AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

AgendaTitle:
Resolution; Establishing the Schedule of Fees and Rates for Sewer Service within the Somerset Division of the Gunnison County Water and Sewer District; This Resolution Supersedes Resolution 13-37

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:
The annual sewer rate resolution for the Somerset Division of the Gunnison County Sewer and Water District. A 105% rate increase is proposed for 2015, which results in $38.09 more per month for a residential user. This change was required to support increased regulatory costs imposed by the Colorado Department of Public Health and Environment. A letter was sent to customers on October 23, 2014 advising of the upcoming rate increase.

Fiscal Impact: $18,220

Submitted by: Ben Cowan **Submitter's Email Address:** bcowan@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ◉ Required ○ Not Required

Comments:

ok db 12/2/14

Reviewed by: GUNCOUNTY1\dBaumgarten Discharge Date: 12/2/2014 Certificate of Insurance Required Yes ○ No ◉

County Manager Review:

Comments:

Reviewed by: GUNCOUNTY1\mbirnie Discharge Date: 12/2/2014

◉ Consent Agenda ○ Regular Agenda ○ Worksession Time Allotted:

Agenda Date: 12/16/2014 Follow Up Agenda Date:

Revised April 2013

November 4, 2014

Marlene Crosby
Public Works Director
Gunnison County
195 Basin Park Dr.
Gunnison, CO 81230

Dear Ms. Crosby:

As a fulltime resident of Somerset, CO I am writing to express my concern with the inordinate increase in septic/sewer fees (105%). Your letter dated October 23, 2014 informing Somerset septic/sewer users of the more-than-doubled fees that will go into effect Jan. 1, 2015 states how hard your staff worked, your need to add staff to read meters, and the costly requirement to test water samples on a monthly basis.

I am sure your staff works very hard to minimize the number of times the septic tanks must be pumped. As users of the septic/sewer system, Somerset residents are aware of the need to limit excess sewage discharge. Your own letters to Somerset septic/sewer users reflects the poor service provided to septic/sewer users here in Somerset in the past. I refer you specifically to your letters written July 23, 1997 and again January 1, 1999 which stated that your department needed to do a better job and that your department would try to do a better job, particularly when dealing with the operation and maintenance of the leach field above the collection tanks.

Each time Gunnison County Public Works Department sends out notifications of rate increases to the 20 or so septic/sewer users in Somerset, you offer the same explanations for the budgetary woes that force rate increases. You have also mentioned repeatedly the need for users to limit their use of the system. The designation of Gunnison's utility accounts as enterprise accounts is well known. In your latest letter, you state the system is no longer just a septic system but is now considered a treatment plant. In the original 1991 contract to build this system, it is referred to as a "domestic waste water treatment work." That does not seem to reflect a meaningful change in County responsibilities. On a historical note, more than nine years ago Somerset septic/sewer system users repaid the original loan ($25,000) used with a grant ($50,000) to construct the system. Over the life of that loan, system users paid an additional $11,128 in interest along with user fees of $100,491 to Gunnison County.

Although every taxpayer can appreciate trying to do more with less, your plan to double our current user fees will result in a serious hardship for the people who must rely on this septic/sewer system here in Somerset. The residents of Somerset fully understand budgetary woes...we have many of our own including loss of employment from the mines that operated in our area for over a hundred years.

I would offer a suggestion to help limit increased costs: Since our Somerset Water District Board already pays an employee to read meters each month, why not utilize this same employee to share that information with your Department? In addition, there is a Somerset resident who is seeking Class D certification within the coming weeks. Perhaps that person could provide your Department with the necessary tests and readings.

Somerset septic/sewer system users experienced an average annual rate increase of 17.9% in the past. The upcoming 105% increase is a real burden. We would appreciate reconsideration of the planned more-than-doubled fees. Thank you for your time.

Respectfully,

Dr. Ann Coker
P.O. Box 526
Somerset, CO 81434

BOARD OF COUNTY COMMISSIONERS
OF GUNNISON COUNTY
RESOLUTION NO. 14-___

A RESOLUTION ESTABLISHING THE SCHEDULE OF FEES AND RATES FOR SEWER SERVICE WITHIN THE SOMERSET DIVISION OF THE GUNNISON COUNTY WATER AND SEWER DISTRICT

THIS RESOLUTION SUPERSEDES RESOLUTION 13-37

WHEREAS, pursuant to Colorado Revised Statute 30-20-402(1)(f), the Board of County Commissioners of Gunnison County, Colorado may prescribe, revise and collect, in advance or otherwise, rates, fees, tolls and charges, including but not limited to availability fees, tap fees, and reasonable delinquency penalties for sewerage facilities; and

