

STANDARD (NON-EMERGENCY) REGULATION/RULE

Rule 11-1-3.A(21)

ESTABLISHING THE METHODOLOGY TO DETERMINE THE MONTHLY WATER BUDGET FOR THE COMPONENT OF THE MONTHLY WATER USER CHARGES KNOWN AS THE TREATED WATER QUANTITY CHARGE, AND TO DETERMINE THE MONTHLY WASTEWATER USER CHARGES

BRC Section that is the subject of this Rule: Chapter 11-1 and Section 4-20-25, BRC 1981

1. This Rule incorporates the guidance, requirements, rules and regulations shown in **Attachment A**.
2. To the extent only of any conflict, this Rule supersedes any conflicting Rules or parts of Rules, and this Rule supersedes in its entirety, Rule 11-1-3.A(09).

ATTACHMENT A

1. Purpose and Applicability.

The monthly water user charges set forth in Section 4-20-25, B.R.C. 1981, identify two components for the monthly charges that are billed to consumers. Section 4-20-25(a), B.R.C. 1981, sets forth the treated water monthly service charge which is a fixed amount based on the meter size. Section 4-20-25(b) sets forth the treated water quantity charges which vary depending on use. Beginning in January 2007, the treated water quantity charge portion of water bills were calculated using a water budget block rate structure such that the price of water increases as more water is used, particularly when the amount of water used exceeds the customer's water budget. The increasing price is necessary not only to promote water conservation, but also is related to the additional marginal cost associated with water development and water conservation.

The purpose of this rule is to establish a methodology that shall be utilized to determine the monthly water budget for the treated water quantity charge, and for determining the monthly wastewater user charges, pursuant to the city's utility rate structure study considered by City Council on May 2, 2017. This rule establishes a system whereby the revenue produced will meet the treated water quantity charge portion of the revenue requirements for the water utility enterprise. This rule does not include or apply to the treated water monthly service charges set forth at Section 4-20-25(a), B.R.C. 1981.

It is also the purpose of this rule to establish a rate structure that will promote water conservation and the efficient use of water, support community goals, reflect the value of water, send a price signal to customers who waste water, and avoid the costs of new water development and expanded water treatment.

2. Definitions and Abbreviations.

"AMU" means average monthly use.

"AWC" means the average monthly water consumption as reflected on a customer's bill from December through March.

"CII" means Commercial/Industrial/Institutional.

"ET" means evapotranspiration (also, see ET Rate).

"ET rate" means the amount of water (in inches) a lawn will use on any specific day through the natural processes of surface evaporation and plant transpiration (loss of water through the leaves). The historic monthly ET rate is specifically defined in the following chart:

Historic Monthly ET Rate		
Month	ET (inches)	Share of Annual Outdoor Allocation
January	0.00	0%
February	0.00	0%
March	0.40	1%
April	2.72	7%
May	5.10	14%
June	7.52	20%
July	7.60	20%
August	6.67	18%
September	4.43	12%
October	2.92	7%
November	0.32	1%
December	0.00	0%
Total	37.68	100%

“GPSF” means gallons per square foot. “HMU” means historical monthly use.

“Irrigable area” means the area (in square feet) that a customer is required to maintain pursuant to Title 6, Title 8 and Title 9, B.R.C. 1981, is not covered by a hard surface (such as a roof, driveway, patio or sidewalk) and that may require some outdoor watering. Right-of-way may be included as part of a customer’s irrigable area but the city’s geographical information system (“GIS system”) may not automatically include city right-of-way. Customers may seek inclusion of right-of-way pursuant to paragraph 7 below.

“Kgal” means thousand gallons.

“Monthly water budget” means the amount of water allocated to the water utility customer to meet that customer’s anticipated water needs for the month. The monthly water budget shall be the sum of the indoor and/or outdoor allocation for each water utility customer. The allocation shall be based on reasonable and necessary indoor and/or outdoor use, water conservation, and other relevant factors associated with water use in the city.

“Public ROW” means public right-of-way.

3. Block Rate Structure for Treated Water Quantity Charges.

The block rate structure established in Section 4-20-25(b)(1), B.R.C. 1981, is utilized in conjunction with the monthly water budget in order to determine the bill for each customer on a monthly basis. The monthly water budget represents the amount of water allocated to a customer to meet the anticipated watering needs for the month. Customers are billed for the amount of water they use each month, not for their budgeted amount of water. The amount billed per Kgal increases as customers use more water. (See table below.)

