

District Newsletter--December 2004

Please Note The District's rate change will go into effect as of January 1, 2005

Overview of 2004 Major Expenses

Unlike a lot of water and sewer districts, Green Mountain does not impose a mill levy on your property taxes. All the District's expenses are paid out of the water, sewer, and service fees paid by homeowners. As the cost of all the services and supplies purchased by the District continues to increase, rates paid by the homeowners and commercial customers must increase to pay the additional costs.

The District purchases water from the Denver Water Department. Denver has increased the 2005 rates by 20%. The District's waste water is treated by the Metropolitan Wastewater Reclamation District. The Metropolitan District has increased their rates by 9%. These rate increases are significant and the purchase of water and payment for wastewater treatment and disposal accounts for 88% of our operating expenses.

The District's second largest expense is replacement of old and deteriorated water and sewer lines. 2005 system replacement costs are anticipated to be \$1.5 million and account for 92% of the capital portion of the budget.

Water Rates

Given increases of this magnitude the District found it necessary to increase the basic water rate from \$2.51 per 1000 gallons to \$2.75 per 1000 gallons. To encourage water conservation the District has continued the tiered rate structures; each additional 30,000 segment above the basic 18,000 gallon block carries an increasing rate. Out of the basic \$2.75 charge, \$2.20 goes to the Denver Water department, \$.35 goes for Capital Improvement Projects, and \$.20 goes to employee salaries and benefits. Capital Improvements cover water main replacements, tank improvements, and Homeland Security measures.

Sewer Rates

For 2005 the District has decided to discontinue the per 1000 gallon rate as determined by water purchased during the non-irrigation months and instead levy a flat rate of \$18.00 per billing cycle, or \$9.00 per month for residential customers. Out of the \$9.00 charge, \$5.45 is sent to Metro Wastewater (61%), \$1.27 is invested for Capital Improvement Projects (14%), and \$2.28 covers employee costs (25%). Capital Improvements cover the costs of sewer main replacements, main re-lining and sewer lift station upgrades.

Service Charges

A service charge of \$10.00 per billing cycle, \$5.00 per month for residential customers, is assessed to cover overhead expenses such as insurance, power for pump stations, telephone, water main breaks, hydrant maintenance, sewer line repair, miscellaneous tools, equipment for the field maintenance personnel, office supplies, and postage.

| Water | | | | Sewer | <u>Old Rate</u> | <u>New Rate</u> |
|--------------------------------|-------------|-----------------|-----------------|------------------------------|-----------------|-----------------|
| Residential | <u>Tier</u> | <u>Old Rate</u> | <u>New Rate</u> | <i>per thousand gallons</i> | | |
| <i>per thousand gallons</i> | 0-18 | \$2.51 | \$ 2.75 | Residential | \$1.60/1000 | \$18.00/Bill |
| | 19-30 | 2.62 | 2.95 | Commercial/Multi-Family | \$1.70/1000 | \$2.35/1000 |
| | 31-60 | 2.73 | 3.00 | | | |
| | 61-90 | 6.00 | 6.00 | Monthly Service Fee- | | |
| | 90+ | 10.00 | 12.00 | Residential | \$5.00 | |
| | | | | <i>\$10.00/billing cycle</i> | | |
| Multi-Family | 0-5 | | \$ 2.75 | | | |
| <i>(3 units or more)</i> | 6-10 | | 2.95 | | | |
| <i>Tiers are allowed usage</i> | 11-20 | | 3.00 | | | |
| <i>per unit per 1000 gal</i> | 21-30 | | 6.00 | | | |
| | 31+ | | 12.00 | | | |
| Commercial | | \$2.72 | \$ 3.00 | | | |

Bill Payment Alternatives

In addition to traditional mailing of payments and making payments at the office, including a drive-up payment box in our parking lot, we also offer Electronic Funds Transfer, Payment by Phone, check, Visa and MasterCard. There are no charges for these options. As a reminder, the district also offers budget billing.

Shut-Off Water When Going On Vacation

When leaving your home for a vacation or extended period, the District recommends that the water valve on the line coming into your home be shut off. All too often dishwasher supply hoses, washing machine hoses have burst, flooding the house. If you need assistance locating the shut-off, contact the District office.

Please don't forget to winterize your sprinkler system.

SCAM ALERT!!!!

There is a new scam in town which is estimated to cost Denver area homeowners \$20 million a year. When a homeowner has a sewer service line stoppage, the line between the house and the main in the street, a service company is generally called to clear the blockage. Some service companies offer to televise the line; i.e. run a small TV camera down the line to inspect the cause of damage. Occasionally a homeowner contacts a less than honest service company who advises the homeowner that the sewer service line must be replaced at a cost which can be up to \$18,000.00; when in fact there may be nothing or very little wrong with the line. Sometimes only a small portion of the service line needs replacement.

Following are general guidelines:

1. Make certain that the service company completely cleans the line before televising.
2. If the service company reports that the line must be replaced, take the original tape to the Green Mountain District Offices for an independent evaluation.
3. Do not sign a contract until everyone involved is certain that a repair is needed.

Water Conservation

The District appreciates the manner in which homeowners responded to the 2004 water conservation program. Green Mountain was able to stay within the Denver Water Department's guidelines for reduction of summer usage. However, climatologists have informed us that we are still in a drought cycle and advise caution in water usage. Green Mountain District has continued the tiered water rate system as a means to encourage water conservation in 2005.

Replacement Projects

The District has experienced difficulty in pumping adequate water supplies to the storage tanks located adjacent to Green Mountain High School. In 2004 a \$1.5 million project was authorized which constructed a 24-inch water line between Jewell Avenue and the tanks. Streets affected were Green Mountain Drive, Welch, Montana and Wright Streets. The project is anticipated to be completed by mid-December. The construction has created some problems in the affected neighborhoods, for that we appreciate your patience and apologize for any inconvenience.

In 2005, the District proposes to replace water and sewer lines in the following locations: West Florida Drive, Wright Street, West Cedar Drive, West Cole Drive , and an interconnect line across Addenbrook Park. Projected cost is approximately \$1.5 Million.

New Equipment In

2004 the District purchased sewer cleaning and TV equipment. Using this equipment the District is able to clean, root cut, and televise sewer mains for line breaks and other repairs which need to be made. This equipment has allowed the district to substantially reduce the time between cleaning and inspection, and allows the District to make certain that the sewer system is continuing to operate satisfactorily.