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## Denver Water Board considers rates adjustment for 2011

*Utility continues plan to repair and upgrade its aging water system*

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**Oct. 13, 2010** — Denver Water staff presented to the Board of Water Commissioners a preliminary proposal to adjust water rates for 2011 at its meeting today. The adjustment would provide further funding for the utility's capital projects, which include upgrades to aging infrastructure over the next decade.

"We need to invest in our water system so we can continue to provide reliable service and clean water to our community," said Angela Bricmont, director of finance. "Next year's projects include more forest health related work like dredging Strontia Springs Reservoir, as well as replacing the 105-year old valves at Cheesman Dam, finishing major upgrades at Williams Fork Reservoir and Dam, and stepping up our pipe rehabilitation and replacement program."

The effects of the proposed changes on customer bills would vary depending upon the amount of water the customer uses and whether the customer lives in Denver or is served by a suburban distributor under contract with Denver Water; the more customers use, the more they will pay. Under the current rate proposal, average Denver residential customers would see their bills increase by about \$41 a year — an average of \$3.40 per month. Typical suburban residential customers served by Denver Water would see an increase of \$32 per year — an average of \$2.66 per month. For example, the average annual cost for water for an inside-city customer in 2010 was \$330, and would be \$371 in 2011. Similarly, the average annual cost for an outside-city customer in 2010 was \$555, and would be \$587 in 2011. Adjustments also have been proposed for commercial, industrial and government customers.

"The future is going to be very challenging for every western water system," said Tom Gougeon, Denver Board of Water Commissioners vice president. "We all face similar issues, including the need to invest in infrastructure, new supplies, watershed protection, recycled water and conservation. And, we live in an era where climate change will likely shrink supplies and increase demand. Even with a focus on cost control, productivity and efficiency, the cost of providing water is going to go up. Our job is to ensure that our customers are getting good value for the increasing investment they will need to make."

If the proposed adjustments are approved, they would take effect March 2011. Rates for Denver Water customers living inside the city would remain among the lowest in the metro area, while rates for Denver Water residential customers in the suburbs would still fall at or below the median among area water providers.

Denver Water owns and maintains more than 3,000 miles of distribution pipe — enough to stretch from Los Angeles to New York — as well as 12 raw water reservoirs, 22 pump stations and four treatment plants. Ongoing rehabilitation and replacement of infrastructure is needed throughout the water distribution system, much of which dates back to post-World War II installation or earlier.

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Denver Water plans to expand its system capacity over the next decade to meet the future needs of its customers by expanding the utility's recycled water system, enlarging Gross Reservoir by 18,000 acre-feet, finishing the development of gravel pits that store reusable water, and exploring ways to work with other water providers to bring more supplies to its system.

Denver Water is funded through rates and new tap fees, not taxes. Its rates are designed to recover the costs of providing reliable, high-quality water service and to encourage efficiency by charging higher prices for increased water use. A significant portion of Denver Water's annual costs do not vary with the amount of water sold and include maintenance of the system's distribution pipes, reservoirs, pump stations and treatment plants. Denver Water also examines and adjusts its capital plan as necessary each year.

The Board is expected to vote on the proposed changes on Wednesday, Nov. 17, after considering public comment. Public comment will be taken at the Nov. 10 and Nov. 17 Board meetings at 9 a.m. The meetings are open to the public and will be held at Denver Water, 1600 W. 12th Ave. Public comment also will be taken at Denver Water's Citizen's Advisory Committee meeting, Thursday, Oct. 21, 6:15 p.m., at Denver Water. Comments also may be sent to the Board via e-mail at [dbwc@denverwater.org](mailto:dbwc@denverwater.org).

Details of the 2011 rates proposal will be posted on Denver Water's website ([www.denverwater.org](http://www.denverwater.org)) later this week. Members of the public who have questions about the proposed rate adjustment may call 303-628-6320.

**Editor's note: There will be an opportunity for news media to view the major Strontia Springs Reservoir dredging project tomorrow, Oct. 14, noon, in Waterton Canyon. See media advisory sent earlier this afternoon.**

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*Denver Water proudly serves high-quality water and promotes its efficient use to 1.3 million people in the city of Denver and many surrounding suburbs. Established in 1918, the utility is a public agency funded by water rates and new tap fees, not taxes. It is Colorado's oldest and largest water utility.*