



Town of New Castle Administration Department

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MEMORANDUM

To: Town Council
From: Dave Reynolds
RE: Ordinance 2018 E-2
Date: Nov. 16, 2018

Purpose of Agenda Item E:

Per instruction by Council, which was based on discussions concerning the 2019 Utility Fund Budget, staff has prepared Ordinance 2018 E-2.

The purpose of this Ordinance is to provide for additional revenues to the Utility Fund in the approximate amount of an additional 18% over the course of fiscal year 2019 with regular adjustments thereafter to account for escalations in operating costs.

Staff wishes to introduce the first reading of Ordinance 2018 E-2 at this Council Meeting in order that the second and final reading may be accomplished at the Dec. 4th Council meeting. This timeline will help assure that rate adjustments, if approved, might be in place by the beginning of 2019.

**TOWN OF NEW CASTLE, COLORADO
WATER & SEWER ENTERPRISE
ORDINANCE NO. 2018 E-2**

**AN ORDINANCE OF THE TOWN OF NEW CASTLE WATER & SEWER ENTERPRISE
INCREASING WATER AND SEWER SERVICE CHARGES.**

WHEREAS, pursuant to Chapter 13.04 of the Municipal Code of the Town of New Castle, Colorado (“Town”), the Town has established the Town of New Castle, Colorado, Water and Sewer Enterprise (“Enterprise”) as an enterprise of the Town within the meaning of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, in accordance with New Castle Municipal Code Section 13.04.060, the Enterprise has the power and authority to set rates, fees, and charges for services provided by the Enterprise; and

WHEREAS, pursuant to Section 13.16.020 and .030 of the New Castle Municipal Code, the Enterprise has established certain charges to its customers for water and sewer service; and

WHEREAS, the Enterprise has determined that its water and sewer service rates should be reflected in the Town’s schedule of fees instead of the Town Municipal Code; and

WHEREAS, the Enterprise has further determined that its costs in providing water and service have increased and that it is necessary to raise the water service charges to its customers.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN OF NEW CASTLE WATER & SEWER ENTERPRISE AS FOLLOWS:

1. Recitals. The foregoing recitals are incorporated by reference as findings of the Enterprise Board.
2. One-Time Rate Increase. With the exception of the in-Town cost for each additional 1,000 gallons (or part thereof) of water used in a month over 40,000 gallons and the surcharge imposed pursuant Section 13.16.030(F)(3), the Enterprise Board hereby approves an 18% increase of the current potable and raw water and sewer service rates and surcharge fees set forth in the Town Municipal Code. The Enterprise Board also approves a 21% increase in the rate charged for bulk water. The increased rates shall go into effect on January 1, 2019, and shall be reflected in the Town’s schedule of fees going forward.
3. Annual Rate Increase. The Enterprise Board hereby approves an annual 3% increase of all potable and raw water and sewer service rates and surcharge fees, excluding the surcharge imposed pursuant Section 13.16.030(F)(3). Said increase shall take effect on the first day of January of each calendar year, beginning in 2020.
4. Code Amendment. Sections 13.16.020, 13.16.030, and 13.38.110 of the New Castle Municipal Code are hereby amended as follows, with removed language ~~stricken~~ and added language in **bold** and underlined. Those portions of Sections 13.16.020, 13.16.030, and 13.38.110 not expressly amended by this Ordinance remain unchanged and in full force and effect.

13.16.020 Water rates.

A. Monthly water service charges for users other than “special users” identified in subsection B below shall be computed based on the following water usage and rates set forth in the Town’s schedule of fees.

Water Usage (gallons per month per EQR)	Monthly Water Service Charges	
	Users within Town Limits	Users outside Town Limits
Minimum monthly charge Includes up to 12,000 gallons of water usage	\$24.26	\$37.23
Each additional 1,000 gallons (or part thereof) over 12,000 gallons, up to 20,000 gallons	\$2.32	\$3.35
Each additional 1,000 gallons (or part thereof) over 20,000 gallons, up to 30,000 gallons	\$3.61	\$5.41
Each additional 1,000 gallons (or part thereof) over 30,000 gallons, up to 40,000 gallons	\$7.21	\$10.30
Each additional 1,000 gallons (or part thereof) over 40,000 gallons	\$21.63	\$30.90

B. Monthly water service charges for the following “special users” only shall be computed as follows based on the water usage and rates set forth in the Town’s schedule of fees:

- 1. Users within Town limits in owner-occupied residences where the owner is a senior citizen;**
- 2. Users outside Town limits in owner-occupied residences where the owner is a senior citizen;**
- 3. Schools; and**
- 4. Vacant Property qualifying under Section 13.16.050(A)**

Category of Special User	Monthly Water Service Charges
Users within Town limits in owner-occupied residences where the owner is a senior citizen	The minimum monthly charge, including up to 12,000 gallons of water usage per EQR, shall be \$16.69 per EQR. Charges for each additional 1,000 gallons (or part thereof) of water usage per EQR over 12,000 gallons shall be computed according to the in Town rate schedule set forth in Subsection A above.

