

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 11, 2012

Board Item: V-E-1

Refund to Ken Caryl Water & Sanitation District

Action by Consent

Action

Information

In 2005, Denver Water replaced two 10-inch turbine meters that serve Ken-Caryl Water & Sanitation District with magnetic meters to allow water to flow into and out of the District without reversing any of the meter components. In early 2009 the District informed Denver Water that they had noticed billing irregularities since the magnetic meters were installed. The District's historic loss rate with turbine style meters was approximately 4%, which is consistent with the loss rate of other master meter distributors. After the magnetic meters were installed, their loss rate varied from -6.75% to +13%.

Denver Water had the magnetic meters tested by an outside engineer, who found the meter settings to be incorrect and recalibrated them. Denver Water and the District agreed to have the meters tested every four months. Denver Water issued a refund of approximately \$19,000 for the period 2005 – October 2009.

In February 2011, the District again contacted Denver Water. Despite regular testing of the meters, the District was experiencing a loss rate of over 14%. On March 23, 2011 the Board authorized a refund of \$304,970.30 to the District. The refund was calculated by using the District's billing to its customers and adding back the historical loss rate. This new figure was then used as the amount the District should have been billed.

In July 2011, the magnetic meters were replaced with turbine style meters. Shortly thereafter Denver Water began work on the Belleview Pump Station and needed to reverse the meters into the District to allow water to be moved north. The meter configuration was restored to normal on December 6, 2011.

The billing records have been reconciled now that the magnetic meters have been replaced and the turbine meters have been restored to their original configuration. Using the same methodology as the prior analysis, the District was overbilled by \$296,184.54. With turbine meters installed and the original pre-2005 configuration restored, staff does not expect any further billing adjustments from these meters.

Recommendation:

It is recommended that the Board authorize a refund of \$296,184.54 to Ken-Caryl Water & Sanitation District for the period March 2011 through December 2011. The District agrees with the methodology and the calculated refund amount.

Approvals:

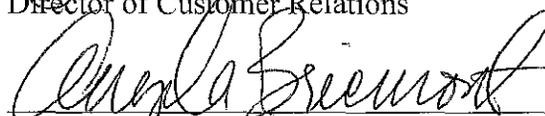
Respectfully submitted,



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