



# 2024 Water and Wastewater Rate and Fee Changes Frequently Asked Questions

## How does the Town supply our community with water?

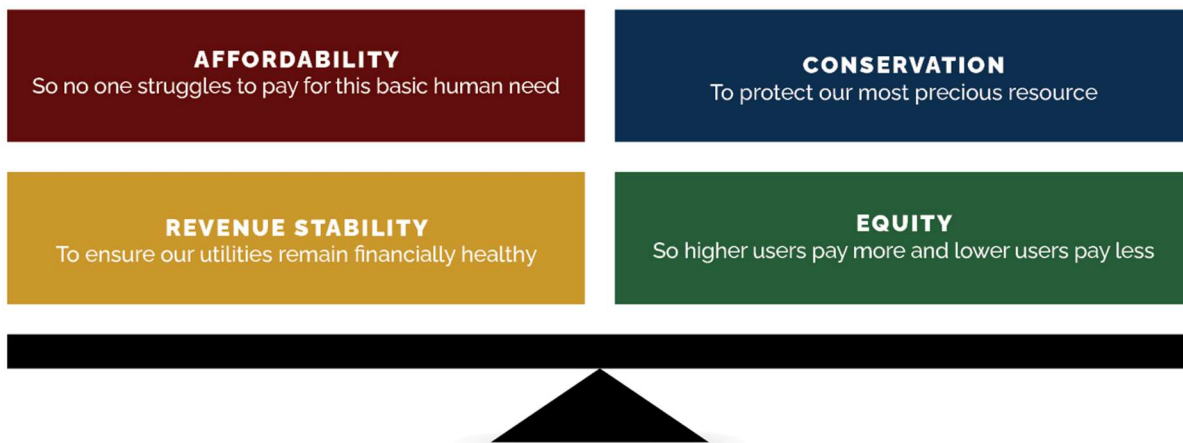
The Town of Johnstown is committed to providing our more than 5,500 water customers with safe, reliable, high-quality water services that are essential to everyday life. The Town’s primary water sources are Consolidated Home Supply Ditch & Reservoir Company (Home Supply) and the Colorado-Big Thompson Water Project. In emergency situations, we have access to water from Little Thompson Water District, Central Weld County Water District, and the City of Greeley.

## How are utility rates determined?

Utility management best practices call for rate studies to be performed every five years. This is an industry best practice to ensure costs are recovered equitably from customers.

The most recent study was completed by Raftelis, an independent financial consultant specializing in rate and fee studies for water provider clients nationwide. They recommended changes to rates and charges for water and wastewater.

After review in August 2023, the Town Council voted to establish the new rates and charges at the November 6<sup>th</sup>, Town Council Meeting. The new rates are scheduled to go into effect in February 2024. The new rates have been designed to balance four objectives that align with our community values – Affordability, Revenue Stability, Conservation, and Equity.



## How does the Town’s water and sewer rates compare to our neighbors?

The rates our customers pay for water and sewer service are among the lowest in the area and will remain so even after rates are increased in February 2024.



We surveyed water and wastewater rates of eleven communities nearby and compared our 2024 rates to their current rates for a typical residential water user (5/8" tap using 9,000 gallons/month). Under the adjusted rates recently adopted by the Town Council, our rates are still lower than nine of them – with only Windsor and Fort Collins coming in lower.

### What does my utility bill pay for?

Your utility bill includes charges for water, wastewater, storm water, trash removal and recycling services. The rates you pay on your utility bill cover the costs of providing these services to you. These services are paid for by the revenue generated from utility billing. The water, wastewater, and storm water utilities receive no funding from taxes.

### How is the water and wastewater portion of my utility bill calculated?



Your monthly **single-family residential** utility bill has components for water and wastewater services.

You are charged for water service through a fixed service charge and a tiered volume charge. The fixed service charge covers billing costs and customer costs such as field service crews, meter replacement, and repair. The tiered volume charge recovers the cost of collecting, treating, and distributing water.

Water is charged on an actual basis and typically fluctuates each month.

**Multifamily** and **Commercial** water bills are calculated the same way, though the base rate, tier allotments, and rates are different to account for the difference in cost of providing the service compared to other customer types.

