

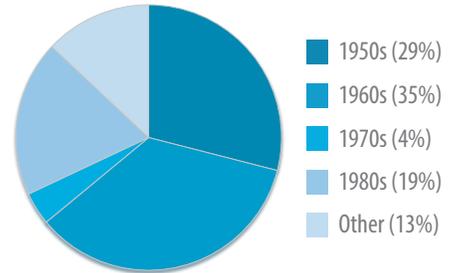
2015 UTILITY RATE CHANGES

DRAFT DOCUMENT

Why are rate increases needed?

- To allow for the rehabilitation of aging infrastructure.
- To invest in and accelerate public infrastructure projects that have gained increased community support since the 2013 flood.
- To speed up high-priority projects, like sanitary sewer inspections and pipe lining, allowing them to be completed in 5 to 20 years instead of 45 years.
- To make critical investments in public infrastructure while keeping rates competitive with other Front Range utility costs (*shown below*).

Wastewater Collection System and Decade of Installation



How much are rates increasing?

Rate increases due to construction cost escalation and new regulations are typically 4 to 10 percent in any given year for each of the three utilities (water, wastewater and stormwater/flood). However, the 2013 flood has raised public awareness around system vulnerabilities and generated support for additional investment to reduce the impact of future flooding. The city is currently considering a 5 percent increase for water, 25 percent increase for wastewater and 71 percent increase for stormwater and flood management.

During the 2013 flood, Boulder received a year's worth of rain (about 17") in eight days. Aging sanitary sewer pipes (many of them made of clay) were heavily impacted. The city's Wastewater Treatment Facility, which usually processes 12 million gallons of wastewater per day, processed over 50 million gallons per day during the flood due to floodwater and groundwater entering the pipes and manholes.

5%

The city has 400 miles of water pipes, two water treatment facilities, and several reservoirs and dams.



25%

The city has 355 miles of sanitary sewer pipe, more than 9,200 manholes and one wastewater treatment facility.



71%

There city has 15 major drainageways (with a total length of 45 miles, the distance from Boulder to DIA). There are 160 miles of storm drain pipes and 4,800 catch basins that collect surface water and deliver it to creeks.



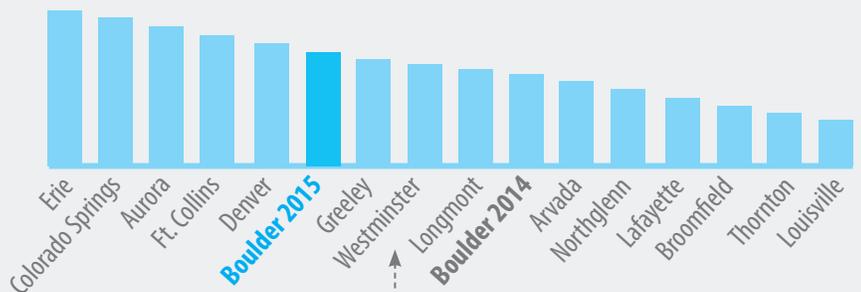
What does this mean for my water bill? *(see back for a detailed bill comparison)*

PROJECTED MONTHLY INCREASE TO CUSTOMER BILLS

(The values below are sample estimates of potential 2015 increases)

Single-family Residence	\$13.13
Hotel	\$575
Grocery Store	\$1,328
Large Format Retailer	\$822
Pearl Street Retailer	\$21
Industrial/Institutional	\$1,340
Downtown Restaurant	\$55
Downtown Brewpub	\$116

HOW DO THE PROPOSED RATES COMPARE WITH OTHER CITIES 2014 RATES?



Boulder is considered the #1 risk for flash floods in Colorado. Some communities do not have a stormwater and flood management utility and many with lower risks spend fewer dollars. When comparing only water and wastewater rates, Boulder ranks lower (as indicated by the dotted line).

Estimated Water Bill After Rate Increases

The following example uses a common single-family customer and meter size.

Example of a Customer's Current Bill

WATER			
Water Service Charge			\$9.40
Block	Rate	Usage	Cost
Block 1	\$2.42	10	\$24.00
Block 2	\$3.23	1	\$3.00
Block 3	\$6.46	0	\$0.00
Block 4	\$9.69	0	\$0.00
Block 5	\$16.15	0	\$0.00
Total Quantity		11	\$27.00
Total Water			\$36.83
WASTEWATER			
Wastewater Service Charge			\$1.10
Sewer Quantity	\$4.43	7	\$22.15
Total Wastewater			\$23.25
STORMWATER			
Stormwater/Flood Management			\$7.69

Total Bill **\$67.77**

Example of a Customer's Future Bill

WATER			
Water Service Charge			\$9.67
Block	Rate	Usage	Cost
Block 1	\$2.55	10	\$26.00
Block 2	\$3.40	1	\$3.00
Block 3	\$6.80	0	\$0.00
Block 4	\$10.20	0	\$0.00
Block 5	\$17.00	0	\$0.00
Total Quantity		11	\$29.00
Total Water			\$38.67
WASTEWATER			
Wastewater Service Charge			\$1.38
Sewer Quantity	\$5.54	5	\$27.70
Total Wastewater			\$29.08
STORMWATER			
Stormwater/Flood Management			\$13.15

Total Bill **\$80.90** ----- Total Increase \$13.13

5%
Increases \$1.84

25%
Increases \$5.83

71%
Increases \$5.46

Estimate Your Own Bill Using the New Rates

WATER ESTIMATE				
Total Water	Multiplied by the	Percent Increase (5%)	Equals	Cost
"Total Water" From Your Current Bill	X	1.05	=	\$ NEW WATER COST ----- A

WASTEWATER ESTIMATE				
Total Wastewater	Multiplied by the	Percent Increase (25%)	Equals	Cost
"Total Wastewater" From Your Current Bill	X	1.25	=	\$ NEW WASTEWATER COST ----- B

STORMWATER ESTIMATE				
Total Stormwater	Multiplied by the	Percent Increase (71%)	Equals	Cost
"Total Stormwater" From Your Current Bill	X	1.71	=	\$ NEW STORMWATER COST ----- C

Total Bill = Sum of A+B+C