

ORDINANCE NO. 470

AN ORDINANCE RELATING TO THE WATER AND SEWERAGE FACILITIES OF THE TOWN OF HOLLY, COLORADO FIXING CHARGES FOR THE USE THEREOF AND PROVIDING FOR THE COLLECTION OF SUCH CHARGES; AND, SUPERSEDING ORDINANCE NO. 181 AND ORDINANCE NO. 452.

WHEREAS, under and by virtue of the authority conferred upon the governing body of the Town of Holly, Colorado by Title 31, Article 35, and Section 402(b) of the Colorado Revised Statutes to operate and maintain water facilities or sewerage facilities or both for its own use and for the use of public and private consumers and users within and without the territorial boundaries of the municipality; and

WHEREAS, Title 31, Article 35, and Section 402(f) of the Colorado Revised Statutes confers upon the governing body of the Town of Holly, Colorado the power to prescribe, revise, and collect in advance or otherwise, from any consumer or any owner or occupant of any real property connected therewith or receiving service therefrom, rates, fees, tolls, and charges or any combination thereof for the services furnished by, or the direct or indirect connection with, or the use of, or any commodity from such water facilities or sewerage facilities or both; and,

WHEREAS, the Board of Trustees of the Town of Holly, Colorado has deemed Ordinance No. 181, *An Ordinance Relating to the Sewer System of the Town of Holly, Colorado, Fixing Charges for the Use Thereof and Providing for the Collection of such Charges*, dated September 7, 1960 to be outdated and insufficient to the current needs of the utility; and,

WHEREAS, the Board of Trustees of the Town of Holly, Colorado has deemed Ordinance No. 452, *An Ordinance Concerning and Relating to the Adoption of Water Rates Within the Municipal Water Utility System of Holly, Colorado*, dated November 5, 2008 to be outdated and insufficient to the current needs of the utility; and,

WHEREAS, on October 1, 2009 the Board of Directors of the Colorado Water Resources and Power Development Authority approved the Town of Holly Water Department, an Enterprise, for a \$103,392 Drinking Water Revolving Fund Disadvantaged Communities Program direct loan for a term of 30 years at an interest rate of 0% for the improvement of water mains along State Highway 50 between 6th Street and 10th Street; and

WHEREAS, it is necessary to ensure the Town's capability to pay the annual loan installments, and to ensure the Town's capability to establish a capital improvements plan through annual increases in the water rate tariff; and,

WHEREAS, the Town's sewerage facilities and infrastructure have not been updated or modernized for many years, and it is necessary to ensure the Town's capability to establish a capital improvements plan through annual increases in the sewerage rate tariff; and,

WHEREAS, the customers of the Town's sewerage facilities are better served by rate classifications which reflect sewerage tariffs specific to water captured in the lagoons; now,

THEREFORE, BE IT ORDAINED by the Board of Trustees of the Town of Holly, Colorado that the following Section 1, Section 2, Section 3, Section 4, Section 5, Section 6, and Section 7 shall pertain to the Town's water utility:

Section 1. Ordinance No. 452, *An Ordinance Concerning and Relating to the Adoption of Water Rates Within the Municipal Water Utility System of Holly, Colorado* shall be superseded by this Ordinance No. 470.

Section 2. The following water rate tariffs for all meters served within and without the corporate limits of the Town of Holly, Colorado are hereby fixed and established, due and payable monthly, for such connections and uses.

A monthly minimum shall be charged to each water meter served by the municipal water system for the Town of Holly. This monthly minimum shall be based on 3,000 gallons of usage and is reflected as follows:

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
In Town	\$15.45	17.50	18.08	18.68	19.30	19.94	20.60	21.28	21.98	22.71	23.46
Out of Town	\$20.60	22.63	23.38	24.15	24.95	25.77	26.62	27.50	28.41	29.35	30.32

Section 3. A tariff in the amount of \$2.50 will be charged for each 1,000 gallons metered in excess of the minimum usage.

Section 4. The following is established as customer water deposits to be paid by new customers of the Town of Holly water utility.

A. Within Town Limits.

1. A deposit in the amount of \$50 will be required of all new residential customers of the utility.
2. A deposit in the amount of \$50 will be required of all new commercial customers of the utility.

B. Outside Town Limits.

1. A deposit in the amount of \$75 will be required of all new residential customers of the utility.
2. A deposit in the amount of \$50 will be required of all new commercial customers of the utility.

Section 5. All new customers of the Town of Holly water utility will be required to pay a \$50 non-refundable per meter fee.

Section 6. Each ¾” water tap will be charged at the rate of \$200. Each additional ¼” increase will be charged at the rate of \$50. Tap fees will be charged at double the rate outside of town limits.

Section 7. Coin-op water dock bulk purchases will be charged at the rate of \$1.00 per 1,000 gallons.

BE IT FURTHER ORDAINED by the Board of Trustees of the Town of Holly, Colorado that the following Section 8, Section 9, Section 10, and Section 11 shall pertain to the Town’s sewerage utility:

Section 8. Ordinance No. 181, *An Ordinance Relating to the Sewer System of the Town of Holly, Colorado, Fixing Charges for the Use Thereof and Providing for the Collection of such Charges* shall be superseded by this Ordinance No. 470.