Users outside Town limits in owner-occupied residences where the owner is a senior citizen	The minimum monthly charge, including up to 12,000 gallons of water usage per EQR, shall be \$25.34 per EQR. Charges for each additional 1,000 gallons (or part thereof) of water usage per EQR over 12,000 gallons shall be computed according to the out of Town rate schedule set forth in Subsection A above.
Schools	The minimum monthly charge, including up to 12,000 gallons of water usage per EQR, shall be \$20.39 per EQR. Charges for each additional 1,000 gallons (or part thereof) of water usage per EQR over 12,000 gallons shall be computed according to the in Town rate schedule set forth in Subsection A above.
Vacant Property qualifying under Section 13.16.050(A)	53% of applicable monthly charges

C. Water Meter Required. The rates for monthly water service charges ~~set forth in subsections A and B above~~ are based on metered water usage. Accordingly, all users of town water service are required to have water meters equipped with remote readouts installed and maintained in good working condition and in locations that are convenient to the town's meter readers, as determined by the town in its sole discretion. Any such users without water meters installed and in good working condition shall be in violation of this subsection, and, in addition to any other remedies the town may have, the town may assess such users a surcharge fee in addition to the applicable minimum monthly charge ~~set forth in subsections A and B above~~, as follows:

Period	Surcharge Fee
For first month (or part thereof) without water meter	\$100.00 \$118.00 per EQR per month
For second consecutive month (or part thereof) without water meter	\$200.00 \$236.00 per EQR per month
For third consecutive month (or part thereof) without water meter	\$400.00 \$472.00 per EQR per month
For fourth consecutive month (or part thereof) and each subsequent month (or part thereof) without water meter	\$500.00 \$590.00 per EQR per month

The foregoing surcharge fees will increase by three percent (3%) annually on first day of January of each calendar year, beginning in 2020.

F. Bulk Water Rates. The town administrator shall have the discretion to permit water tankers or other such vessels to be filled with town water on an occasional, temporary basis. Such users shall be charged at the rate of ~~nine dollars and fifty cents (\$9.50) per one thousand (1,000) gallons~~ **identified in the Town's schedule of fees.**

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I. Annual rate increase. Monthly water service charges shall increase by three percent (3%) annually on the first day of January of each calendar year beginning in 2020, and shall be reflected in the Town's schedule of fees.

13.16.030 Sewer Service Rates.

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E. If water meter readings are unavailable as a result of the customer's water meter breaking or ceasing to function, and if the meter remains broken or nonfunctional for three or more consecutive months, the town may assess such users a surcharge fee as follows:

Period	Surcharge Fee
For first month (or part thereof) without water meter	\$100.00 <u>\$118.00</u> per EQR per month
For second consecutive month (or part thereof) without water meter	\$200.00 <u>\$236.00</u> per EQR per month
For third consecutive month (or part thereof) without water meter	\$400.00 <u>\$472.00</u> per EQR per month
For fourth consecutive month (or part thereof) and each subsequent month (or part thereof) without water meter	\$500.00 <u>\$590.00</u> per EQR per month

The foregoing surcharge fees will increase by three percent (3%) per year beginning January 1, 2020.

F. Monthly Rates and Charges for Sewer Service

1. Sewer service rates **shall be as set forth in the Town's schedule of fees.** ~~are as follows:~~ **Said rates shall increase by three percent (3%) annually on the first day of January of each calendar year beginning in 2020.**

