

SUBJECT: RESOLUTION NO. 17,SERIES 2024 – A RESOLUTION SETTING CERTAIN WATER, WASTEWATER, STORMWATER AND OTHER FEES, RATES, AND CHARGES FOR THE CITY OF LOUISVILLE, COLORADO

DATE: MARCH 19, 2024

PRESENTED BY: KURT KOWAR, PUBLIC WORKS DEPARTMENT

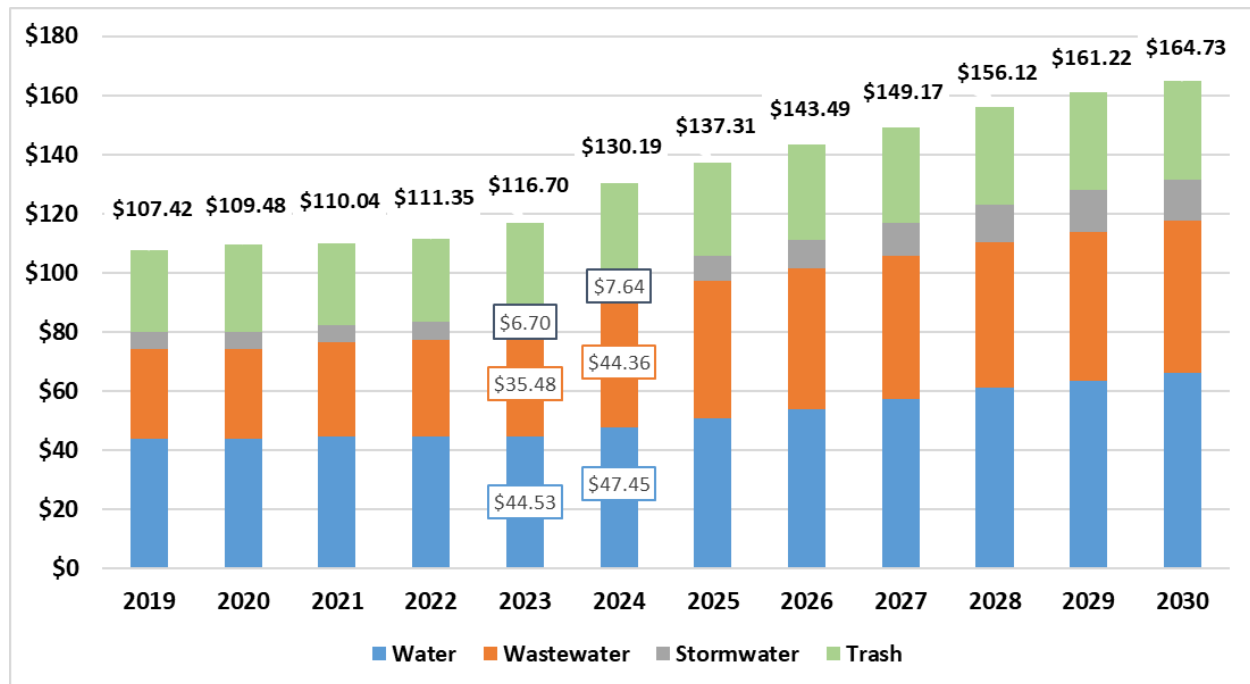
SUMMARY:

Staff recommends increasing utility rates for the 2024 calendar year in the amount of 6.5% for water, 25% for wastewater and 14% for stormwater.

Annually, City staff complete a rate assessment for the water, wastewater, and stormwater funds. This annual process ensures the rates and fees continue to generate sufficient revenue to sustain utility operations and facilitate future planning and budgeting. This process of analysis, findings, and recommendations was discussed at the Finance Committee on June 15 and January 18. Water rates are currently influenced by multiple years of inflation combined with a historically wet 2023. Wastewater rates are driven by planned upgrades to the wastewater plant solids handling process and an unplanned replacement of a key piece of sewer maintenance equipment. Stormwater rates are impacted by future stormwater floodplain improvements.

Two scenarios are reviewed, a “Just-in-Time” scenario where required increases are initiated in the year they are needed regardless of amount, and a “Smoothing” scenario where required increases are averaged out to minimize large jumps in increases which distributes increases over time. The City uses rate smoothing to the extend possible to provide lower and more consistent increases as needed. The table below shows the projected 5 year increases based upon financially modeling with the strike through text representing the proposed increases from last year’s February 7, 2023 council meeting.

Table 1 Financial Plan Scenario Indicated Rate Revenue Increase						
Utility	2024	2025	2026	2027	2028	2029
Water	6.5% 0%	6.5% 0%	6.5% 0%	6.5% 0%	6.5% 0%	4%
Wastewater	25% 8%	5% 8%	2% 4%	2% 4%	2% 4%	2%
Stormwater	14% 11%	14% 12%	13% 12%	13% 12%	13% 12%	13%



Staff also reviewed spreading originally proposed 30% wastewater increase out over many years based upon Finance Committee feedback. The presentation illustrates a low, mid, and high risk of over run scenario for stabilizing wastewater fund reserves. Staff is recommending the mid option which slightly lowers the 1st year increase to 25%. Detailed information is provided in the presentation.

FISCAL IMPACT

The recommended increases provide revenue to meet projected expenses for operations and capital improvement needs. The average water, wastewater, stormwater, and trash utility bill will see an anticipated increase from \$116.90 per month to \$137.56 per month or a difference of \$20.66. This includes new contract pricing for the 2024-2029 solid waste contract with electric vehicles and a household that averages around 9,000 per month over the course of the year.

PROGRAM/SUB-PROGRAM IMPACT:

The program goal for Utilities is to ensure safe, reliable, great tasting water; properly treated wastewater; effective stormwater control; successfully managed solid waste; and competitive prices for all services. These annual utility rate evaluations and adjustments are essential in the administration of reasonable and justifiable prices and the responsible management of the utility system.

RECOMMENDATION:

Staff recommends approval to increase utility rates for the 2024 calendar year in the amount of 6.5% for water, 25% for wastewater and 14% for stormwater.

