

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: January 9, 2013

Board Item: VI-B-1

## Proposed 2013 System Development Charges

Action by Consent

Action

Information

This information item serves as the notice for proposed changes in SDCs for 2013. Approval of these proposed changes will be requested at the February 27, 2013 Board meeting.

SDCs are assessed to new connections and existing connections requiring additional capacity. SDCs recover cost to serve new capacity requirements. The SDC consists of two primary costs – existing and proposed infrastructure and water rights.

### 2013 SDC Review and Update

The following updates have been included in the calculation of the 2013 SDCs:

- Current replacement cost of existing facilities available to serve new development
- Cost of future growth-related projects contained in the 10-year capital plan
- Valuation of water rights
- Capacity available in existing facilities to serve new development
- Capacity to be added from projects in the 10-year capital plan to serve new development
- Estimate of demand requirements for each development type (single family, multifamily, nonresidential, and irrigation)

### Public Outreach

Staff participated in three outreach activities for the 2013 SDCs

- Early Notification sent to over 30 developers and interested parties in August 2012 indicating a potential change in SDCs for 2013.
- Presentation at the Distributor's Forum on December 18 to discuss the new SDC guidelines and address SDC-related questions.
- Meeting with HBA representatives to discuss the 2013 SDC guidelines as well as changes to the plan review, irrigation plan review, and stub-in process resulting from the LEAN RIE events.

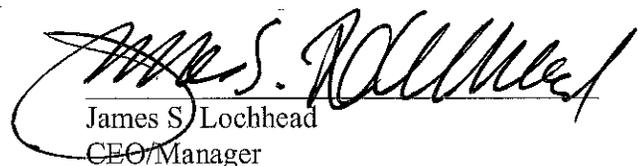
The presentation will include a comparison of existing and proposed SDCs as well as a survey comparing proposed SDCs with surrounding utilities. Staff anticipates presenting the 2013 SDCs for approval at the February 27 Board workshop.

Approvals:

Respectfully submitted,



Angela Bricmont  
Director of Finance



James S. Lochhead  
CEO/Manager