Category of User	Monthly Sewer Service Charges	
Users within Town Limits	Owner-occupied residences where the owner is a senior citizen	The minimum monthly charge for up to 6,000 gallons of water usage per EQR shall be \$38.31 per EQR. Charges for water usage over 6,000

		gallons per EQR shall be \$5.24 per EQR for each additional 1,000 gallons (or part thereof).
	All other users	The minimum monthly charge for up to 6,000 gallons of water usage per EQR shall be \$43.88 per EQR. Charges for water usage over 6,000 gallons per EQR shall be \$6.17 per EQR for each additional 1,000 gallons (or part thereof).
Users outside Town limits	Owner-occupied residences where the owner is a senior citizen	The minimum monthly charge for up to 6,000 gallons of water usage per EQR shall be \$51.50 per EQR. Charges for water usage over 6,000 gallons per EQR shall be \$6.52 per EQR for each additional 1,000 gallons (or part thereof).
	All other users	The minimum monthly charge for up to 6,000 gallons of water usage per EQR shall be \$52.35 per EQR. Charges for water usage over 6,000 gallons per EQR shall be \$7.67 per EQR for each additional 1,000 gallons (or part thereof).
Vacant Property qualifying under Section 13.16.050(A)	53% of applicable monthly charges	
If a sewer service customer does not receive water service from the town, the town administrator or his designee shall establish a monthly service charge based upon an analysis of other water accounts which are similar in kind to that of the sewer service customer without town water service.		
If water meter readings are unavailable as a result of the customer's water meter breaking or ceasing to function, and if the meter remains broken or nonfunctional for three or more consecutive months, such user shall be subject to the monthly surcharge fee provided for in Section 13.16.030(E). This surcharge fee for sewer usage shall be in addition to any surcharge fee charged to the customer for water usage pursuant to Section 13.16.020(C).		

2. Repair and Maintenance Charge. Each sewer service customer shall pay the town \$3.52 ~~\$4.15~~ per EQR per month in addition to **sewer service** charges set forth in ~~Section 13.16.030(F)(1)~~ above **the Town's schedule of fees**. Funds collected as a result of this charge shall be used by the town for sewer maintenance and operations expenses. Any funds collected and not spent on sewer maintenance and operations expenses within the year collected shall be reserved. The reserved funds shall be used only for any of the following

purposes: (1) sewer maintenance and operations expenses; (2) meter reading systems and associated equipment; or (3) water conservation initiatives of the town.

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4. **If a sewer service customer does not receive water service from the town, the town administrator or his designee shall establish a monthly service charge based upon an analysis of other water accounts which are similar in kind to that of the sewer service customer without town water service.**
5. **If water meter readings are unavailable as a result of the customer's water meter breaking or ceasing to function, and if the meter remains broken or nonfunctional for three or more consecutive months, such user shall be subject to the monthly surcharge fee provided for in Section 13.16.030(E). This surcharge fee for sewer usage shall be in addition to any surcharge fee charged to the customer for water usage pursuant to Section 13.16.020(C).**

13.38.110 Service Charges for Town Raw Water Supplies

Users of town raw water supplies to serve their raw water irrigation system shall pay the town raw water service charges ~~according to the following~~ **set forth in the town's schedule of fees. Said service charges shall increase by three percent (3%) annually on the first day of January of each calendar year beginning in 2020.** Raw water service charges are based on a flat fee rate per square feet of irrigated area.

~~A. Town raw water supplies diverted from East Elk Creek via the Red Rock Ditch: five dollars (\$5.00)/month per two thousand five hundred (2,500) square feet (or part thereof) of irrigated lawn or gardens.~~

~~B. Town raw water supplies diverted from the Colorado River via the Colorado River pumping station: seven dollars and fifty cents (\$7.50)/month per two thousand five hundred (2,500) square feet (or part thereof) of irrigated lawn or gardens.~~

The provisions of Town Code Chapter 13.12 (Utility Services Generally) shall apply to the town's raw water service, excepting Sections 13.12.030 (water meters) and 13.12.040 (trash collection).

5. **Severability.** Each section of this Ordinance is an independent section and a holding of any section or part thereof to be unconstitutional, void or ineffective for any cause shall not be deemed to affect the validity or constitutionality of any other section or part thereof.

6. **Effective Date.** This Ordinance shall take effect fourteen days after publication following second reading hereof.

INTRODUCED on November 20, 2018, at which time copies were available to the Board of the Enterprise and to those persons in attendance at the meeting, read by title, passed on first reading, and ordered published in full and posted in at least two public places within the Town as required by the Charter.

INTRODUCED a second time at a meeting of the Water & Sewer Enterprise of the Town of New Castle, Colorado, on December 4, 2018, read by title and number, passed without amendments, approved, and ordered published as required by the Charter.

TOWN OF NEW CASTLE, COLORADO
WATER & SEWER ENTERPRISE

Art Riddile, Chairman of the Board

ATTEST:

Melody Harrison, Town Clerk