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ATTACHMENT(S):

1. Resolution & Rate Tables
2. Bill Insert
3. Presentation

STRATEGIC PLAN IMPACT:

☒	 Financial Stewardship & Asset Management	☒	 Reliable Core Services
☒	 Vibrant Economic Climate	☒	 Quality Programs & Amenities
☐	 Engaged Community	☐	 Healthy Workforce
☐	 Supportive Technology	☐	 Collaborative Regional Partner

**RESOLUTION NO. 17
SERIES 2024**

**A RESOLUTION SETTING CERTAIN WATER, WASTEWATER,
STORMWATER AND OTHER FEES, RATES, AND CHARGES FOR THE CITY
OF LOUISVILLE, COLORADO**

WHEREAS, pursuant to the Louisville Municipal Code, the City Council is authorized to establish certain fees, rates, and charges by resolution; and

WHEREAS, the City Council wishes to establish by this resolution the amounts of certain fees, rates, and charges commencing with the effective date of this resolution.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF LOUISVILLE, COLORADO:**

1. Pursuant to authorization in the Louisville Municipal Code, the Louisville City Council hereby establishes certain water, wastewater, stormwater and other fees, rates, and charges in accordance with the schedules and tables attached and made a part hereof.
2. The fees, rates, and charges set by this resolution shall be effective on the date of the resolution, except for the water, wastewater and stormwater user charges, which will be effective on May 1, 2024, and may thereafter be amended from time to time by resolution of the City Council.
3. The fees, rates, and charges set by this resolution shall supersede and replace any fees, rates, or charges previously set or adopted by the City Council for the same purpose. However, the same shall not be deemed to release, extinguish, alter, modify, or change in whole or in part any liability which shall have been previously incurred, and the superseded or replaced provision shall be treated and held as still remaining in force for the purpose of sustaining any judgment, decree, or order.
4. If any portion of this resolution is held to be invalid for any reason, such decisions shall not affect the validity of the remaining portions hereof.

PASSED AND ADOPTED this 19th day of March, 2024.

Christopher M. Leh, Mayor

ATTEST:

Meredyth Muth, City Clerk



WATER RATES

Effective May 1, 2024, water rates for all accounts inside city limits are as follows (outside city limits = double these rates):

May 1, 2024 RESIDENTIAL WATER RATES - 3/4" METER

GALLONS	RATE
Zero - 5,000	\$20.63 (minimum monthly charge)
5,001 - 20,000	\$20.63 for the first 5,000 gallons, plus \$5.95 for each additional 1,000 gallons (or fraction thereof)
20,001 - 30,000	\$109.88 for the first 20,000 gallons, plus \$14.80 for each additional 1,000 gallons (or fraction thereof)
30,001 - 40,000	\$257.88 for the first 30,000 gallons, plus \$15.98 for each additional 1,000 gallons (or fraction thereof)
40,001 - 50,000	\$417.68 for the first 40,000 gallons, plus \$17.08 for each additional 1,000 gallons (or fraction thereof)
50,001 and over	\$588.48 for the first 50,000 gallons, plus \$18.23 for each additional 1,000 gallons (or fraction thereof)

May 1, 2024 RESIDENTIAL WATER RATES - 1" METER

GALLONS	RATE
Zero - 5,000	\$20.63 (minimum monthly charge)
5,001 - 20,000	\$20.63 for the first 5,000 gallons, plus \$5.95 for each additional 1,000 gallons (or fraction thereof)
20,001 - 30,000	\$109.88 for the first 20,000 gallons, plus \$14.80 for each additional 1,000 gallons (or fraction thereof)
30,001 - 40,000	\$257.88 for the first 30,000 gallons, plus \$15.98 for each additional 1,000 gallons (or fraction thereof)
40,001 - 50,000	\$417.68 for the first 40,000 gallons, plus \$17.08 for each additional 1,000 gallons (or fraction thereof)
50,001 and over	\$588.48 for the first 50,000 gallons, plus \$18.23 for each additional 1,000 gallons (or fraction thereof)

**May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY
WATER RATES - 3/4" METER**

GALLONS	RATE
Zero - 20,000	\$11.36 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
20,001 - 30,000	\$77.16 for the first 20,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
30,001 - 40,000	\$158.66 for the first 30,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
40,001 - 50,000	\$246.66 for the first 40,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
50,001 and over	\$340.76 for the first 50,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY WATER RATES - 1" METER	
GALLONS	RATE
Zero - 40,000	\$22.71 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
40,001 - 60,000	\$154.31 for the first 40,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
60,001 - 80,000	\$317.31 for the first 60,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
80,001 - 100,000	\$493.31 for the first 80,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
100,001 and over	\$681.51 for the first 100,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

**May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY
WATER RATES - 1-1/2" METER**

GALLONS	RATE
Zero - 80,000	\$34.06 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
80,001 - 120,000	\$297.26 for the first 80,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
120,001 - 160,000	\$623.26 for the first 120,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
160,001 - 200,000	\$975.26 for the first 160,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
200,001 and over	\$1,351.66 for the first 200,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

**May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY
WATER RATES - 2" METER**

GALLONS	RATE
Zero - 160,000	\$45.36 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
160,001 - 240,000	\$571.76 for the first 160,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
240,001 - 320,000	\$1,223.76 for the first 240,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
320,001 - 400,000	\$1,927.76 for the first 320,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
400,001 and over	\$2,680.56 for the first 400,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

**May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY
WATER RATES - 3" METER**

GALLONS	RATE
Zero - 320,000	\$90.85 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
320,001 - 480,000	\$1,143.65 for the first 320,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
480,001 - 640,000	\$2,447.65 for the first 480,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
640,001 - 800,000	\$3,855.65 for the first 640,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
800,001 and over	\$5,361.25 for the first 800,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

**May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY
WATER RATES - 4" METER**

GALLONS	RATE
Zero - 640,000	\$181.67 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
640,001 - 960,000	\$2,287.27 for the first 640,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
960,001 - 1,280,000	\$4,895.27 for the first 960,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
1,280,001 - 1,600,000	\$7,711.27 for the first 1,280,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
1,600,001 and over	\$10,722.47 for the first 1,600,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)

