

Utility Rate Task Force

Meeting #6 Agenda

FEBRUARY 19, 2014

**BROOKS ROOM
LOUISVILLE RECREATION CENTER
900 WEST VIA APPIA**

6:00-8:30 PM

Task Force Members will discuss system development fees the City charges during the new development and redevelopment processes. These fees represent a reimbursement to the City for the backbone water, wastewater, and stormwater infrastructure that was constructed to serve future utility users. Task Force members were asked to submit questions regarding the system development fee calculation methodology, which will be addressed at the meeting. The following questions will be discussed at the meeting and additional information in the form of handouts may be provided. Additionally, the draft Utility Rate Task Force Report and recommendations may be discussed.

- What are the statistics on the average household size in Louisville/Boulder area for Single Family Detached, Townhomes, and Multifamily residential units?
- What is the average indoor per capita per day water consumption in the Boulder area? Rick Giardina mentioned 50 gallons per day at the meeting we had with the Water Committee.
- In different parts of the past handout material I have seen the SFE stated to be 110,000 or 117,000 or 120,000 gallons per year. It is important to know which number is the most accurate.
- Has the SFE that is used in calculating residential tap fees gone down over the last 10 or 15 years to reflect the increased use of efficient and low flow fixtures in new construction?
- What water, sewer, and storm infrastructure (water tanks, treatment plants, etc.) is planned to be replaced in the next 5 years including replacing and repairing the larger diameter pipes?
- What transactions are being used to value the water shares? Is it an average?

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- Do the C-BT water shares have the same 35% loss due to leakage and evaporation, or is some of this built into the price?
- Can the SDCs be designed to encourage and reward lower water use and conservation? Maybe a lower tap fee for those designs that can show lower use than the average SFE of 117,000.
- Specific to the Sewer and possible Storm SDC, should consideration be given to the location of a new user so that downstream users who rely on just a short system of conveyance don't subsidize a new user who is on the far end of the City and needs much more conveyance infrastructure to get to the treatment plant or outfall point? This is similar to using the different drainage basins to help determine the fee.
- Can the irrigation tap fee be adjusted to reward the use of low water plants and designs and to discourage the overuse of turf? As I looked at the tap fee calculation sheet it seemed that a design with water saving native plants would pay the same square foot fee as a plan with water intensive turf.
- Many of the new single family and duplex neighborhoods have a separate HOA irrigation tap for almost all of the outdoor areas, and thus use very little of their domestic water for irrigation. How can this design be given appropriate tap fees so users in this situation do not end up subsidizing homes that irrigate all their outdoor areas with the domestic tap?
- The 8,693 Equivalent Units shown on WSDC-1 and SSDC-1 represents what? Is it the number of equivalents that is currently served, the number that can be served by the water and sewer utilities system as currently configured, the number of equivalents that is planned to be served, or something else.
- In WSDC-1, it shows a principle outstanding debt of \$8,005,000. What project(s) was this for? Was it for infrastructure (like a treatment plant) whose "current value" is shown in WSDC-1 or for water resources (associated with C-BT, Windy Gap or the South Boulder Creek system)?
- In WSDC-1, are all the costs associated with the "backbone" pipes for treated water pipes, or are there raw water pipes, too? I'd like to know if there are any costs/values included in the \$9,635 amount that is for raw/untreated water. Or, is all the raw/untreated water value to be assessed in the Water Resources SDC calculation.
- In WSDC-2, an average annual SFE usage of 120,000 gallons per year is used. How was that figure arrived at? In Meeting 2, the slide for 2012 data shows SFR usage of 671,000 gallons and 6,090 SFR accounts, for a usage of 110,181 gallons per year. Your email of 9-28-13 states that a typical planning use is 117,000, but that in recent years it's been less and close to 110,000. What has been average annual SFR use in 2011, 2012 (110,181gallons??) and 2013? There is a need to demonstrate why we're using a particular number (120,000 gallons or anything else).
- Why are you using the sale of C-BT units as the basis for the Water Resources valuation? Louisville has South Boulder Creek rights, C-BT

rights and Windy Gap rights. It appears as though the city is investing a lot of money in the Windy Gap Firming project, so why not use that system as the basis? Is the city anticipating buying any more C-BT or Windy Gap units over the next decade?

- If using C-BT or Windy Gap as the value, the purchase cost is only the value of the unit (and then converted to an acre-foot value), but what about the cost to deliver that water to the treatment plant? Should you include a capitalized cost of the carriage and delivery costs from the Northern system to Louisville? I know it is typically an O&M cost, but should we charge the new customer this cost, as opposed to charging current customers this added cost? Once it gets to the Treatment Plant, all the customers pay and benefit, so I can see that at that point it's included in the WSDC-1 value.
- Tables WCOS-4 and SCOS-2 use very different capital values to calculate the "cost of service" monthly rates than the capital values used in Tables WSDC-1, WSDC-2 and SSDC-1 for the SDCs. The capital values for rates are less than the values for the SDC. Please explain why you should use different capital values for rates than for SDCs.
- I know there is a reluctance to use the non-backbone system values in determining the SDC value on the basis that the non-backbone system was likely constructed by developers. At the time when a developer-constructed pipe is replaced by the city at 100% city cost, should that pipe now be part of the SDC value? At some point in time, the 6", 8" and 10" pipes will break, become corroded or need to be replaced. When that time comes, should those pipes be included or not be included in the SDC valuation, and what is your rationale for your answer?