WHEREAS, there have been increased ongoing operation costs for the operation of the sewage treatment system providing service to the Somerset Division; and

WHEREAS, Gunnison County must upgrade and maintain the connection lines within the Somerset Division; and

WHEREAS, it is the desire of the Board of County Commissioners not to pay for such costs from the capital reserve;

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners that:

1. Schedule of Rates. The rate schedule is adopted each year as part of the budget process and is available as Appendix A attached hereto. The schedule of rates will remain in full force and effect for the calendar year for which it was approved. The rate structure will be published in the newspaper and is available from the Gunnison County Finance Office at 200 East Virginia, Gunnison, CO 81230. Any past due account shall be subject to a penalty charge of 1% per month or portion thereof, and any past due amount may, at the option of the Gunnison County Finance Office, be certified for collection in the manner as though they were part of the taxes pursuant to Colorado Revised Statute 30-20-420.

2. Residential Sewer Fee. User fees for connection of each residence, as defined in the Gunnison County Land Use Resolutions (LUR), to the Gunnison County collection system will be charged upon installation of the service line and the approval of the Gunnison County Utility Manager. Residences with an integrated secondary residence are counted as if they were just one residence. User fees will be billed in advance.

3. Vacant Lot Sewer Fee. A vacant lot sewer fee will be charged for each parcel of real property in the Somerset Division which has sewer service available to that parcel but which parcel is not connected to the Division sewer lines. The vacant lot sewer fee will start on the date of final board approval for proposed property developments, subdivisions, etc.

4. Tap Connection Fee. There is a fee for sewer service tap connection within the Somerset Division for each connection based on Appendix B attached hereto according to water supply size. Water supply size is either the meter size or line size from the well to the structure when no meter is present.

5. Excessive Connection Costs. Sewer service will be extended to the property line, unless cost of such extension of service exceeds two thousand five hundred dollars ($2,500) or the product of the number of new users to be served by said sewer extension and two thousand five hundred dollars ($2,500). Costs exceeding two thousand five hundred for a single user or the product of the number of new users to be served by said sewer extension and two thousand five hundred dollars ($2,500) will be the sole responsibility of the property owner(s) to be served. An estimate of the total costs will be provided to users in advance of work performed. Such work will be managed by Gunnison County staff.

6. Minimum Charges. Any property connected to the system shall pay the minimum rate for four quarters per year whether or not the property is occupied or the sewer system is used.

7. Perpetual Lien. Until paid, all fees, rates, tolls, penalties, interests on delinquencies, and other costs shall constitute a perpetual lien on and against the property served, and any such lien may be collected in any manner legally permissible, including certification to the Gunnison County Treasurer as provided by law.

8. Building Permit Shall Not Be Issued. No building permit shall be issued for any building on a parcel of land in the Somerset Division unless the tap fee for that parcel has been paid in full as set forth above.

9. Additional Inspection Fee. The first inspection of the sewer service line is included with the tap connection fee. If an additional inspection is required, a flat fee will be charged for each additional inspection.

10. Fees May Be Amended. The fees hereby established may be amended from time to time by the Board of County Commissioners. It is the intention of the Board of County Commissioners that a review of the fees and rates be conducted each year, if such review is not conducted, the then current fees shall remain in full force and effect.

BE IT FURTHER RESOLVED THAT these fees shall remain in effect until changed by resolution by the Board of County Commissioners.

INTRODUCED by Commissioner _____, seconded by

Commissioner _____, and adopted this ____ day of December, 2014.

BOARD OF COUNTY COMMISSIONERS
OF GUNNISON COUNTY, COLORADO

By _____
Paula Swenson, Chairperson

By _____
Phil Chamberland, Vice-Chairperson

By _____
Jonathan Houck, Commissioner

Attest:

_____
Deputy County Clerk

APPENDIX A

GUNNISON COUNTY, COLORADO
SOMERSET DIVISION OF THE GUNNISON COUNTY SEWER AND WATER DISTRICT
SCHEDULE OF RATES - SEWER

	QTRLY BASE RATE		
RESIDENTIAL	$	223.11	per quarter
VACANT LOT	$	73.63	per quarter
ADD'L INSPECTION FEE	$	50.00	per additional inspection

APPENDIX B

GUNNISON COUNTY, COLORADO
SOMERSET DIVISION OF THE GUNNISON COUNTY SEWER AND WATER DISTRICT
SCHEDULE OF RATES - TAP CONNECTION FEE

WATER SUPPLY SIZE	FEE
0.75	$ 5,500.00
1.00	$ 9,500.00
1.50	$ 20,500.00
2.00	$ 35,500.00
3.00	$ 70,500.00
4.00	$ 120,500.00
6.00	$ 240,500.00

NOTE: Water supply size is based on inches