



December 6, 2022

Allotment Management Program (AMP) Update and Extension

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Allotment: The volume of water a tap can use in a 12-month period (December 1 – November 30) before incurring excess water use surcharges. Based on the amount of Water Supply Requirements satisfied at the time of development plus any purchased increases.

Excess water use surcharge: A volumetric charge assessed on all water used through the remainder of the 12-month billing period once an account has exceeded the allotment. Applied in addition to the regular utility rates in a billing cycle. The surcharge is tied to the cash rate for the Water Supply Requirement fee and is evaluated every two years.

Water Supply Requirement: The additional water demand brought into the Utilities water service area by a new development or redevelopment. Water Supply Requirement fees collected at development pay for the use of water necessary to serve the development.

Allotment Management Program (AMP): A temporary Utilities program that serves eligible nonresidential Utilities water customers by waiving excess water use surcharges during the implementation of a landscape project intended to reduce the long-term water use on a property.

AMP is scheduled to end December 31, 2022. Staff recommends extending AMP to December 31, 2024, for the following reasons:

1. Customer Support: Temporarily waiving surcharges frees up budget to complete water-saving projects that don't compromise landscapes.
2. Long-term water use reductions: In three years, over ten million gallons have been saved and savings continue.
3. Landscape resilience: Changing landscapes now means water-wise landscapes later.

AMP Basics

- Excess water use surcharge waiver, up to three years per property.
- Began in 2020 after a specific group of heavily impacted customers was identified.
- Application deadline is December 31, 2022.



Excess water use surcharge (2022: \$16.67 per 1,000 gallons).

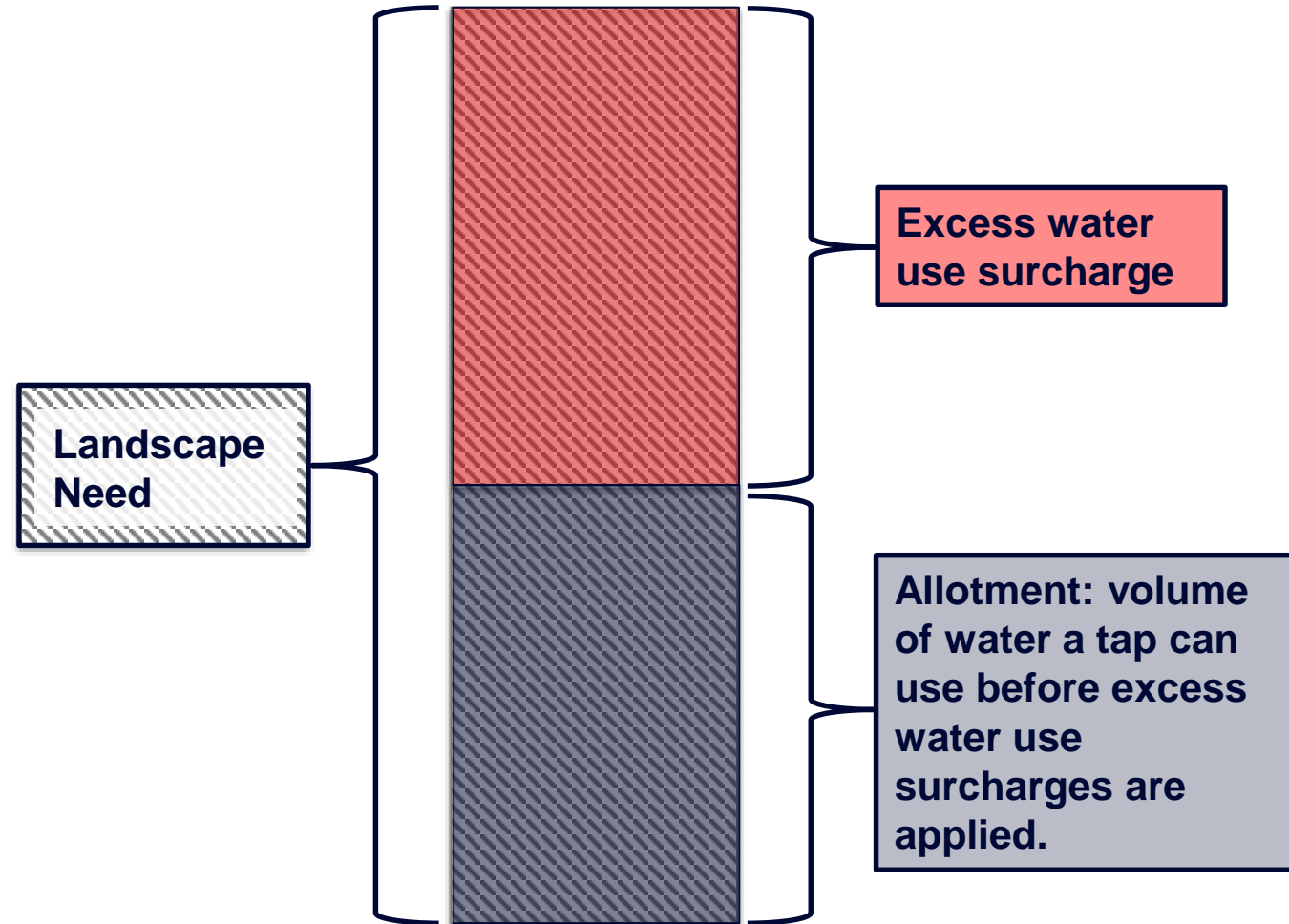
- 1,800 accounts or two-thirds of nonresidential accounts have allotments.
- 350 accounts exceed regularly
- Annual surcharges often exceed \$30k annually.
- Estimated 40-50 accounts are eligible for a temporary surcharge waiver through AMP.