**May 1, 2024 COMMERCIAL, IRRIGATION, AND MULTIFAMILY
WATER RATES - 6" METER**

GALLONS	RATE
Zero - 1,280,000	\$363.37 (minimum monthly charge), plus \$3.29 for each 1,000 gallons (or fraction thereof)
1,280,001 - 1,920,000	\$4,574.57 for the first 1,280,000 gallons, plus \$8.15 for each additional 1,000 gallons (or fraction thereof)
1,920,001 - 2,560,000	\$9,790.57 for the first 1,920,000 gallons, plus \$8.80 for each additional 1,000 gallons (or fraction thereof)
2,560,001 - 3,200,000	\$15,422.57 for the first 2,560,000 gallons, plus \$9.41 for each additional 1,000 gallons (or fraction thereof)
3,200,001 and over	\$21,444.97 for the first 3,200,000 gallons, plus \$10.03 for each additional 1,000 gallons (or fraction thereof)



SEWER RATES

Effective May 1, 2024, sewer rates for all accounts inside city limits are as follows (outside city limits = double these rates):

May 1, 2024 SINGLE FAMILY RESIDENTIAL SEWER RATES	
RATE	DESCRIPTION
\$7.00	Monthly Volume Charge, \$ per 1,000 gallons of Average Winter Consumption (AWC). AWC =
\$4.03	Monthly Billing Charge, \$ per Bill
\$9.53	Monthly Readiness to Serve Charge, \$ per Bill

**May 1, 2024 MULTI FAMILY RESIDENTIAL
SEWER RATES**

RATE	DESCRIPTION
\$7.00	Monthly Volume Charge, \$ per 1,000 gallons of Average Winter Consumption (AWC). AWC =
\$4.03	Monthly Billing Charge, \$ per Bill
\$9.53	Monthly Readiness to Serve Charge, \$ per Dwelling Unit

May 1, 2024 COMMERCIAL SEWER RATES	
RATE	DESCRIPTION
\$7.00	Monthly Volume Charge, \$ per 1,000 gallons
\$4.03	Monthly Billing Charge, \$ per Bill
	Monthly Readiness to Serve Charge, \$ per Bill
\$9.53	3/4" Meter
\$16.62	1" Meter
\$36.40	1-1/2" Meter
\$64.45	2" Meter
\$143.90	3" Meter
\$255.03	4" Meter
\$373.32	6" Meter

**City of
Louisville** **STORMWATER RATES**

Effective May 1, 2024, stormwater rates for all accounts inside city limits are as follows (outside city limits = double these rates):

May 1, 2024 STORMWATER UTILITY RATES

RATE	DESCRIPTION
\$7.64	Monthly Billing Charge, \$ per Bill



REUSE RATES

Effective May 1, 2024, reuse water rates for all accounts inside city limits are as follows (outside city limits = double these rates):

May 1, 2024 REUSE WATER UTILITY RATES	
RATE	DESCRIPTION
75% of Residential Rate (\$4.46)	All Non-City Customer Classes - Monthly Volume Charge, \$ per 1,000 gallons
\$0.93	City Customer Class - Monthly Volume Charge, \$ per 1,000 gallons



BULK RATES

Effective May 1, 2024, bulk water rates for all permits are as follows:

May 1, 2024 BULK WATER UTILITY RATES	
GALLONS	RATE
Zero - 10,000	(included in rental rate)
10,001 and over	\$10.03 for each additional 1,000 gallons (or fraction thereof)

New water, wastewater, and stormwater rates

The City Council recently approved rate adjustments for water, wastewater, and stormwater utility service. The new rates are needed primarily to continue to fund major reconstruction projects, to ensure the City can properly maintain our utility systems, and to meet all State and Federal regulations. If you have questions about these rate changes, please contact Utility Billing at **303.335.4501** or **CustomerService@LouisvilleCO.gov**.

What does this mean for my utility bill?

The new rates will be effective in May, so you'll see the new charges on your June bill. The table below reflects the anticipated monthly impact for an average residential customer. This is just an example based on average water use — the exact impact to your bill will depend on how much water your household uses.

Service	2023	2024	2025	2026	2027	2028
Water	\$44.53	\$47.45	\$50.51	\$53.83	\$57.29	\$61.03
Wastewater	\$35.48	\$44.36	\$46.58	\$47.53	\$48.47	\$49.43
Stormwater	\$6.70	\$7.64	\$8.71	\$9.84	\$11.12	\$12.56
Combined	\$86.71	\$99.45	\$105.80	\$111.20	\$116.88	\$123.02
\$ Increase		\$12.75	\$6.34	\$5.40	\$6.14	\$5.10
% Increase		14.7%	6.4%	5.1%	5.1%	5.3%

This table does not include monthly charges for refuse, recycling and compost, which varies by home based on the sizes of your containers.

How are rate adjustments determined?

We don't take rate adjustments lightly. While City staff is always working to contain and reduce costs, we utilize a Utility Financial Model during the annual budget process to determine the rates necessary to collect enough revenue to meet each of the respective services' operations, maintenance, debt obligations, and improvements expenses.



What is the basis for these rate adjustments?

We've all experienced inflation in the form of increased costs for the goods and services we buy. Similarly, the City of Louisville has also experienced significant increases in our costs to provide and maintain service as well as the cost of constructing capital improvements. In many cases, these increases have outpaced estimates, necessitating a rate adjustment.

Convenient ways to receive and pay your bill

RECEIVE YOUR BILL:

- ① **By mail** (default)
- ② **By email** — Log into your online account to sign up to receive bills by email. Help the City save paper and reduce postage, printing, and labor costs!

PAY YOUR BILL:

- ① **Online** — Log into your online account to pay by credit card
- ② **By electronic funds transfer** — Set up automatic, recurring monthly payments directly from your bank account or a credit/debit card
- ③ **By mail** — send to City of Louisville, PO Box 173883, Denver, CO 80217-3883
- ④ **By phone** — Call 303.335.4500
- ⑤ **Drop off** — City of Louisville, 749 Main Street in Downtown Louisville

Visit LouisvilleCO.gov/UtilityBilling for more information or to log into your account.

Do you need help paying your utility bill?

We understand — financial hardships can happen to anyone. If you're having difficulty paying your City of Louisville utility bill, there may be assistance available.

City of Louisville Payment Extension Plans

Customers with a satisfactory payment history who are experiencing a financial hardship may be eligible for a payment extension plan. Contact the City of Louisville Utility Billing at **303.335.4501** to discuss.

