

Frequently Asked Questions

Updated June 2013

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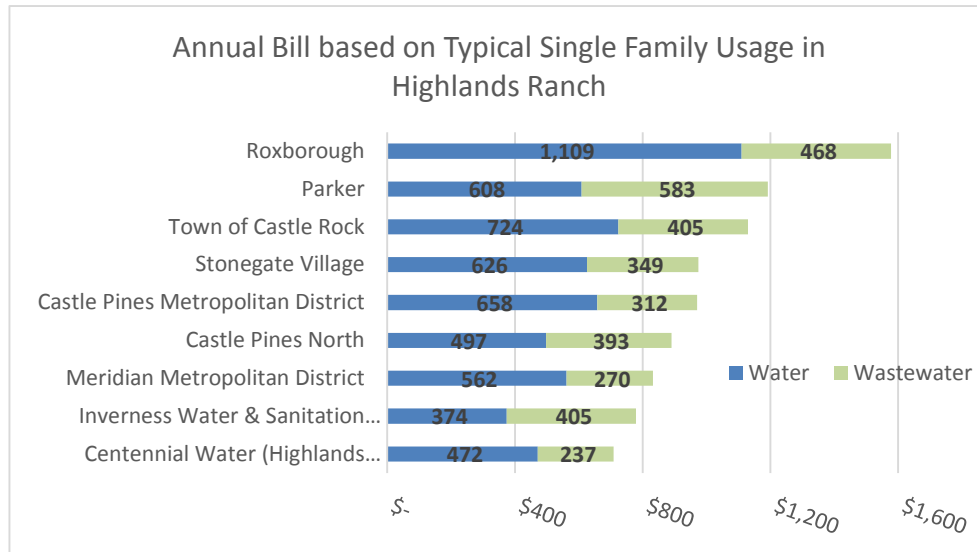
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Water & Wastewater Rates

1. What does water and wastewater service actually cost me? How does it compare to other communities?

The costs incurred by a typical Highlands Ranch single family resident for water and wastewater service are in the bottom third for the Denver metropolitan area. Some areas are less expensive, while many are more expensive. The following graph shows a comparison of these costs for nearby communities.



2. The upper tiers in the rate structure are significantly higher than the base rate. What is the justification for these surcharges when water costs a fixed amount?

Water use beyond the water budget requires Centennial Water to obtain additional sources of water, which are extremely expensive. The different tiers in the rate structure recognize these additional costs. In addition, the tiered rates are designed in order to encourage conservation. The increasing water rates based on usage are common in water supply systems, and are effective at discouraging wastefully high rates of use. Although a few customers find it difficult to adjust to the budget amounts, most have accommodated quite well. This system is intended to raise general awareness of water use levels, both inside and outside the home.

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3. If Centennial Water collects excess revenues, what will happen to these revenues?

The intent of the rate structure is to increase water conservation, not to increase revenue. It is designed to be revenue/budget neutral. In other words, if every customer conserved wisely and met their water budget, Centennial Water's revenue collected would meet the needs of Centennial Water's budgeted requirements. An estimated amount of revenue from those customers who pay rates in the more expensive tiers for usage above their water budget amount has been factored into the setting of the rates, so the rates are cost-based in their nature as utility rates should be. If unusually high water consumption takes place and Centennial collects more revenue than budgeted, it assists the District in acquiring additional water.

4. What is the \$25 water service availability fee on my bill?

The bimonthly \$25 water service availability fee is designed to cover three key components that are directly related to Centennial Water's ability to provide a service rather than the ultimate usage of the service:

- The fixed cost of interest payments on debt related to construction.
- The cost of customer service (i.e. meter reading, billing, etc.).
- The cost of repair and replacement of major equipment

The debt financed water treatment facilities, major infrastructure, and the acquisition of water rights. In a more conservation-oriented billing structure, it is essential that Centennial Water be able to collect adequate revenue to cover these fixed costs. It is analogous to your house payment – if you are traveling for a large part of the month you still have to make the entire house payment even if you were not actually using the resource the entire time. In these examples – service availability fees and house payments – the mere availability of the resource has economic costs regardless of the level of utilization of the resource. The water service availability fee is intended to be an equitable compromise between the extremes of rate structures. One extreme is almost all fixed fees to mirror the fixed costs of a utility, but which provides little incentive for conservation. The other extreme is a purely variable fee structure based only on usage which leaves the utility at increased risk of not being able to cover its costs.

5. How is the wastewater amount calculated?

The wastewater charge is calculated for residential customers as follows:

Minimum fee	includes 3,000 gallons	\$20.95 bimonthly
Usage fee	for winter water use over 3,000 gallons	\$2.65 /1,000 gallons
(Uses winter water use as the basis for the level of the charge applied throughout the year)		

The wastewater charge for nonresidential indoor customers is calculated as follows:

Base fee	per single family equivalent	\$6.50 monthly
Usage fee	80% of actual water use in the billing period	\$2.65/1,000 gallons

The minimum fee and base fee recover the fixed cost of wastewater operations similar to the water service availability fee recovering the cost of interest on the debt; customer service, and major repair and replacement of equipment associated with wastewater facilities. The usage fee is based on the cost of operations and maintenance for our wastewater facilities.

