

MUNICIPAL WATER RATES CONTINUE TO RISE

By Mark Radtke, CML municipal research analyst

WATER RATES CHARGED TO MUNICIPAL customers have shown a steady increase over the past two decades. A just released Colorado Department of Local Affairs (DOLA) survey shows an average annual 8.7 percent increase in basic water charges since 1997.

The survey posed 32 questions that yielded a wide range of municipal water and wastewater data (see examples in the Research Corner below). The survey was conducted under the supervision of Barry Cress, DOLA local utility assistance program manager.

Cress said the survey builds on the long-term database: "For many years, CML did a marvelous job tracking trends with its comprehensive water and wastewater surveys. We are glad we can continue tracking at least a few of those trends and hope this survey will be helpful to communities in Colorado."

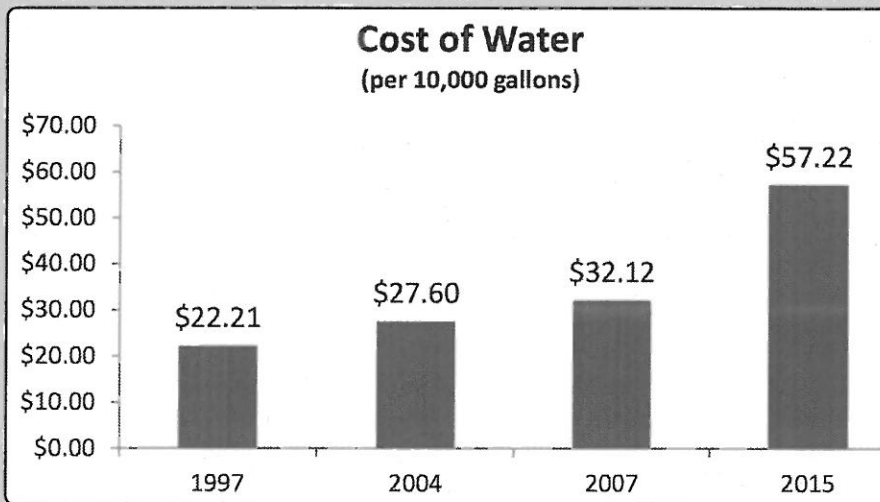
Among the takeaways from the survey:

- tap fees for both water and wastewater have roughly tripled in the past two decades;
- flat monthly fees continue to be the primary method for wastewater billing used by 53 percent of respondents (down from 64 percent in 2004);

- average monthly rates for municipalities that use surface water were nearly the same as those relying on ground water, \$51.93 and \$52.54 respectively; and
- two-thirds of water systems and 58 percent of sewer systems also provide service to areas outside municipal limits (revenue collected from customers outside corporate limits averages less than 10 percent of total revenue collections).

The complete DOLA report as well as individual data from the 71 cities and towns participating are available online at www.cml.org/2016-water or by contacting Barry Cress at barry.cress@state.co.us.

RESEARCH CORNER: 2016 COLORADO MUNICIPAL WATER AND WASTEWATER RATES



Source: Colorado Department of Local Affairs

Water and sewer bills

Monthly residential water bill inside corporate limits averages \$50.25, with a median of \$43.43

Monthly residential sewer bill inside corporate limits averages \$37.79, with a median of \$32.00

Tap fees

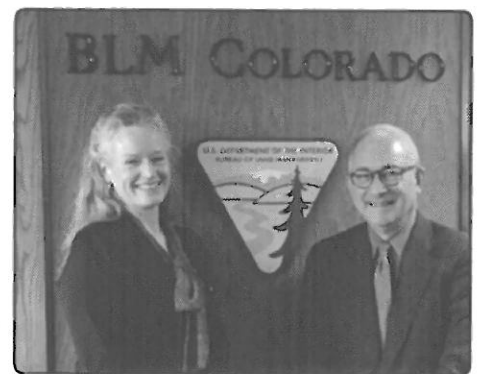
Single-family water-tap fee inside corporate limits averages \$7,405, with a median of \$6,450

Single-family sewer-tap fee inside corporate limits averages \$4,407, with a median of \$4,500

Cost per 10,000 gallons of water

The monthly cost of 10,000 gallons of water has been tracked in past CML surveys. From 1997, when the cost was \$22.21, to 2015, when the cost rose to \$57.22. This is an overall increase of 158 percent, or 8.7 percent per year when averaged over 18 years.

CML SCRAPBOOK



CML Executive Sam Mamet recently met with Ruth Welch, Bureau of Land Management Colorado state director, about municipal relationships and partnerships.



CML hosted a webinar on sales tax appeals for municipal attorneys, with Greeley Assistant City Attorney Stacey Aurzada and Denver Assistant City Attorney Charles Solomon presenting.