

**RESOLUTION 2022-45
(Supersedes No. 2021-07)**

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

WHEREAS, the City's utility rates for water services are structured to collect the necessary revenues to meet annual operating and maintenance costs of the water infrastructure; to cover debt service for water 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 user rates since April 2021 or approximately two 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 in 2021 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 and City's Financial Advisory Board in 2021, both entities unanimously recommended 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 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 in **Exhibit A**, shall be effective for all water and wastewater utility billings starting with the January 2023 billing cycle .

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 billing on or after January 1st of each year. The first increases under these provisions was to become effective on January 1, 2022. This increase was not completed in 2022. Based on the recommendation of City staff a 5% increase on water only will be implemented for 2023.

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. 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) years to update the ten-year financial 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 15 DAY OF December, 2022.

CITY OF GLENWOOD SPRINGS, COLORADO



Jonathan Godes, Mayor

ATTEST:



Ryan Muse, City Clerk

EXHIBIT A**WATER RATES**Treated Water Rates

| | |
|--------------------------------------|--------------------------|
| Monthly Customer Charge | \$21.92 |
| <u>Usage Rate</u> | <u>Per 1,000 gallons</u> |
| Up to 5,500 gallons | \$3.77 |
| From 5,500 gallons to 17,500 gallons | \$5.01 |
| Over 17,500 gallons | \$6.66 |

Bulk Water Rates

| | |
|-----------------------------|---------|
| Monthly Customer Charge | \$21.92 |
| Usage Rate, per 100 gallons | \$3.12 |

Raw Water Irrigation Rates

| | |
|-------------------------------|---------|
| Monthly Customer Charge | \$21.92 |
| Usage Rate, per 1,000 gallons | \$3.12 |

Treated Water Irrigation Only Rates

| | |
|-------------------------------|---------|
| Monthly Customer Charge | \$21.92 |
| Usage Rate, per 1,000 gallons | \$5.01 |