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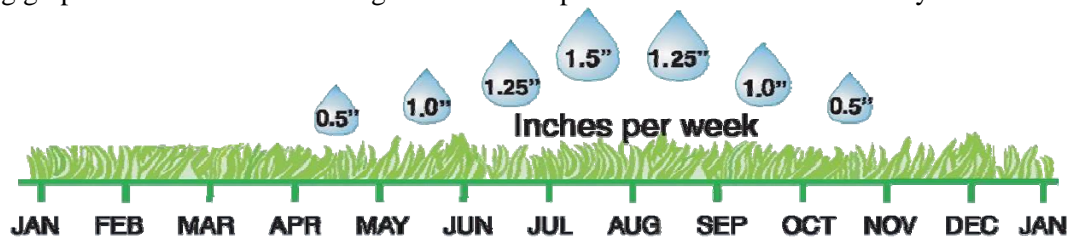
Water Budget

6. How is the water budget calculated?

The water budget is calculated from two components; an indoor component and an outdoor component. The allowed water budget for outdoor irrigation provides adequate water to maintain a healthy landscape, but not so much that our resource is wasted. Water is billed at progressively higher tiered rates for water use over the budgeted amount of water to encourage conservation. However, customers will only be billed for water consumed, regardless of their water budget amount.

Residential Water Budgets

Residential customers are billed bi-monthly. The indoor residential component is 12,000 gallons bi-monthly and may be adjusted for household population. Each customer's water budget for outdoor use is based on the actual lot size. The irrigation allowance is based on the amount of water, in addition to normal precipitation, necessary to sustain a normal lawn and other plant material. The annual total amount of supplemental irrigation included in the water budgets is 27 inches of water per year. The following graph shows the inches of irrigation included per week in the calculation of your water budget.



Non-residential Water Budgets

The indoor non-residential budget is an annual budget and is based on meter size. For separate outdoor irrigation only meters, the budget is calculated monthly and is based on total irrigated area. The graph above shows the inches of irrigation included per week in the calculation of the water budget.

7. I have more than three individuals living in my household and want to apply for a household population adjustment. Please explain the process.

It is possible for a customer to increase the indoor portion of the water budget by completing an annual affidavit indicating the number of people living in the home. For a household of more than three people, the water budget can be increased by 3,000 gallons per person bimonthly. An increase in the allotment requires a corresponding increase to the wastewater rate paid to account for the increased flow to the wastewater system. Affidavit applications are available at www.centennialwater.org.

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8. Does the irrigation amount in the outdoor water budget take into account the hot summers we have experienced in the past?

The water depths for irrigation are adequate for landscaping to be maintained and not suffer excessively during a drought, yet are ample for average conditions. The 27 inches watering depth was selected after many conversations with water experts, turf specialists, and Colorado State University Cooperative Extension staff. Careful water applications combined with a reasonable level of horticultural practices (such as soil aeration, fertilizers and/or soil conditioners, sprinkler maintenance, etc.) can meet the budget over time without excessive stress on the plants. If an area of turf experiences non-normal stress while following the application schedule, consideration could be given to either hand watering only the stressed area or changing the area to an alternative landscape treatment other than grass. For information on water efficient landscapes, please visit www.xeriscape.org.

9. I feel I need more water. How do I get it? Is there an appeal process to get my water budget increased?

Increased water budgets without a larger than average household population or without a temporary permit for the installation of new landscaping (see the following question) are not available. Rather than use a potentially arbitrary variance-granting appeal process, Centennial Water has set the policy of using straight economic incentives built into the rate structure. In other words, customers may make their own economic decisions trading off their desired level of water use with the price of this commodity that has a limited supply.

10. What if I am installing new landscaping and I need more water to get the grass established?

Temporary increases in a customer's water budget for purposes of establishing new landscaping are available in the months of April, May, September and October only. These temporary water budget increases are not available in the hottest months. Generally less water is required and it is far more successful to establish new landscaping in the cooler spring and fall months. The application for a temporary increase in your water budget is available at www.centennialwater.org.

11. How long should I water my lawn to stay within my water budget?

Sprinkler systems apply water at different rates, making it difficult to generalize this question. Your run time and days of watering depends on sprinkler head type, spacing of heads, slopes, sun exposure and other unique factors to your site. Review the Outdoor Watering Guide at www.centennialwater.org on the Learn to Conserve page to come up with irrigation scheduled specific to your site and for more tips on how to conserve water outdoors.

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Water Conservation

12. What are the restrictions on watering?

No outdoor irrigation is allowed between 10 a.m. and 6 pm in from April 15 to October 15 in order to minimize the effects of evaporation during the heat of the day. In addition, our Rules and Regulations provide that there should be no wasteful water use practices, such as allowing excess water to flow in street gutters and neglecting to repair leaks. You may hand water or wash cars at any time as long as a hose-end shutoff device is in use and you are present. There are potential penalties and fines for violating any of the above watering restrictions.

13. Why do the Metro Districts sometimes operate their irrigation systems during the 10 a.m. to 6 p.m. period that is restricted?