	Block Rate (per Kgal)	Rate (per Kgal)	Block Size (% of water budget)
Block 1	Each Block Rate will be as reflected in Section 4-20-25 (b)(1), B.R.C. 1981	$\frac{3}{4}$ Base Rate	0 – 60%
Block 2		Base Rate	61 – 100%
Block 3		2 x Base Rate	101 – 150%
Block 4		3 x Base Rate	151 – 200%
Block 5		5 x Base Rate	Greater than 200%

Some customers have a “looped” water system in which multiple water meters are used in an effort to increase reliability and to provide redundancy to their water system. In these “looped” water systems, water meter accounts will be combined for budgeting and billing purposes.

4. Customer Classes.

This rule establishes four different customer classes: single-family residential, multifamily residential, CII and metered irrigation. CII will have four sub-customer classes: 1) CII AWC (default option); 2) CII HMU; 3) CII indoor/outdoor, and 4) CII efficiency standard. The method used to calculate the water budget for each of these classes and sub-customer classes is described below. The bills for all customer classes utilize the customer’s water budget amount which is then applied to the block rates to determine the monthly water bill.

a. Single-Family Residential

The single-family residential customer’s budget shall consist of indoor and outdoor allocations for water. The indoor allocation for each customer with a household size of up to four people shall be set at 6,000 gallons per month. The outdoor allocation shall be based on customer-specific irrigable area as determined by the city’s GIS system. This system maps and calculates areas within defined property boundaries and hard surface boundaries. The total annual outdoor allocation shall be based on the following application rates:

- For the first 5,000 square feet of irrigable area: 15 gpsf
- For the next 9,000 square feet of irrigable area: 12 gpsf
- For irrigable area in excess of 14,000 square feet: 10 gpsf.

In order to reflect varying seasonal outdoor monthly watering requirements, the total annual allocation of water for irrigable area shall be distributed to each month based upon that month’s annual outdoor amount as described by the historic monthly ET rate.

Customers are able to base their budget on an amount less than their total irrigable area.

Single-family residential customers may seek water budget adjustments pursuant to paragraph 7 below.

b. Multifamily Residential

The multifamily residential customer’s budget shall consist of indoor and outdoor allocations. The indoor allocation for each residential dwelling unit shall be set at 4,000 gallons per month. The outdoor allocation shall be based on customer-specific irrigable area as determined by the city’s GIS system and a total annual application rate of 15 gpsf. In order to reflect varying seasonal outdoor monthly watering requirements, the total annual allocation of water for irrigable area shall be

distributed to each month based upon that month's annual outdoor amount as described by the historic monthly ET rate.

Customers are able to base their budget on an amount less than their total irrigable area and will be allocated 15 gpsf for the total amount of the reduced area.

Multifamily residential customers may seek water budget adjustments pursuant to paragraph 7 below.

c. Commercial/Industrial/Institutional (Non-residential)

1. CII Customer Budgets - Existing

- 1) CII HMU customer budgets shall be based on the most recent three-year historical average for water use for each month and recalculated every year. January three-year historical average would become the January water budget, February three-year historical average would become the February water budget, etc. HMU will result in monthly wastewater charges based on all water used, which could include water used for irrigation.
- 2) CII AWC customer budgets shall be based on an indoor allocation as determined by the customer's most recent average winter consumption (AWC). CII AWC customers with irrigable area associated with their account will have an outdoor allocation based on the irrigable area (including public ROW), using an application rate of 15 GPSF and apportioned monthly using the historical monthly ET rate. Public ROW will automatically be included in the irrigable area for CII AWC customers. CII AWC customers will be billed wastewater charges on actual water used or indoor budget allocation (AWC) whichever is lower, for the billing period.
- 3) CII efficiency standard customer budgets shall be determined by a specific review of the customer's indoor and outdoor uses based on reasonable and documented efficiency standards as determined in the methodology described in paragraph 6 below. CII efficiency standard customers will be billed wastewater charges on actual water used or indoor budget allocation, whichever is lower, for the billing period.

2. CII PIF Custom Customer Budgets - New or Redevelopment

- 1) New or existing CII customers who are placing an increased demand on the city's water system must determine the appropriate meter size and select an annual budget. These customers will use the CII Plant Investment Fee (PIF) custom annual budget which is based on 25, 50 or 85 percent of the AWC for a specified meter size (see table below). The CII PIF customer may then select how this annual water budget is distributed throughout the twelve months. This annual budget distribution may be specified by the CII PIF customer once per year.

