

**RESOLUTION 2021-7
(Supersedes No. 2015-8)**

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF GLENWOOD SPRINGS, COLORADO
PROVIDING FOR ADJUSTMENTS TO THE MONTHLY WATER AND
WASTEWATER RATES; PROVIDING FOR ANNUAL RATE INDEXING OF THE
MONTHLY RATES; AND PROVIDING EFFECTIVE DATES.**

WHEREAS, the City's utility rates for water and wastewater services are structured to collect the necessary revenues to meet annual operating and maintenance costs of the water and wastewater infrastructure; to cover debt service for water and wastewater financing activities; to fund capital improvements to the City's utility system infrastructure, and to maintain adequate operating fund and capital reserves; and

WHEREAS, Article 080.050 of the City's Municipal Code provides that water and wastewater rates be established by Resolution; and

WHEREAS, the City has not adjusted monthly water and wastewater user rates since April 2015, or approximately six years ago; and

WHEREAS, the City has identified critical utility infrastructure capital needs for the next several years which must be funded through the rate and financial plan to ensure the sustainability of the utility systems; and

WHEREAS, the City recently conducted a rate study to determine the rate adjustments needed to fund the critical capital needs and address certain operating deficiencies over the next ten years; and

WHEREAS, rate adjustments are needed to provide access to capital markets and take advantage of historically low interest rates for financing the critical capital needs; and

WHEREAS, securing debt financing requires the City to demonstrate to lenders, bondholders, and credit rating agencies that the City has adopted a multi-year schedule of rates to support the debt; and

WHEREAS, the City held workshops with the City Council on October 15, 2020, January 21, 2021, and March 18, 2021 to discuss the results of the rate study; and

WHEREAS, the rate study recommendations were presented to the City's Financial Advisory Board on January 6, 2021, and the Financial Advisory Board unanimously recommended City Council approval of the rate recommendations; and

WHEREAS, the proposed rates are considered affordable by utility industry standards; and

WHEREAS, the proposed rates are competitive with those charged by neighboring Colorado local governments; and

WHEREAS, the City Council by this Resolution will set water and wastewater rates until otherwise amended by City Council.

NOW, THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENWOOD SPRINGS, COLORADO, THAT:

Section 1: The water and wastewater rates set forth on **Exhibit A**, attached hereto and incorporated herein, are adopted and shall be effective for all water and wastewater bills rendered on or after July 1st, 2021.

Section 2: In the absence of a formal study recommendation or action by the City Council, the water and wastewater rates shall be automatically increased by 5% each year from 2022 to 2030. The adjustments shall be effective for all bills rendered on or after January 1st of each year. The first increases under these provisions shall become effective on January 1, 2022.

Section 3: Commencing in 2031, and in the absence of a formal study recommendation or action by the City Council, the water and wastewater rates shall be automatically increased for inflationary effects on the costs of operations – without a public hearing – effective for all bills rendered on or after January 1st of each year. The percentage increase shall be the percentage increase, if any, in the Consumer Price Index for the Denver-Aurora-Lakewood Area – as published by the U.S. Bureau of Labor Statistics – from July of the preceding calendar year to July of the current calendar year. IF the D-A-L CPI index does not exist after 2031, staff will choose the most applicable replacement CPI from the front range. The first increases under these provisions, if any, shall become effective on January 1, 2031.

Section 4: The City shall analyze the financial position of the utility systems annually to evaluate the need for subsequent rate adjustments. The City shall perform a formal rate study at least once every three (3) to five (5) years to update the ten-year financial project planning forecast and to minimize rate adjustments over time while conforming with appropriate utility best financial management practices.

Section 5: The City shall work toward establishing a financial assistance program to help low-income customers pay for the water and wastewater increases. The terms and conditions of this program shall be approved by the City Council at a future public meeting.

INTRODUCED, READ, AND PASSED THIS 15th DAY OF April, 2021.

CITY OF GLENWOOD SPRINGS, COLORADO



Jonathan Godes, Mayor

ATTEST:

Ryan Muse, City Clerk

EXHIBIT A**WATER RATES**Treated Water Rates

Monthly Customer Charge	\$20.88
<u>Usage Rate</u>	<u>Per 1,000 gallons</u>
Up to 5,500 gallons	\$3.59
From 5,500 gallons to 17,500 gallons	\$4.77
Over 17,500 gallons	\$6.34

Bulk Water Rates

Monthly Customer Charge	\$20.88
Usage Rate, per 1,000 gallons	\$2.97

Raw Water Irrigation Rates

Monthly Customer Charge	\$20.88
Usage Rate, per 1,000 gallons	\$2.97

Treated Water Irrigation Only Rates

Monthly Customer Charge	\$20.88
Usage Rate, per 1,000 gallons	\$4.77

WASTEWATER RATES

Inside Corporate Limits Wastewater Rates

Minimum Monthly Bill – All Users	\$83.53	
Usage Type	Volume Charge (\$/1000 gal)	Billing Period
Restaurant	\$8.18	Year Round
Hotel or motel with food/beverage service	\$8.18	Year Round
Hotel or motel without food/beverage service	\$8.18	Year Round
All others	\$8.18	Winter Billing
	Winter Average	Summer Billing

Outside Corporate Limits Wastewater Rates

Minimum Monthly Bill – All Users	\$125.30	
Usage Type	Volume Charge (\$/1000 gal)	Billing Period
Restaurant	\$12.27	Year Round
Hotel or motel with food/beverage service	\$12.27	Year Round
Hotel or motel without food/beverage service	\$12.27	Year Round
All others	\$12.27	Winter Billing
	Winter Average	Summer Billing

Bulk Service Outside Corporate Limits Wastewater Rates

All bulk wastewater treatment service outside the corporate limits will be a negotiated rate, on a case-by-case basis.
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