and outside the City. Base rates are calculated on the size of the water line into the property, since larger taps require larger (and more expensive) water lines to provide service. The base rate for a typical, ¾-inch tap for a single-family home within the City is \$8.37 per month, compared to \$392.85 per month for a 12-inch tap serving large commercial customers in the City. The base rates for customers outside the City are 50% higher than inside the City.

We have invested considerable time to review the cost of providing water to you, our customers. Many suggestions to reduce expenses have been implemented. We have also taken a more long-term approach to identify the most cost-effective replacement of water lines and

other parts of the water distribution system. The asset management plan was developed to keep the total long-term cost of replacing the lines and other facilities to a minimum. We are looking at a three-year plan when setting the base rates in order to average the projected rates and avoid any big increases in a single year.

In the next article we will discuss the variable part of our water bill. The variable rate is based on the cost to treat our water. The variable fee on our water bill is determined by multiplying the variable rate by how much water we use.



The major expense for the treatment of water is the payment we make to Greeley to treat our water. The next article identifies all the expenses that

impact the variable rate. The articles in this series are available for review at www.cityofevans.org under the heading of “The Citizens View”. If you would like to comment on these articles please address your emails to water@ci.evans.co.us.