

City of Evans, Colorado

“The Citizen’s View”

2009

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Article 2 – Enterprise Fund Status – City of Evans, Colorado. March 3, 2009

This is the second article in a six part series, on water issues that will impact the future of Evans. In this article we talk about operation of the City's water system as a water activity *enterprise*. The City has multiple operations providing different services like police, fire, streets, parks, and water. Some operations are operated as enterprises, and the funds of an enterprise and the City are kept separate. The City's municipal water system is operated as an enterprise, and revenues and expenses from water operations are managed in a *water enterprise fund*.

Enterprises are common for water operations, and revenues received by enterprises are different than the revenues that fund "basic city services" like the police, fire, parks, and streets. Basic city services receive most of their funding from sales and property taxes. Enterprises receive their revenues from user fees and pay their expenses from those revenues. Users pay for the services received. User fees can include one-time fees and monthly use fees. The advantage of an enterprise is that it is self-supporting and operates much like a business. They do not receive tax revenues that are then available for other services like police, fire, parks and streets. The City of Evans has established three enterprises and three enterprise funds: water, waste water, and storm drainage. Please click on the image below to see the most current long range plans (LRPs) for each fund.



Water Long Range Plan



Waste Water LRP



Storm Drainage LRP



Water Conservation Plan

The City Council is the governing body of the water enterprise and must set rates, recover current expenses, and plan for future needs. Knowing this information helps you make sense of your water rates. The payments for water services from customers are kept in a water

enterprise fund to pay the cost of operating and maintaining the water system and providing water to our customers. The water revenues are kept in a separate fund to insure payments are used only for operation of the water system. One-time revenues from annexation and development are maintained in a separate category in the water enterprise fund because those revenues are used for specific purposes. Those one-time fees, including tap fees, will be discussed in the third part of this series.

Expenses in the Water Fund are also kept in separate categories. The expenses are constantly managed to insure they are as low as possible and still preparing for the future. Because enterprise funds must recover the cost of providing services, the revenues are constantly being compared to expenses. The fund is checked to insure the users are paying the right rate for the cost of the service. The *water rates* include a *base charge* and a *variable charge*. Our monthly utility bill also includes charges for trash, storm water and waste water services.

City of Evans • Municipal Utility Services					
1100 37th Street, Evans, Colorado 80620-2036 • (970) 475-1101 • Se habla español (970) 475-1101					
Conveniently Located at 11th Avenue & 37th Street					
ACCOUNT NAME		SERVICE ADDRESS			ACCOUNT #
METER READING SERVICE DATES		NUMBER OF DAYS	BILL DATE	PENALTY DATE	DUE DATE
FROM	TO				
METERED SERVICE	METER READINGS		UTILITY SERVICE DESCRIPTION	SERVICE CHARGES	
	PREVIOUS	PRESENT			
		1,000 GALLONS USED			

Variable Charge
Base Charge

City of Evans Utility Bill

Subsequent articles will address how the City of Evans sets the operating rates for the two water charges. The rate and the amount of water you use determine your monthly water bill.

In the next article, the third in the series, we will discuss the one-time fees that developers pay when they want to annex into the City and build. In the Water Fund, these payments are known as *tap fees* and *payment-in-lieu*. The payments for one-time development are important because they impact economic development and the long-term water rates for all customers.

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.