

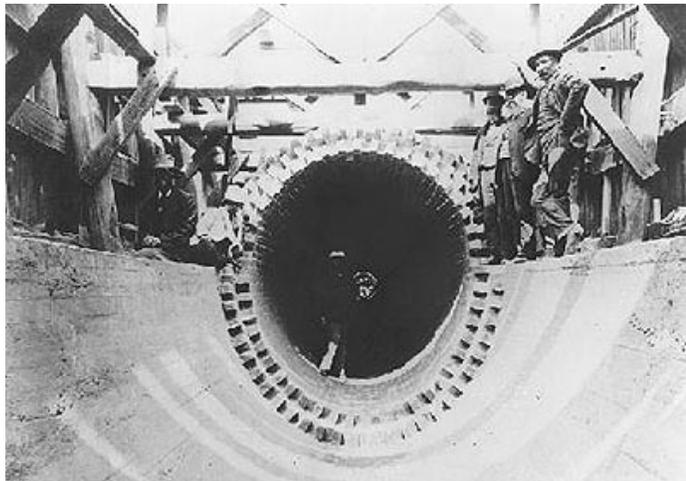
WASTEWATER RATES

HISTORY

The federal Clean Water Act, passed by Congress in 1972, established national standards for water quality. The Clean Water Act directly established minimum performance requirements for wastewater treatment. Indirectly, the water quality standards create much more far-reaching requirements for wastewater treatment.

The Clean Water Act established a construction grants program that provided federal funding for construction of new wastewater treatment facilities and significant upgrades to existing treatment facilities. Billions of federal dollars were spent through the mid-1980s. However, it was always the intent of the Clean Water Act that local communities would take over the burden of fully funding the operation and maintenance of their wastewater systems, and eventually assume responsibility for construction costs as well. Today the only federal support for wastewater programs comes through the State Revolving Fund program, where federal funds support state programs issuing low-interest loans to communities for wastewater system construction and improvements.

Pueblo is over 130 years old, and expectations for wastewater management have changed a great deal over the years. When the original sewers were installed in the late 1800s, the concept was merely to get most of the wastewater away from the community most of the time and as cheaply as possible. The concept of treatment, beyond settling, came much later. From the 1920s through the 1970s, when most of the nation's sewers and treatment plants were built, it was assumed that spills of raw sewage would happen occasionally. But since the 1980s, public expectations have increased to the point of zero tolerance for sewage spills. While this is a positive development from the standpoint of environmental protection, public health, and quality of life, it has the unfortunate effect of requiring highly efficient operations of aging infrastructure that was never designed to operate efficiently. This raises operating costs for wastewater systems much higher than historical levels.



Pueblo's wastewater rates historically did not support full funding. From 1987 through 2002, wastewater rates did not increase, even though the costs of electricity, fuel, chemicals, regulatory fees, regulatory requirements for treatment, and salaries increased significantly. During these years the budget was balanced by reducing expenditures for capital projects and for maintenance. A result of that practice is that the wastewater

infrastructure deteriorated considerably as a result of natural processes and lack of maintenance.

In 2002 the City Council approved a series of modest annual rate increases. In 2006, in anticipation of significant construction requirements driven by State regulation, the City Council approved significant rate increases for several years. These increases made it possible to fund the \$25 million treatment upgrade undertaken in 2010.

Today wastewater treatment costs exceed the costs of drinking water treatment in Pueblo for the first time in history. The reason is that regulations require that wastewater be treated to a level similar to drinking water, but wastewater is much dirtier at the beginning of the treatment process, so the treatment costs are higher.