Sister Carmen Community Center Financial Assistance

For Louisville residents experiencing financial hardships, Sister Carmen may be able to help with emergency financial assistance for rent or mortgage, utility bills, and other essential expenses. Contact **303.665.4342** for more info.

Ways to save on your water bill

In partnership with Resource Central, the City offers several programs to help you save on your bill by reducing water usage, including the Lawn Replacement Program, Slow the Flow sprinkler assessments, Waterwise Yard Seminars, and more. To learn more about these programs, visit LouisvilleCO.gov/Sustainability.



2024 Recommended Utility Rates City Council

March 19, 2024



2023 Review

- **Wet Weather.** 2023 Water Revenue down \$1 Million (20%)
- **Minimal Development** 2023 Water Tap Fees down \$1 Million (40%)
- **Continued Inflationary and Labor Cost Increase Pressure**
- **Wastewater and Stormwater were less weather dependent, minor shortages experienced. AWC or Flat Fee.**

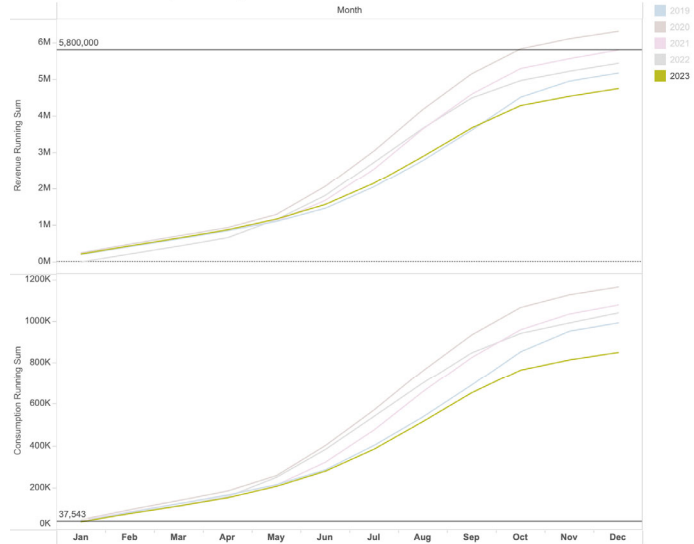


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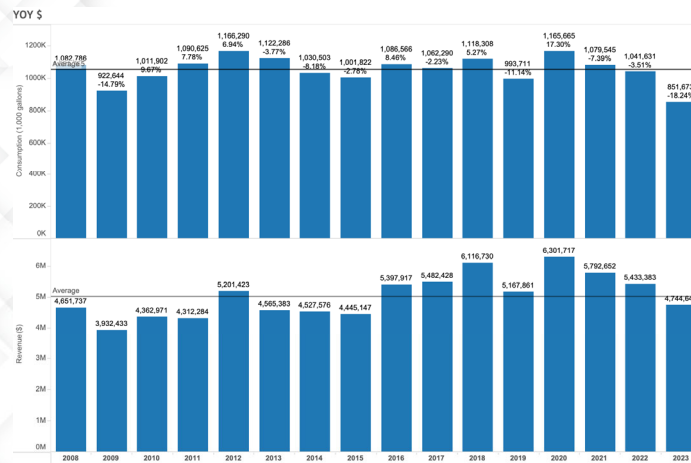
5 Year Usage and Revenue by Month

- Lowest consumption in over 30 years in 2023.
- 27% drop in consumption since 2020.
- Lowest revenue since 2015.
- 27% drop in revenue since 2020.
- Targeting \$5,800,000 and brought in closer to \$5,000,000.

YOY Cum Rev and Consumption w Target

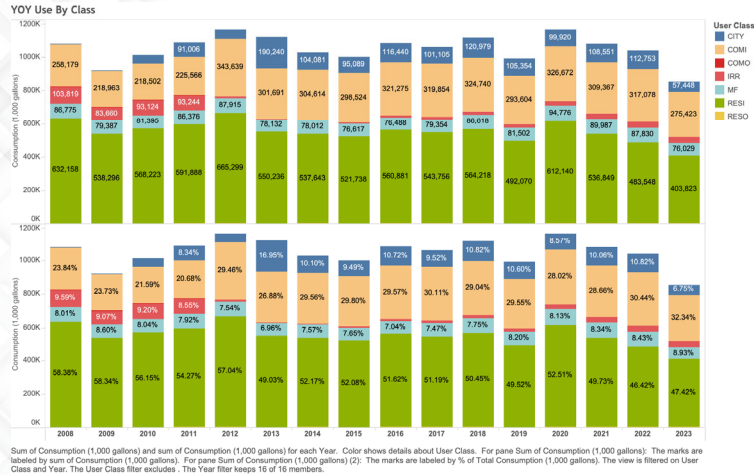


15 Year Usage and Revenue by Year



2023 is Lowest Usage Since Late 80's/early 90's

15 Year Usage by Class



5 Year Cost Pressures vs Rate Increases

Water Fund by Divisions	2019 Actuals	2023 Budget	% Increase
User Revenues			2%
Central Fund	\$ 490,537	\$ 753,380	35%
Utility Billing	\$ 133,414	\$ 168,474	21%
Water Utility Engineering	\$ 75,392	\$ 131,987	43%
Water Plant Operations	\$ 1,317,251	\$ 1,917,076	31%
Raw Water Operations	\$ 668,341	\$ 1,040,335	36%
Water Distribution	\$ 438,944	\$ 667,045	34%
Water Treatment Plant Building Maintenance	\$ 239,961	\$ 266,762	10%
Debt Service	\$ 980,550	\$ 988,050	1%
Total	\$ 4,344,390	\$ 5,933,109	27%

Product	5 Year Increase
Milk	35%
Hamburger (1lb)	43%
Bread	44%
Eggs	25%
Coffee (1lb)	28%
CDOT CCI	63%
Denver CCI	23%
Denver BCI	27%
Water Sewer Trash Index	18%
COL Water Rate	2% (\$0.88)
COL Wastewater Rate	25% (\$4.93)
COL Stormwater Rate	43% (\$1.12)
5 Yr COL Combined (2019-2023)	9% (\$6.93)
6 Yr COL Proposed (2019-2024)	25% (\$19.67)