### How will water rates change in 2024?

Changes to water charges and rates are summarized in the tables below by three customer types – single family residential, multi-family residential, and commercial:

Water Services - Monthly Base Rate Single Family Residential		
Meter Size	2023 Base	2024 Base
5/8"	\$22.84	\$29.69



<b>Water Services - Volume Use Single Family Residential</b>		
Volume Tiers (in gallons)	2023 Rate (per 1,000 gallons)	2024 Rate (per 1,000 gallons)
0 - 5,000	\$3.18	\$3.69
6,000 - 10,000	\$3.66	\$4.24
11,000 - 15,000	\$4.21	\$5.09
16,000 - 20,000	\$4.84	\$6.37
21,000 - 25,000	\$5.57	\$7.96
> 25,000	\$6.40	\$9.95

<b>Water Services - Monthly Base Rate Multi-Family Residential</b>		
	2023 Base	2024 Base
Per Unit Per Bill	\$11.42	\$14.85

<b>Water Services - Volume Use Multi-Family Residential</b>		
Volume Tiers (in gallons)	2023 Rate (per 1,000 gallons)	2024 Rate (per 1,000 gallons)
0 - 100,000	\$3.18	\$4.13
> 100,000	\$4.13	\$6.29

<b>Water Services - Monthly Base Rate Commercial</b>		
Meter Size	2023 Base	2024 Base
5/8"	\$22.84	\$29.69
1"	\$38.83	\$50.48
1.5"	\$75.39	\$98.01
2"	\$121.07	\$157.39
3"	\$267.26	\$347.44
4"	\$479.71	\$623.62
6"	\$989.02	\$1,285.73

<b>Water Services - Volume Use Commercial</b>		
Volume Tiers (in gallons)	2023 Rate (per 1,000 gallons)	2024 Rate (per 1,000 gallons)
All Usage	\$4.10	\$6.57



## How will wastewater rates change in 2024?

Changes to water charges and rates are summarized in the tables below:

Wastewater Services		
	2023 Monthly Rate	2024 Monthly Rate
Residential	\$34.79	\$40.01
Commercial	\$34.79 + \$4.00 per 1,000 gallons	\$40.01 + \$4.60 per 1,000 gallons

## How will these rate changes impact my bill?

Because every customer's usage is different, each bill will be different, but it is easy to calculate by looking at a past bill and adjusting using the new base charge and volumetric charges.

As a rule of thumb, the typical single-family residential customer has a 5/8-inch meter and uses approximately 9,000 gallons each month.

- Under the current rates, this customer's combined monthly water and wastewater bill is \$88.17
- In 2024, this same customer's combined water and sewer bill will be \$105.11.

## What are the main drivers of the need to increase rates?

Much of the need for rate increases is to fund critical infrastructure to increase the volume of water we can treat each day and ensure our treatment systems comply with ever more stringent permitting requirements.

Between now and 2027, the Town has projected capital expenditures of \$142 million in water system improvements and \$95 million in wastewater system improvements. The Town's current water plant was constructed in 1966 and has reached its useful life. The new plant will be updated to increase the volume of water it treats each day to meet current and future demands, ensure that our treatment system complies with ever more stringent permitting requirements, and improve taste and odor. Other improvements include a new raw water trunk line to create redundancy and increase capacity and a new Central Wastewater Treatment Plant to replace our existing, outdated lagoon system which was constructed in the 1950's.

## How does the rate structure encourage water efficiency?

Water is a precious and limited resource in Colorado, and tiered rates are used by many utilities along the Front Range. Tiered water rates reward customers who use less water by charging the least amount per thousand gallons for use in the first tier and increasingly more as customers use more water and graduate into higher tiers.



The lowest rate tier corresponds to an amount of water sufficient to meet essential indoor household needs. Each subsequent tier charges a higher rate and is designed to send a price signal to households when using water for outdoor irrigation.

### **How do we ensure that we don't subsidize new and future neighbors who tie-in to the system?**

Tap fees and raw water development fees ensure costs that growth incurs on our water and wastewater systems are fully recovered by those who are placing the new/additional demand on the system. These one-time fees are charged by the Town during the building permit process and are generally paid by the developer.

### **Where can I go for more information?**

Visit the Town website at [www.johnstown.colorado.gov](http://www.johnstown.colorado.gov), or contact our utilities department at 970-587-4664.