TABLE: Annual Water Budget Based on AWC (gallons)

Meter Size	25% AWC	50% AWC	85% AWC
3/4"	N/A	30,000	165,000
1"	42,000	108,000	503,000
1-1/2"	99,000	228,000	924,000
2"	183,000	483,000	1,941,000

- 2) Mixed-use properties water budget will be calculated based on a combination of the amount they have purchased based on the meter size for the CII portion of the building, and the number of dwelling units and bedrooms for the multifamily portion of the building, as described in these rules.
- 3) New CII customers that have water meter(s) larger than 2" will be allocated an efficiency standard custom budget as indicated in paragraph 6 below.
- 4) CII customers may seek water budget adjustments pursuant to paragraph 7 below.

d. Metered Irrigation

Metered irrigation customer budgets shall be based on customer-specific irrigable area as determined by the city's GIS system, and an annual application rate of 15 gpsf. The budget shall change each month based upon that month's share of annual outdoor allocation described by the historic ET rates, except that metered irrigation accounts will be given an additional 1% of their annual outdoor watering budget for each month in December, January and February. The purpose of this additional 1% is to establish a monthly water budget that is greater than zero and allows for some limited outdoor watering. Public ROW will automatically be included and added to the irrigable area for all metered irrigation accounts.

Customers are able to base their budget on an amount less than their total irrigable area and will be allocated 15 gpsf for the total amount of the reduced area.

Metered irrigation customers may seek water budget adjustments pursuant to paragraph 7 below.

5. Standards and Practices Regarding Water Audits for CII Customers That Request the Efficiency Standard Water Budget Option.

The CII efficiency standard water budget option is intended to provide a customer-specific water budget (indoor allocation and outdoor allocation) that is determined by a specific review of the customer's indoor and outdoor uses, needs and facilities, by a Colorado registered professional engineer with a focus on various components, including without limitation:

- industrial or production processes,
- bathroom and locker rooms,
- kitchen and food preparation areas,
- cooling and heating facilities,
- humidity control, and

- aquatics or pool needs.

The purpose of the customer-specific review is to develop a monthly indoor water allocation based on reasonable and documented efficiency standards and, if needed, a monthly outdoor allocation. If a customer has any irrigable area that is not included in a separate metered irrigation-only account, the irrigable area size should be included for use in the CII Efficiency Standard option. The monthly outdoor allocation shall be based on the irrigable area (including public ROW), an application rate of 15 GPSF and apportioned monthly using the historical monthly ET rate. Because plant materials, irrigation systems components, weather, soil conditions, etc, are not needed in determining the outdoor allocation, it is not necessary to have a landscape architect or a certified landscape irrigation auditor involved in the audit unless there is an indoor garden or horticulture need.

The indoor water audit and evaluation shall consider the following, if applicable:

- The City is a partner with the EPA WaterSense program and information is available on the EPA WaterSense web site. Standards related to high-efficiency plumbing fixtures will be used for the audit. For example, while a 1.6 gallon/flush toilet is today's regulated standard, a high-efficiency toilet, as promoted by WaterSense, uses 1.28 gallon/flush or less and should be used in the audit and development of the indoor budget allocation.
- Data for high-efficient, front loading clothes washers.
- Recycle and reuse process water.
- Limited or no humidification: requires documented need for equipment or medical reasons.
- Use of automatic on/off sensors on faucets in restrooms in larger facilities.
- High-efficiency dishwashers in kitchen areas, especially in restaurants and catering facilities.
- Use of a cover in facilities that have large, open vessels of water.
- Efficient operation of cooling towers.
- Sanitation and cleaning practices in office buildings. Use of high-efficient plumbing fixtures and appliances. Use of sensor activated or timed faucets.
- Use of plumbing fixtures, dishwashers and ice machines in restaurants. Servers offering a glass of water on request, but not as an automatic service. Use sensor activated or timed faucets. Reduce water in food preparation activities.
- Efficiencies for cooling water, food preparation, boilers and chillers in supermarkets.
- Plumbing fixtures, laundry facilities and ice machines in hotels and motels. Request guests to reuse their towels and linens to reduce laundry needs.
- Efficiencies in cafeteria food preparation, plumbing fixtures, restrooms and locker rooms in schools.

The report shall include a recommendation for each month's indoor water budget allocation, based on the audit and evaluation. In addition, effective June 1, 2008, the wastewater charge for a customer who uses the CII efficiency standard water budget option will be based on each accounts indoor water budget allocation or actual water used, whichever is lower, for the billing period. If an account does not have an outdoor water budget allocation, wastewater charges will be based on actual water used as measured by the water meter.

Requests by CII customers for a water budget adjustment application requesting use of the efficiency standard water budget option, shall include a report prepared by a Colorado registered professional engineer which documents and describes the evaluation and audit, including a recommendation for

the CII efficiency standard monthly water budget. The city manager or his/her delegate will review and approve, revise or deny the water budget adjustment request prior to its implementation and use. A fee will be charged to review the CII efficiency standard water budget option request and its associated report pursuant to Section 4-20-43(c)(7) B.R.C. 1981, which establishes a technical document review fee for a miscellaneous plan review.