Utility Rates Past and Proposed Scenario (CIP and Stabilize Cash Reserve, A + B)

Utility	2016	2017	2018	2019	2020	2021	2022	2023
Water	13%	0%	3%	0%	0%	2%	0%	0%
Wastewater	13%	7%	7%	7%	0%	4%	4%	8%
Stormwater	0%	4%	7%	18.5%	0%	5%	5%	9%

Utility	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Water	6.5%	6.5%	6.5%	6.5%	6.5%	4%	4%	2%	2%	2%
Wastewater	25%	5%	2%	2%	2%	2%	2%	2%	2%	2%
Stormwater	14%	14%	13%	13%	13%	13%	0%	0%	0%	0%

Average^(*) Monthly Residential Bill:

	Current 2023	Proposed 2024	Difference	Percent Increase
Water	\$44.53	\$47.45	\$2.92	6.6% ⁽²⁾
Wastewater	\$35.48	\$44.36	\$8.88	25%
Stormwater	\$6.70	\$7.64	\$0.94	14%
Total	\$86.71	\$99.45	\$12.74	14.7%

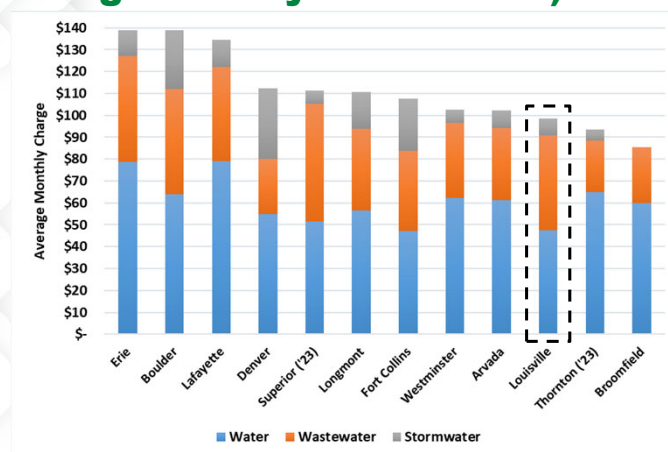
**Based on average usage of approx. 9,220 gallons. Actual bills will be dependent on usage and will vary based on seasonal fluctuation.*

(2) Percentage difference result from rounding error

Overview

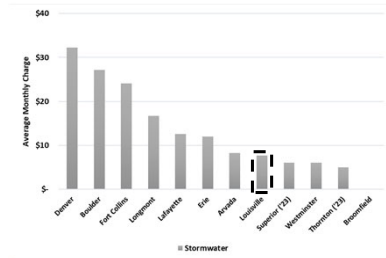
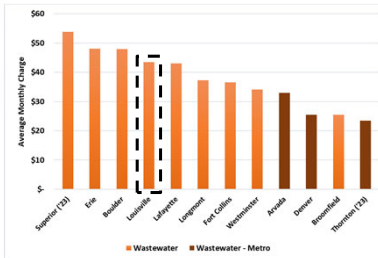
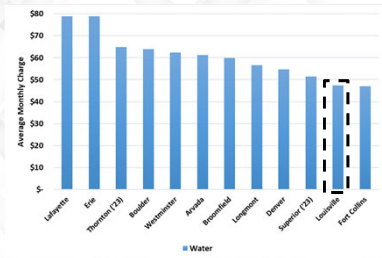
- Surrounding Community Rate Comparison
- Baseline Financial Equation
- Background
 - Rate Planning
 - Debt Coverage
 - Cash Reserves
 - Turnback
 - Tap Fees
 - Long Term CIP Planning
- Rate Scenarios (Reviewed and Approved Annually)

2024 Average Monthly Water, Wastewater & Storm Rates (Louisville Single Family Residential)



* Based on average usage of approx. 9,220 gallons. Actual bills will be dependent on usage and will vary based on seasonal fluctuation.

2024 Average Monthly Water, Wastewater & Storm Rates (Louisville Single Family Residential)

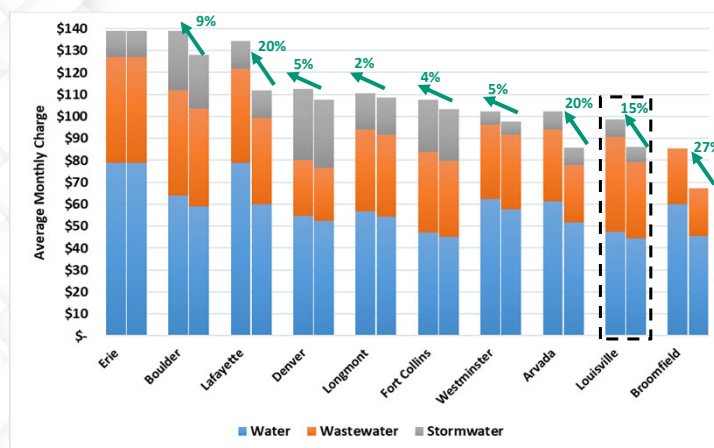


* Based on average usage of approx. 9,220 gallons. Actual bills will be dependent on usage and will vary based on seasonal fluctuation.



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2023 & 2024 Comparison Average Monthly Water, Wastewater & Storm Rates (Louisville Single Family Residential)

