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**Colorado Can Save Water Through Better Rate Structures**  
**Report shows how Colorado cities compare in using this important water use efficiency tool**

(September 8, 2004)—Since 2002, many Colorado cities have adopted or adjusted their water rate designs to promote efficient water use, but many cities still have much room for improvement. In a new report, “*Water Rate Structures in Colorado: How Colorado Cities Compare in Using this Important Water Use Efficiency Tool*,” Western Resource Advocates, Colorado Environmental Coalition and Western Colorado Congress take a look at the wide variety of water rate structures in Colorado cities, ranging from very aggressive, efficiency-based designs to rate structures that actually promote inefficient water use. The clear message: **increasing block rate structures** are most effective at encouraging efficient water use. One report finding suggests that Denver’s rate design needs significant adjustment to become more effective.

"Water utilities have the opportunity to encourage efficient water use by adopting more aggressive increasing block rate structures," said Don Wojcik, a water policy analyst with Western Resource Advocates. "These rate structures should reward the efficient water users while making high-volume users, who put the highest burden on our water systems and rivers, pay notably more for water."

"Cities such as Highlands Ranch, Colorado Springs and Thornton have implemented innovative rate structures that promote efficient water use," said Elise Jones, Executive Director, Colorado Environmental Coalition. "However, this study also shows the potential for cities like Denver and Pueblo to adopt more aggressive increasing block rate structures."

Along with other conservation and efficiency programs, effective rate structures can help stretch existing water supplies further and avoid much of the cost, delay, and controversy that result from large new water development projects. If designed appropriately, increasing block rates:

- Encourage efficient use by sending a strong conservation price signal;
- Reward conserving customers with lower unit rates for water;
- Assign water supply and development costs proportionately to the customers who place the highest burden on the supply system, and the rivers that feed it;
- Provide water at low prices for basic and essential needs, so all customers can afford it; and
- Do all of the above while still maintaining a stable revenue flow to the utility.

"Water continues to be a crucial issue on both sides of the Continental Divide," observed Steven Acquafresca, former West Slope state representative and member of the Western Slope Environmental Resource Council. "Drought conditions and population growth continue to affect the entire state. Water utilities must adopt aggressive rate structures that reflect the true value of water, conserve water, and provide resources for mitigating any effects from transporting water out of its basin of origin."  
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