

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: October 22, 2014

Board Item: II-B-1

Agreement with Southwest Metropolitan Water & Sanitation District for Collection of District Surcharge

Contract # 15714A

Action by Consent

Action

Information

Southwest Metropolitan Water & Sanitation District (RB 163, Contract # 04499A) has requested that Denver Water bill a surcharge on their behalf. The surcharge proceeds would be used by Southwest Metropolitan to fund long term replacement of infrastructure.

Upon Board approval, Southwest Metropolitan W&S will pay \$8,500 for the initial development of the surcharge billing capability. Once the program begins, customers in Southwest Metropolitan will be billed a monthly surcharge based on their tap size. The customers will remit the surcharge along with their monthly water bill payment. On a quarterly basis, Denver Water will pay Southwest Metropolitan the proceeds net Denver Water's ongoing fee. The Denver Water fee is set to cover expenses plus a 7.2% return. The fee will be analyzed periodically and adjusted if necessary. The contract may be terminated by either party with 60 days written notice. If terminated by Denver Water within five years, Southwest Metropolitan is entitled to a refund of the initial development fee of \$8,500.

Funds for this contract have been included in the 2015 budget under MPC 4JF0001.

The district covers approximately 11 square miles and is generally located between W. Bowles Ave and Chatfield Ave. between S. Alkire St. and W. Pierce St. Southwest Metropolitan serves approximately 12,500 customers.

Recommendation:

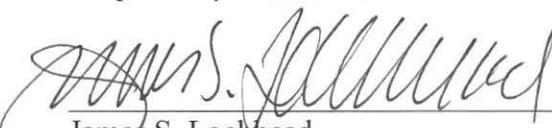
Staff recommends that the Board approve the Agreement with Southwest Metropolitan Water & Sanitation District.

Approvals:

Respectfully submitted,



Patricia Wells
General Counsel



James S. Lochhead
CEO/Manager



Julie Anderson
Director of Customer Relations



Terri Bryant
Controller