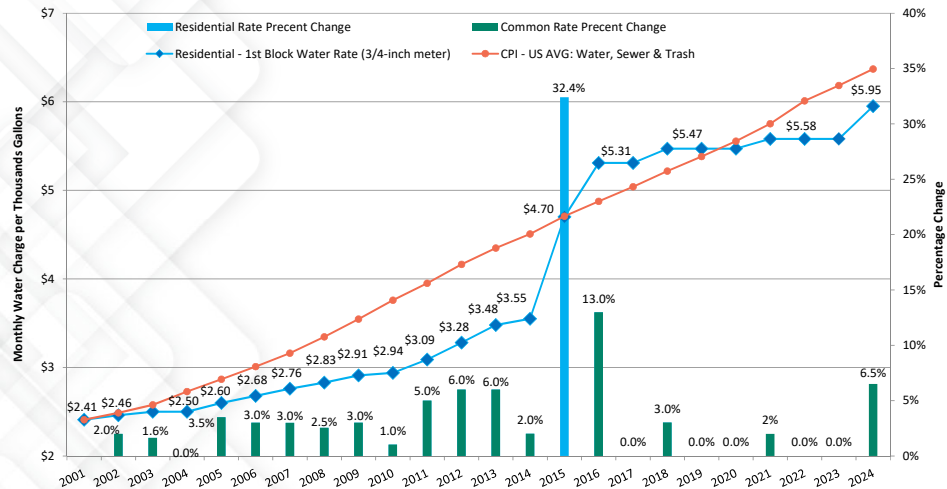


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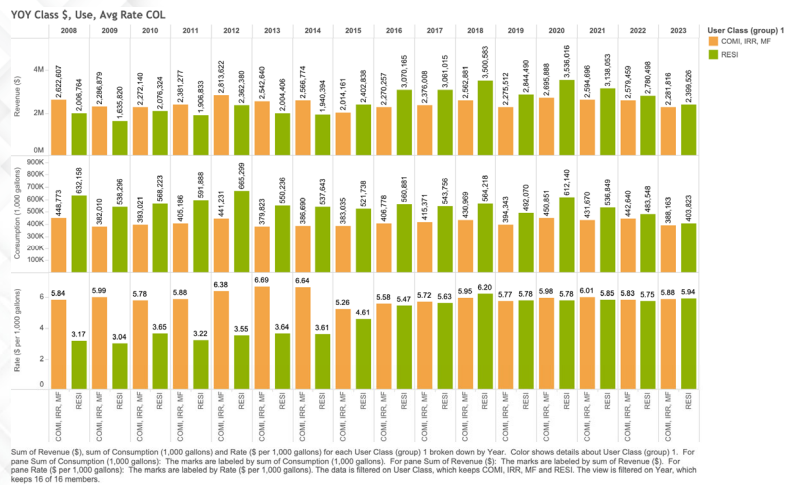
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Water Rate Increases vs WST



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Cost of Service (Rate Equity)



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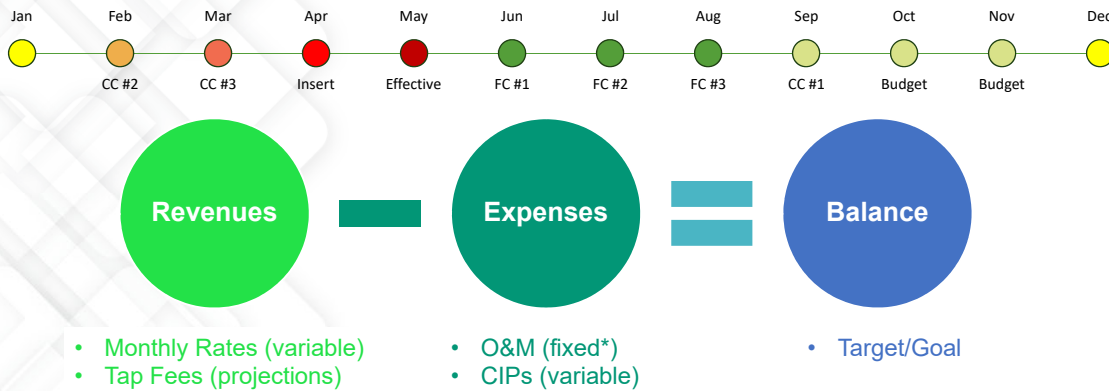
Sister Carmen Data



Rate Planning Background

Period	1. Financial Rate Model	2. Rate Planning	3. Debt Service Ratio	4. Cash Reserves	5. O&M Turnback	6. Tap Fees	7. Long Term Planning (CIP's)
Pre 2013	No	Just in Time	Water: 1.2 Sewer: 1.2 Storm: 1.3	N/A	0%	Minimal	Reactive
2013 to 2016	Yes (Consultant)	Smoothing	Water: 1.2 Sewer: 1.2 Storm: 1.3	120 days	0%	Development Projections (1 yr Arrears)	10 yr
2016 to 2020	Yes (Internal)	Smoothing	Water: 1.2 Sewer: 1.2 Storm: 1.3	120 days	0%	Development Projections (1 yr Arrears)	10 yr
2020 to 2023	Yes (Internal)	Smoothing	Water: 1.2 Sewer: 1.2 Storm: 1.3	90 days	0%	Development Projections (Current Year)	10 yr
2024+	Yes (Internal)	Smoothing	Water: N/A Sewer: 1.2 Storm: 1.3	90 days + Capital Reserve	10%	Development Projections (Current Year)	10+ yr Asset Depreciation

1. Financial Rate Modeling & Timeline



** Majority of Utility O&M costs (chemicals, electricity, repairs, staffing, etc.) are fixed.*

2. Rate Planning Approaches

1. Just in Time

- Revenue increases are aligned for each utility fund to maintain immediate financial self-sufficiency in the year when the expense is budgeted.

2. Smoothing

- Revenue increases are gradually imposed over several years to establish reserves to fund expenses.
- Used since 2013 and recommended.

3A. Debt Service Requirements

1. Debt Service Coverage (DSC):

- Ratio of net revenues (operating revenue less operating expense) to annual debt service payment.

2. Industry Target DCS Philosophy

- Ensure legal DSC minimums are met even if revenue forecasts are not achieved.
- Maintain credit ratings.

3B. Debt Service Coverage

Minimum target represented by the combination of all three Utility Funds

Required DSC Ratio

Colorado Water Resources and Power Development Authority	1.10 (retires 2035)
2013 Water and Wastewater Enterprise Revenue Bonds	1.15 (retires 2024)

Dual Target DSC Ratio

Fund	w/o Tap Fees	with Tap Fees
Water	1.2	1.4
Wastewater	1.2	1.3
Storm	1.3	1.3 ⁽¹⁾

(1) A tap fee for the Stormwater utility has not been established, therefore the dual target is not used

3C. City Utility Debt

Utility	Debt Service Payment (\$million)						
	2024	2025	2026	2027	2028	2029	2030
Water	\$0.9M	\$0	\$0	\$0	\$0	\$0	\$0
Wastewater	\$1.3M	\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$2.0M
Stormwater	\$0.3M	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.4M
Total	\$2.5M	\$2.5M	\$2.4M	\$2.4M	\$2.4M	\$2.4M	\$2.4M