6. Water Budget Adjustments.

Water budget adjustments may be granted by the city manager or his/her delegate. The city manager or his/her delegate may consider the following:

- Number of people in household (more than four people may receive 1,000 gallons per month per person) (single family accounts only and is renewable on an annual basis)
- Irrigable area square footage (landscaping area)
- Irrigable area of public ROW that customers are required to care for and maintain
- Number of dwelling units (multifamily accounts only)
- Number of bedrooms in a dwelling unit (multifamily accounts only). Dwelling units that have more than two bedrooms may receive an additional 1,000 gallons per month, but the total indoor allocation per dwelling unit may not exceed 7,000 gallons per month, which is the equivalent of five bedrooms.
- Average Monthly Use (CII accounts only)
- Historical Monthly Use (CII accounts only)
- Average Winter Consumption (CII accounts only)
- Efficiency Standard (CII accounts only)
- Licensed in-home childcare, eldercare facility, or co-op
- Other (medical needs, etc.).
- Monthly budget allocation (CII PIF Custom accounts only)*

Customers shall submit a water budget adjustment application in order to have their request considered by the city manager or his/her delegate. Information contained on the application may be subject to an audit and, if necessary, additional documentation may be required in order to substantiate the requested adjustment. This information is outlined on the water budget adjustment application.

*Customers who have a PIF budget change request must submit their budget change request to Planning & Development Services for approval.

When reviewing the water budget adjustment application, the city manager or his/her delegate may consider the following information:

- Completeness of required documentation submitted with the Application
- Authenticity of supporting documents
- Duration of household size or medical need
- Historic water usage information for property
- Correct errors or changed circumstances
- Other factors relevant to making a determination.

Water budgets will not be adjusted to accommodate:

- Pools, spas, or hot tubs
- In-home businesses or hobbies that use an increased amount of water

- Gardens (gardens are included in the initial calculation of irrigable area and will not be the basis for additional water budget adjustments).

If a water budget’s irrigable area is incorrect, the customer’s bills may be adjusted for the current year and the customer may be credited for any excess amount pursuant to the Collections and Bill Adjustment Policy dated January 6, 2020.

7. Water Budget Calculation Example – Single-Family Residential.

The single family residential water budget is the sum of an indoor and outdoor allocation. The indoor allocation is 6,000 gallons per month.

The outdoor allocation is based on customer-specific irrigable area as provided by the city’s geographical information system. This allocation changes monthly based on seasonal watering needs. The annual outdoor allocation is calculated as follows:

- The first 5,000 square feet of irrigable area is allocated 15 gallons of water per square foot (gpsf)
- The next 9,000 square feet of irrigable area is allocated 12 gpsf
- All excess irrigable area gets 10 gpsf.

A customer with 14,400 square feet of irrigable area would have the following annual outdoor allocation:

Irrigable Area (square feet)	Gallons per Square Foot	Total Gallons
5,000	15	75,000
9,000	12	108,000
400	10	4,000
Annual Outdoor Allocation		187,000

The annual outdoor allocation is distributed throughout the year to meet changing monthly seasonal outdoor watering needs. The table below shows the percentages by month that will be applied to the annual outdoor allocation. These percentages were derived from historic ET data (as displayed in paragraph 3, above).

Historic ET Rate	
Month	Share of Annual Outdoor Allocation
January	0%
February	0%
March	1%
April	7%
May	14%

June	20%
July	20%
August	18%
September	12%
October	7%
November	1%
December	0%
Total	100%

A customer with an annual outdoor allocation of 187,000 gallons would receive 20% (37,400 gallons) in June. This number will be rounded up to the nearest 1,000 gallon; therefore, this customer would receive 38,000 gallons in June.

In June, this customer's monthly water budget would be 44,000 gallons: the sum of the indoor allocation (6,000 gallons) plus the outdoor allocation (38,000 gallons) 44,000 gallons.

If this customer used 70,000 gallons in June (budget is 44,000 gallons), the water usage would be billed as follows:

Rate Block	% of Budget	Gallons per Rate Block	Billed Water Usage (gallons)
Block 1	0-60% of budget	0 – 27,000	27,000
Block 2	61-100% of budget	27,001 – 45,000	17,000
Block 3	101-150% of budget	45,001 – 68,000	22,000
Block 4	151-200% of budget	68,001 – 90,000	4,000
Block 5	over 200% of budget	Over 90,000	0

The customer's monthly bill uses the volume of water used in each rate block multiplied by the rate (\$) for each billing block to determine the treated water quantity charge component of the monthly water bill.