

Water rates were last changed in 2010 due to the price increase for treated water from the City of Greeley. When the 2016 budget was prepared, it was determined that water rates would need to increase and that a rate analysis was necessary. Staff worked with Forrest Leaf to prepare a rate analysis (an executive summary was included in the March 9th Board meeting packet). The rate analysis was presented at the work session on February 24.

The summary of the analysis states **“Based on the analysis presented above, potable water rates should be increased by 15% for all base uses and usage classes. This will result in a system-wide base use increase of \$3.20 per month and a usage charge increase of \$0.53 per 1,000 gallons. It is recommended that the non potable water rates be increased to \$45 for all base uses and \$1.00 per 1,000 gallons for all usage classes. This rate increase will result in a Water Activity Fund projected balance surplus in 2017 and 2018 of \$44,144 and \$55,323 respectively. It is important to note that these recommended rate increases do not reflect increased rates necessary to cover capital projects needed to repair and update the existing potable and non-potable infrastructure, or to service any associated debt service resulting from such capital projects.”**

The current and proposed rates are on the following pages as per the analysis' recommendation.

The cash in lieu rate for raw water units of C-BT is also recommended for an adjustment.

BUDGET IMPLICATIONS

The increased rates will close the gap for the operations and maintenance portion of the water utility fund budget depending on customer response to the increased rates and actual usage.

The change in the cash in lieu rate (regarding Section 13-2-330) for raw water units on new development will allow for a more competitive rate compared to neighboring communities. The indication is that the Town will receive more applications for cash in lieu and consequently be able to generate more cash reserves to directly purchase additional raw water.

STAFF RECOMMENDATION

Staff recommends that the Board of Trustees approve the proposed changes to the current fee schedule.

SUGGESTED ACTION

“I move to adopt the recommended Fee Schedule with changes to water rates including base standby charges and usage charges and the cash in lieu rate.”

RESOLUTION NO. 16-05

**A RESOLUTION TO AMEND THE TOWN OF MILLIKEN FEE SCHEDULE:
UPDATING REVENUES RELATED TO WATER SERVICES PROVIDED BY THE
TOWN OF MILLIKEN, WELD COUNTY, COLORADO.**

WHEREAS, each year, in conjunction with the Town's budget development process, or as needed throughout each fiscal year, Town Staff is assigned to review the Town's current charges and fees and recommend to the Town Board any necessary changes to the Fee Schedule and,

WHEREAS, the monthly rates for the Water Fund have not been increased since 2010; and,

WHEREAS, the processed water providers (Central Weld County Water District and the City of Greeley) have increased their charges by over 86% and 91% respectively to the Town in the intervening years; and,

WHEREAS, an increase in customer charges is required to fund this price increase and the administrative costs of servicing the Town's customers,

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE
TOWN OF MILLIKEN, COLORADO:**

Section 1: The Board of Trustees of the Town of Milliken hereby enacts this resolution and adopts the Town of Milliken Fee Schedule regarding water system fee rate structure, dated March 23, 2016.

Section 2: See Fee Schedule Attached

Section 3: This Resolution was introduced and a public hearing was set for March 23, 2016 at the Agenda Meeting of the Board of Trustees.

Section 4: Severability.

If any part, section, subsection, sentence, clause or phrase of this resolution is for any reason held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this resolution.

Adopted this March 23, 2016.

TOWN OF MILLIKEN:

ATTEST:

Milt Tokunaga, Mayor

Cheryl Powell, Town Clerk