4A. Cash Reserves Policy

1. Current Modeled Cash Reserves

- 90 Days Cash or 25% of Total O&M

2. Working Capital Reserves Policy (Section 2.4)

- 25% of Current Operating Expenses

4B. Utility Cash Reserves History



4C. Cash Reserve Policy

2025 PROJECTIONS	Water	Wastewater	Stormwater	Variability
Avg. Revenue	\$6.1M	\$4.9M	\$1.4M	Med
Debt	N/A	\$2.0M	\$0.4M	Low
O&M Expenses	\$5.0M	\$2.8M	\$0.5M	Low – Med
Net	\$1.1M	\$0.1M	\$0.5M	
CIP Ranges	\$10k - \$6M	\$10k - \$6M	\$10k - \$6M	Med - High
Rate Sensitivity to Change	Low - Med	High	High	
Tap Fees	\$180k - \$2M	\$10k - \$230k	N/A	High
Avg. Monthly Bills	\$45 (9k gals)	\$41 (4k gals)	\$8 (SFEQ)	Low

4D. Proposed Cash Reserve Policy

- 90 days cash or 25% of Total O&M
- Additional 2% Fixed Capital Assets (Proposed Change)
 - Water \$3M (2% of \$150M) effective 2024
 - Wastewater \$1M (2% of \$50M) effective 2025

5. O&M Turnback

Utility Turnback	2016	2017	2018	2019	2020	2021	2022	2023 est.*
Water	16.1%	33.1%	21.4%	20.4%	4.2%	-1.7%	-24.5%	4.2% to 11.7%
Wastewater	10.9%	7.6%	12.6%	15.4%	3.5%	5.3%	-11.1%	-3.4% to 5.5%
Stormwater	11.3%	19.4%	21.4%	7.8%	11%	2%	-9.7%	0.8% to 11.3%

* pending 2023 closeout: low range is best estimate, high range is current actuals

Utility Rates	Turnback	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Water	10%	6.5%	6.5%	6.5%	6.5%	6.5%	4%	4%	2%	2%	2%
Water	0%	8.6%	8.6%	8.6%	8.6%	8.6%	4%	4%	2%	2%	2%
Wastewater	10%	25%	5%	2%	2%	2%	2%	2%	2%	2%	2%
Wastewater	0%	30%	12%	2%	2%	2%	2%	2%	2%	2%	2%
Stormwater	10%	14%	14%	13%	13%	13%	13%	0%	0%	0%	0%
Stormwater	0%	15%	15%	14%	14%	14%	14%	0%	0%	0%	0%

6. Tap Fee Projections

Utility	2023	2024	2025	2026	2027	2028	2029	Total
Water	\$1.7M	\$2.1M	\$2.2M	\$1.6M	\$1.8M	\$1.7M	\$0.2M	\$11.3M
Wastewater	\$284k	\$199k	\$244k	\$148k	\$188k	\$170k	\$9k	\$1.2M

** includes tap fee projections for the Redtail Ridge Development in 2024-2026*

7. Long Term Planning

- 2023 Rollover (Projects in Progress)
- Current/Future Project Cost Estimate Evaluation and Updating
- New Capital Planning (Maintenance, End of Life, Regulatory, External Factors)
- Total Increase in 2023-2028 CIP Plan
 - Water \$4.7 Million
 - Wastewater \$725,000
 - Stormwater \$1.2 Million

Water Rate Scenarios Considered

Scenario	Inflation	CIP Planning	Cash Reserve	Tap Fees	Wildfire Resiliency	Loan	Modeled Turnback
Baseline		2023-24 Biennial	90 days	2023 Projection	\$0	\$0	10%
A: CIPs		New CIPs	90 days	2023 Projection	\$0	\$0	10%
A + B: New Cash Reserve			90 days + 2% assets	2023 Projection	\$0	\$0	10%
A + B + C: 50% Tap Fee Reduction				50% Reduction	\$0	\$0	10%
A + B + D: Wildfire Meter Resiliency				2023 Projection	\$12M	\$0	10%
A + B + D2: Resiliency w/ CWCB Loan				2023 Projection	\$12M	\$12M	10%
A + B + E: Turnback				2023 Projection	\$0	\$0	0%

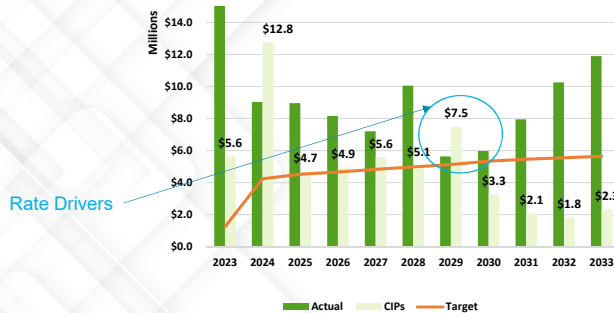
Rate Impacts Summary (Water)

Scenario	Rate Adjustment	Annual Increases	5yr Cumulative Impact
Baseline	N/A	2.7% ('24-'28)	N/A
A: CIPs		4.6% ('24-'28)	+10% to 13%
A + B: New Cash Reserve		6.5% ('24-'28)	+10% to 13%
A + B + C: 50% Tap Fee Reduction		11% ('24-'28)	+35% to 45%
A + B + D: Wildfire Meter Resiliency		37% ('24 & '25) and 0% ('26-'28)	+45% to 55%
A + B + D2: Resiliency w/ CWCB Loan		12.5% ('24-'28)	+35% to 45%
A + B + E: Turnback at 0%		8.6% ('24-'28)	+13% to 15%

WATER: A + B Recommendation

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
6.5%	6.5%	6.5%	6.5%	6.5%	4%	4%	2%	2%	2%

Smoothing: Cash Reserves (6.5% for 2024)