Section 9. The following utility customer classifications and sewerage rate tariffs for all customers served within and without the corporate limits of the Town of Holly, Colorado are hereby fixed and established, due and payable monthly, for such connections and uses. Rate tariffs are set for each customer classification through the cost of service variables of water consumption, and, transferal to the sewer lagoons.

A. **Residential.** Customers of this classification will be charged a sewerage flat rate which is 0.40% of the prevailing minimum monthly water rate for each year. This classification includes private residences, mobile residences and RV camper residences; Lamar Housing Authority Apartments (separate meters), and other apartments. Sewerage rates and the respective year of commencement are as follows:

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
In Town	\$7.00	7.23	7.47	7.72	7.98	8.24	8.51	8.79	9.08	9.38
Out of Town	\$9.05	9.35	9.66	9.98	10.31	10.65	11.00	11.36	11.74	12.13

B. **Commercial Tier I. Minimum Use.** Customers of this classification will be charged a sewerage rate which is 0.40% of the prevailing minimum monthly water rate for each year. This classification includes beauty shops, grocery stores, commercial offices, small retail and other businesses, churches, banks, medical and veterinary clinics, some school buildings, and some municipal buildings. Sewerage rates and the respective year of commencement are as follows:

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
In Town	\$7.00	7.23	7.47	7.72	7.98	8.24	8.51	8.79	9.08	9.38
Out of Town	\$9.05	9.35	9.66	9.98	10.31	10.65	11.00	11.36	11.74	12.13

C. **Commercial Tier II. Exceed Minimum Use, Wholly Captured in Lagoons.** Customers of this classification exceed the 0-3,000 gallon minimum monthly water usage, and reflect month-to-month flexible usage which is wholly captured in the sewer lagoons. Customers will be charged 0.40% of the total monthly water cost, exclusive to each metered account, based upon water consumption for the month, determined as follows:

Example Applies to In Town Customer.

5,000 gallons metered	
3,000 gallons minimum @ \$17.50 = \$17.50	
2,000 gallons @ \$2.50/1,000 gal = <u>5.00</u>	
Total Water Cost	\$22.50
Multiplied by 0.40%	<u>x 0.40</u>
	\$ 9.00 Flexible Monthly Sewerage Fee

This classification includes restaurants and other restaurant-type businesses, laundries, car washes, light manufacturing, some school buildings, Holly Housing Authority (one shared meter for all apartments), some municipal buildings, motels, hotels.

D. **Commercial Tier III. Exceed Minimum Use, Not Wholly Captured in Lagoons.** Customers in this classification exhibit water use in January and February that exceeds the 0-3,000 gallon minimum, but is less than warm weather usage attributed to yard watering, registered to the same meter. Customers will be charged 0.40% of January usage and 0.40% of February usage, and then a flat rate for the remainder of the year will be determined by using the highest water consumption month of January or February as the standard, determined as follows:

Example Applies to In Town Customer.

January: 7,000 gallons metered
February: 5,000 gallons metered

7,000 gallons metered	
3,000 gallons minimum @ \$17.50 = \$17.50	
4,000 gallons @ \$2.50/1,000 gal. = <u>10.00</u>	
Total Water Cost	\$27.50
Multiplied by 0.40%	<u>x 0.40</u>
	\$11.00 Commercial Tier III Sewerage Flat Rate

This classification includes long term care centers and other 24-hour facilities.

E. **Commercial Tier IV.** Exceed Minimum Use, Not Wholly Captured in Lagoons, Residential and Commercial Tier III shared meter. Customers in this classification exhibit water use for residential needs, and will be charged 0.40% of the prevailing minimum monthly residential water rate for each year. Customers in this classification also exhibit commercial water use in January and February that exceeds the 0-3,000 gallon residential minimum, but is less than warm weather usage attributed to yard watering, registered to the same meter. Customers will be charged 0.40% of January usage and 0.40% of February usage, and then a flat rate for the remainder of the year will be determined by using the highest water consumption month of January or February as the standard, determined as follows:

Example Applies to In Town Customer.

January: 12,000 gallons metered
 February: 22,000 gallons metered

22,000 gallons metered	
<u>-3,000</u> gallons residential minimum @ 17.50 = \$17.50	
	<u>x .40</u>
	\$ 7.00 Residential Sewerage Flat Rate
19,000 gallons @ 2.50/1,000 gal.	= \$47.50
Multiplied by 0.40%	<u>x 0.40</u>
	\$19.00 Commercial Tier IV Sewerage Flat Rate

Section 10. Each sewer tap will be charged at the rate of \$300. Tap fee will be charged at double the rate outside of town limits.

Section 11. The Board of Trustees of the Town of Holly may, by resolution, adjust or change any rate tariff contained herein; or, may adjust or rename any classification, or cause a new classification to be named by virtue of resolution.

The Board of Trustees of the Town of Holly, Colorado hereby finds, determines and declares that this ordinance is necessary for the immediate preservation of the public peace, health and safety of said Town and of the inhabitants thereof and the same shall be in full force and effect immediately.

INTRODUCED for first reading this 6th day of January, 2010.

/s/ W. Bruce Roup, Mayor

ATTEST:

/s/ Mary Rushton, Clerk/Treasurer

INTRODUCED for second reading, approved, and ordered published this 3rd day of February, 2010.

/s/ W. Bruce Roup, Mayor

ATTEST:

/s/ Mary Rushton, Clerk/Treasurer