The Metro District is subject to the same rates and restrictions as all customers in Highlands Ranch. Usually if you see a park or parkway area being watered between 10 a.m. and 6 p.m., it is because it is being tested for maintenance purposes. There should be an irrigation technician inspecting the system during those test runs, although you may not see the technician if they are around a corner or farther down the street. If you think an irrigation system is turned on in error, please call 303-791-2710 to report it.

Also, because of the intense sports use on many Metro District fields, some mid-summer repairs may be necessary that need daytime watering to re-establish seeded and sodded turf for athletic field safety. For these reasons, you may occasionally see the Metro District irrigating during daytime hours on public property.

14. What if I see someone watering in the middle of the day or wasting a lot of water?

If it is someone you know, perhaps a neighborly word-to-the-wise might be appropriate. Otherwise, you may call Centennial Water at 303-791-0430 and our staff will contact the customer to advise them on better uses of the water they are paying for. Penalties on water bills for daytime watering between 10 a.m. and 6 a.m. are assessed only after a warning.

15. Does Centennial Water offer rebates or other incentives for water conservation measures?

Information on current incentive programs can be found on our website under Water Conservation. Centennial Water regularly evaluates opportunities to ensure that programs will be cost effective and result in reduced water demands. Incentive programs are funded by the high tier rate revenue.

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Billing and Administrative Questions

16. Who are the people out in the community in blue uniforms labeled Centennial doing water utility work? Who is Centennial Water and Sanitation District?

The Highlands Ranch Metro District provides fire protection, parkway landscaping, recreation programs, and park maintenance among other services to the community of Highlands Ranch. These other services include water and wastewater and when you pay your water bill it is to Highlands Ranch Metropolitan District (HRMD). The Metro District has contracted for the provision of the actual water and wastewater service to one district - Centennial Water and Sanitation District (CWSD) - on a wholesale basis to the Metro District. The Metro District does not mark up the cost of water and wastewater service, they just pass through the revenue to Centennial. That is why you will see utility workers in the community driving vehicles and wearing uniforms with the Centennial name on them. There is no connection between Centennial Water and Sanitation District and the City of Centennial, located just to the north of Highlands Ranch.

17. What is the Street Light Charge?

The street light charge recovers the cost of operations and maintenance of street lights in Highlands Ranch.

18. Why can't I take water I saved in one billing period and roll it forward to the next billing period?

This concept is called water budget banking. The use of banking dilutes the water conservation advantages of the rate structure. For example, if a wet May-June period leads to water savings, it would not help the cause of water conservation if customers were encouraged to spend those savings later in the year through a water budget banking program.

19. Why is water billing bimonthly rather than monthly for residential customers?

Bimonthly billing is the norm in water utilities for residential customers and is generally used to minimize the fixed costs associated with the billing process. While monthly billings would give customers more timely feedback on their water usage, it would do so by doubling the costs of meter reading and billing. In addition, the use of an 8-9 week billing period allows for averaging of weather conditions over a longer period of time. For example, in Colorado, it is not uncommon during most summers to have a monsoon period. If these typical monsoons precede or follow an extremely hot and dry period, the homeowner has flexibility to increase water consumption during the dry period and reduce it during the wet period. This averaging allows customers to stay within their water budgets. If the billing period was shorter this flexibility would not be as readily available. Customers are encouraged to read their home meters between bills, and to use the information on the website to assist in evaluating how much water they are consuming. The remote readout for your water meter should be located on the front of your house and should be easily accessible.

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20. I had a water leak and my bill was really large. Can I get a credit for the extra amount I paid?

Under certain conditions a credit for the added cost in the upper tiers of the rate structure incurred because of a leak may be credited back to a customer. Documentation of the leak and its repair may be required. Generally speaking this is limited to true failures such as a break in the irrigation system. Examples of leaks that are not eligible for a credit are a toilet that is running non-stop since it is something that could have been detected and repaired easily or leaks in the irrigation manifold that is the result of not properly winterizing the system. To discuss a possible leak credit, please call Centennial Water's Customer Service staff at 303-791-0430.

21. Can I pay my bill online?

Yes. Online payments can be made using our website, www.centennialwater.org, with your MasterCard, Visa, or Discover Card.

- a. Click on the Online Bill Payment button
- b. Log in under Click here to pay your water bill. The account number is your customer account number on your bill. Your password is the numbers in your address. The password can be changed once logged in.

22. How do I setup automatic bill payment?

To have your bill payments automatically deducted from your savings or checking account, begin by visiting our website – www.centennialwater.org.

- a. Click on Account Information
- b. The form can be found at the bottom of the page.
- c. Fill out the form and send it in with a cancelled check to our mailing address: 62 W. Plaza Drive, Highlands Ranch, CO 80129.

23. How can I get my account history?

You can access your account history on-line by following the same steps for on-line bill payment.

- a. Log on to www.centennialwater.org
- b. Click on the Online Bill Payment button.
- c. Log in under Click here to pay your water bill. Your account number is your customer account number on your bill. Your password is the numbers in your address. The password can be changed once logged in.