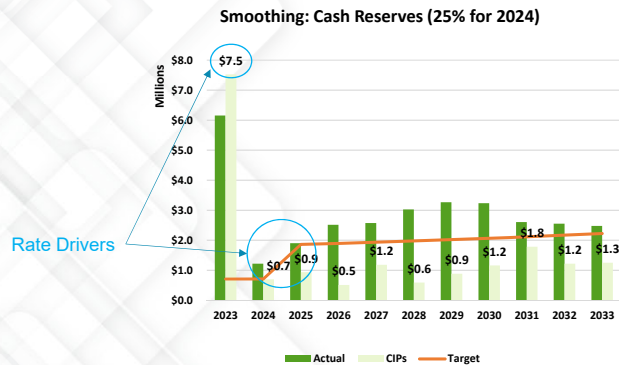


Rate Impacts Summary (Wastewater)

Scenario	Cash Reserve	Reserve	Risk	Annual Increases	3yr Cumulative Impact
Baseline	90 days	2024: \$1.1M 2025: \$0.9M 2026: \$1.0M	N/A	2024: 11.3% 2025: 11.3% 2026: 5.1%	N/A
A: CIPs	90 days	2024: \$0.8M 2025: \$1.1M 2026: \$1.4M	N/A	2024: 11% 2025: 11% 2026: 5%	N/A
A + B: New Cash Reserve	90 days + 2% Capital (2024)	2024: \$1.4M 2025: \$2.2M 2026: \$2.8M	Low	2024: 30% 2025: 2% 2026: 2%	+4% to 6%
A + B: New Cash Reserve	90 days + 2% Capital (2025)	2024: \$1.2M 2025: \$1.9M 2026: \$2.5M	Mid	2024: 25% 2025: 5% 2026: 2%	+3% to 5%
A + B: New Cash Reserve	90 days + 2% Capital (2026)	2024: \$0.9M 2025: \$1.1M 2026: \$1.9M	High	2024: 12.1% 2025: 12.1% 2026: 12.1%	+10% to 11%

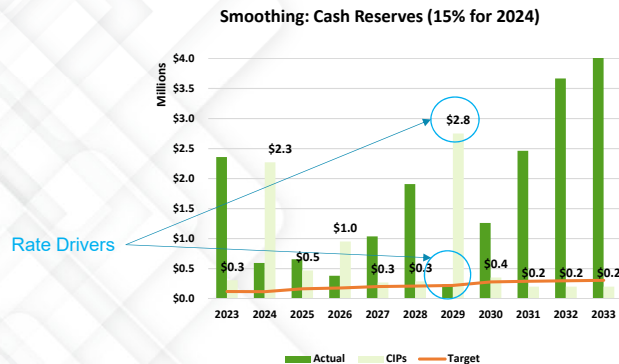
WASTEWATER: A + B Recommendation

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
25%	5%	2%	2%	2%	2%	2%	2%	2%	2%



STORMWATER: A + B Recommendation

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
14%	14%	13%	13%	13%	13%	0%	0%	0%	0%



April Bill Insert



2024 Utility Rate Adjustments

New water, wastewater, and stormwater rates

The City Council recently approved rate adjustments for water, wastewater, and stormwater utility service. The new rates are needed primarily to continue to fund major reconstruction projects, to ensure the City can properly maintain our utility systems, and to meet all State and Federal regulations. If you have questions about these rate changes, please contact Utility Billing at 303.335.4501 or CustomerService@LouisvilleCO.gov.

What does this mean for my utility bill?

The new rates will be effective in May, so you'll see the new charges on your June bill. The table below reflects the anticipated monthly impact for an average residential customer. This is just an example based on average water use — the exact impact to your bill will depend on how much water your household uses.

Service	2023	2024	2025	2026	2027	2028
Water	\$44.53	\$47.45	\$50.51	\$53.83	\$57.29	\$61.03
Wastewater	\$35.48	\$44.36	\$46.58	\$47.53	\$48.47	\$49.43
Stormwater	\$6.70	\$7.64	\$8.71	\$9.84	\$11.12	\$12.56
Combined	\$86.71	\$99.45	\$105.80	\$111.20	\$116.88	\$123.02
\$ Increase		\$12.75	\$6.34	\$5.40	\$5.68	\$5.10
% Increase		14.7%	6.4%	5.1%	5.1%	5.2%

This table does not include monthly charges for refuse, recycling and compost, which varies by home based on the size of your compost.

How are rate adjustments determined?

We don't take rate adjustments lightly. While City staff is always working to contain and reduce costs, we utilize a Utility Financial Model during the annual budget process to determine the rates necessary to collect enough revenue to meet each of the respective services' operations, maintenance, debt obligations, and improvements expenses.



What is the basis for these rate adjustments?

We've all experienced inflation in the form of increased costs for the goods and services we buy. Similarly, the City of Louisville has also experienced significant increases in our costs to provide and maintain service as well as the cost of constructing capital improvements. In many cases, these increases have outpaced estimates, necessitating a rate adjustment.

Convenient ways to receive and pay your bill

RECEIVE YOUR BILL:

- **By mail (default)**
- **By email** — Log into your online account to sign up to receive bills by email. Help the City save paper and reduce postage, printing, and labor costs!

PAY YOUR BILL:

- **Online** — Log into your online account to pay by credit card
- **By electronic funds transfer** — Set up automatic, recurring monthly payments directly from your bank account or a credit/debit card
- **By mail** — send to City of Louisville, PO Box 173883, Denver, CO 80217-3883
- **By phone** — Call 303.335.4500
- **Drop off** — City of Louisville, 749 Main Street in Downtown Louisville

Visit LouisvilleCO.gov/UtilityBilling for more information or to log into your account.

Do you need help paying your utility bill?

We understand — financial hardships can happen to anyone. If you're having difficulty paying your City of Louisville utility bill, there may be assistance available.

City of Louisville Payment Extension Plans

Customers with a satisfactory payment history who are experiencing a financial hardship may be eligible for a payment extension plan. Contact the City of Louisville Utility Billing at 303.335.4501 to discuss.

Sister Carmen Community Center Financial Assistance

For Louisville residents experiencing financial hardship, Sister Carmen may be able to help with emergency financial assistance for rent or mortgage, utility bills, and other essential expenses. Contact 303.465.4342 for more info.

Ways to save on your water bill

In partnership with Resource Central, the City offers several programs to help you save on your bill by reducing water usage, including the Low Water Requirement Program. See the Free sprinkler assessments, Waterwise Test Seminars, and more. To learn more about these programs, visit LouisvilleCO.gov/Sustainability.



3/19/2024