



Your Water

Spring 2009

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Sewer connection districts form coalition to contest rates

After the City of Littleton imposed a one-sided 20 percent sewer service charge increase on outside-City customers and no increase on Littleton customers in 2008, a number of water and sanitation districts joined together to form the Littleton Sewer Rate Coalition. The purpose of the Coalition is to promote fair and equitable sewer rates and tap fees for member customers.

Littleton Sewer Rate Coalition

The Coalition is comprised of the following local governments:

- Platte Canyon Water and Sanitation District
- Southwest Metropolitan Water and Sanitation District
- Ken-Caryl Ranch Water and Sanitation District
- Grant Water and Sanitation District
- Roxborough Water and Sanitation District
- Meadowbrook-Fairview Metropolitan District

Coalition members provide sewer collection and transmission services for 68 percent of the customers served by Littleton's portion of the Littleton-Englewood Wastewater Treatment Plant.

The Coalition initially sought to amend each member's sewer connection agreement with the City of Littleton to require that sewer rates be established using a wastewater utility cost of service approach. After Littleton refused to consider revisions to the agreements, the Coalition sought to open a dialogue with the City us-

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Littleton bumps rates 6%

Sewer rates to rise in 2009

Sanitary sewer service bills scheduled to be mailed to Platte Canyon residents on June 15, 2009 will reflect a six percent increase over 2008 charges. Annual charges for a single family homeowner in Platte Canyon will be \$190.87, a \$10.80 increase from the 2008 rate of \$180.07. Service charges for multi-family customers will rise \$9.18 from \$153.06 in 2008 to \$162.24 this year.

The increase is needed to pay for increased sewer treatment plant operation and maintenance costs as well as debt service expenditures. The six percent increase will be assessed to all users of the Littleton-Englewood Wastewater Treatment Plant including residents of Littleton as well as residents served by connector districts such as Platte Canyon.

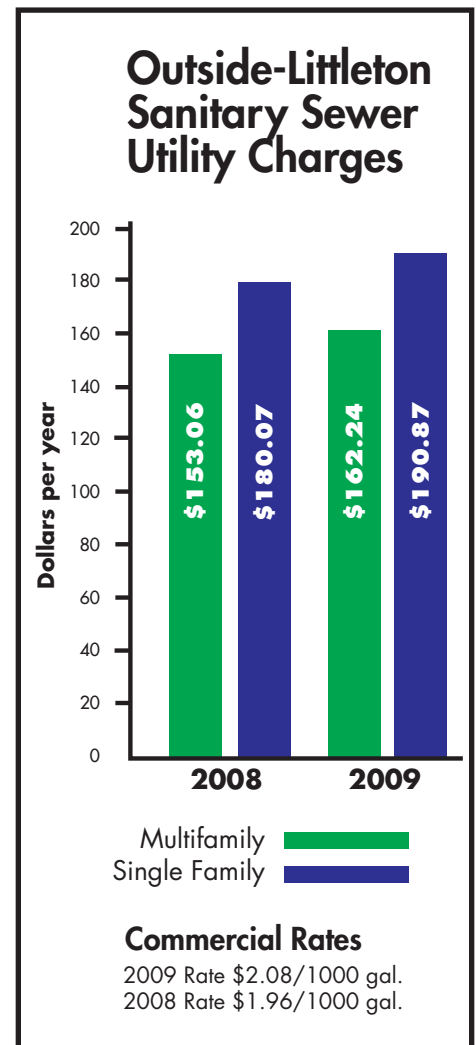
In 2008, Littleton imposed a 20 percent increase on connector district residents while holding Littleton rates the same as the previous year. Connector district boards and citizens vehemently objected to the differential claiming it was discriminatory and unjustified.

The Platte Canyon Board of Directors recognizes and supports the need to raise sewer rates to fund legitimate and necessary operating, capital maintenance and debt service costs, but continues to assert such increases be assessed in a fair and equitable manner and be based on the actual cost of providing service to each customer category. (See articles on rate study and legislative effort.)

It is quite likely that sewer service charges will continue to rise over the next few years as tap fee revenues and interest on invested reserve funds decrease. In addition, Littleton will be confronted with a multi-

million dollar expenditure to meet more stringent water quality regulations in the next few years.

Connector districts will continue to seek to ensure that future rate increases are imposed on a non-discriminatory basis and be assessed on a cost of service basis.



Platte Canyon participates in comprehensive study of rates with other districts

During Littleton City Council deliberations over sanitary sewer service charge adjustments in 2008, Platte Canyon and other connector district representatives urged Council members to conduct a professional, unbiased comprehensive rate study. The districts offered to share the cost of the study on a proportional basis.

Not only did Council refuse to authorize the study, it ignored City staff's recommendation for an equitable rate increase and, rather, adopted a discriminatory 20 percent increase assessed solely on outside-City residents and businesses.

Subsequent to City Council's rate increase decision, connector districts joined together

to form the Littleton Sewer Rate Coalition and proceeded with the rate study despite the City's decision to not participate. Proposals were solicited from the best utility rate consultants in the United States.

Raffelis Financial Consultants, Inc., headquartered in Kansas City, Missouri, was ultimately selected to conduct the study. The study is progressing and is scheduled to be completed in late May 2009.

Comments will be solicited from Littleton staff after which the final report will be presented to connector district boards of directors and Littleton City Council.

Updates on the rate study will be posted periodically to Platte Canyon's Web site www.plattecanyon.org.

Coalition looks at sewer rates

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ing a state agency as mediator. This effort failed as a result of the agency's inability to devote adequate resources to facilitate meaningful discussions.

Seeing limited opportunities to address the Coalition's concerns, the group agreed to pursue legislation to impose an obligation on wastewater treatment utilities to assess rates in a fair and equitable manner.

A bill was introduced by Representative Jim Kerr and Senator Mike Kopp to amend current law to require rates, tolls, charges and fees adopted by a city or town located in an urban area and serving more than 50 percent of its users outside its borders, be not only "just, reasonable and necessary, but be based upon a demonstrated actual cost of service."

The problem as explained by Rep. Kerr is that 70 percent of the Littleton treatment plant

customers reside outside City limits and have no say in how rates are set. Outside-City users have no representation in the rate setting process.

A meeting involving legislators along with city representatives occurred prior to the first hearing of Rep. Kerr's and Senator Kopp's bill before the House Local Government Committee. The meeting resulted in an agreement of the parties to search for a resolution of their dispute outside of the legislative process.

In response, Rep. Kerr agreed to postpone consideration of the proposed bill to enable the parties to continue to reach an accommodation. As of this date, City and Coalition representatives are continuing discussions in the hope that a resolution can be reached before the 2010 legislative session.



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