Image: Rigden Farm HOAs

Excess water surcharge waiver eligibility through AMP

- The account serves a landscape water need that is greater than its allotment.
- Customer provides a detailed plan for long-term outdoor water reduction.
- A customer agreement is signed.



Demonstrated success of current program

- 28 premises, 900k ft²
- Ten million gallons of actual water savings.
- 79% or \$207k waived of total \$260k surcharge accrued for 28 premises.
- 6% waived of total surcharges collected for all allotment accounts (2020 – October 2022).



Image: Oakridge VII HOA (AMP)



Image: Front Range Village (AMP & XIP)

Demonstrated success of AMP

Front Range Village

Landscape Need: 8.1 millions gallons

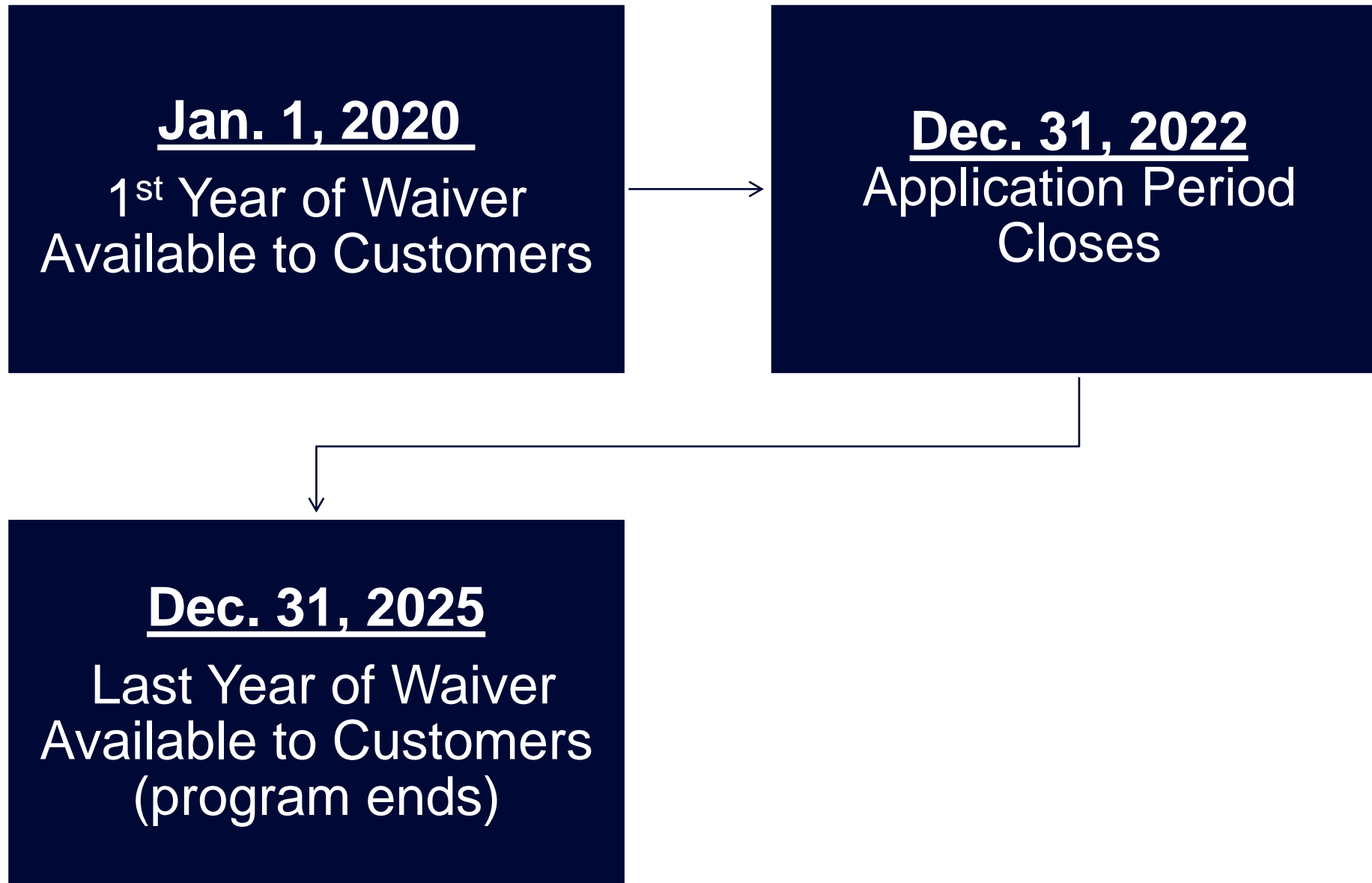
Allotment: 3.9 million gallons

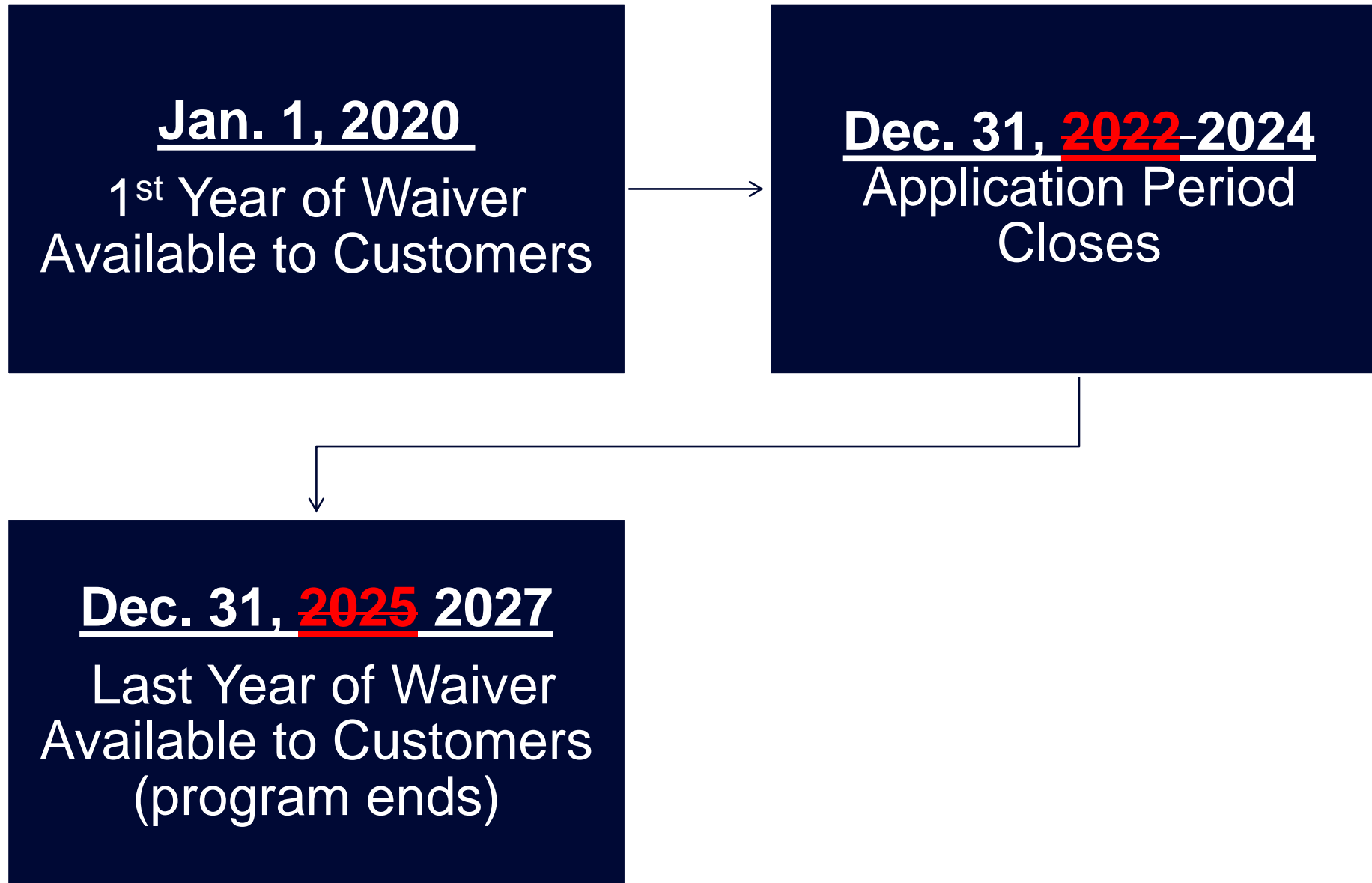
Estimated excess water use surcharge (2022):
\$70K

- Option 1
Pay \$70K+ in surcharges each year
- Option 2
Pay \$879,060 to increase allotment
- Option 3
Pay \$150K to implement water conservation project

Allotment	Landscape Water Need	Average Annual-Use Pre-Project (gal)	2021 Annual Use (gal)	2021 Savings (gal)
3,910,212	8,078,590	7,626,263	5,806,600	1,819,663

- Costs Utilities \$0.03 per gallon saved*
- Landscape need is still two million gallons over allotment
- Over \$39K EWU waived to date
- Year 1: 100% waived
- Year 2: 66% waived
- Year 3: 33% waived





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3. Landscape resilience: Changing landscapes now means water-wise landscapes later.

THANK YOU!

For Questions or Comments, Please Contact:

fcgov.com/amp

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