


PUBLIC WORKS DEPARTMENT
MEMORANDUM #09-38

DATE: August 27, 2009
TO: Honorable Mayor Kathleen M. Novak and City Council Members
FROM: William A. Simmons, City Manager
David Willett, P.E., Public Works Director 
SUBJECT: Amend Resolution 09-56 Wastewater Rate Charges

BACKGROUND:

City staff has received the Water/Wastewater Rates – Executive Summary Report from Red Oaks Consulting. The summary report indicates that water and wastewater funds will not have sufficient funds to cover operations and maintenance, and the required capital improvements slated for the treatment facilities and their respective distribution and collection systems. The basis and starting point of the Red Oaks study was to examine the existing infrastructure and determine the required capital and corresponding rate structure to ensure revenues are sufficient to maintain the health, safety, and environmental aspects of our utility operations.

The Red Oaks study determined that annual water revenue would need to increase annually by 8.0% over the study period through 2018 (Note that the water resource component is by far the largest component and driver of revenue increases over the study period). And respectively, the wastewater revenue would need to increase by 7.5% annually through 2014 and 5.0% annually through the remainder of the study period.

The documents that were used to support findings are as follows:

- Water – Integrated Resource Plan (2007), Distribution Modeling (2008), Water Treatment Master Plan Update (2009)
- Wastewater – Wastewater Utility Plan (2003).
- Internal Television Inspection of Sanitary Sewer Lines (2006-2007)
- Northglenn Capital Improvement Program 2007-2011
- Comprehensive Annual Financial Reports (2005, 2006, 2007, 2008)

On August 13, 2009 Council was presented with a revised rate charge based on the following information:

- Eliminate Residential Service Charge
- Reinstate a minimum Volume Charge
- Adjust Volume Charge to meet future fund revenue requirements (capital expenses)

The new residential rate charge is \$3.08 per 1,000 gallons (3,000 gallons minimum).

STAFF REFERENCE:

David H. Willett, P.E., Public Works Director

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SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-101
Series of 2009

Series of 2009

A RESOLUTION AMENDING CR-60, SERIES OF 2009, BY APPROVING A DIFFERENT SEWER RATE CHANGE FOR THE CITY OF NORTHGLENN THAN ORIGINALLY PROVIDED FOR BY CR-60

WHEREAS, a Consideration Resolution was approved by the City Council on Thursday April 23, 2009, and a public hearing on proposed water and sewer rate increases was conducted on May 14, 2009 pursuant to Section 16-10-4(b) of the Northglenn Municipal Code;

WHEREAS, the City Council adopted CR-60, initially adopting water and sewer rate charges as set forth in CR-60;

WHEREAS, the City Council subsequently determined to reconsider the sewer rate component of the proposed increases as set forth in CR-60, and delayed implementation of the sewer rates; and

WHEREAS, following further study regarding the proposed sewer rates, the City Council desires to amend the sewer rate component of CR-60 as set forth below.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. CR-60, Series of 2009, is amended to provide that the sewer rates for the City of Northglenn shall be changed, effective as of September 1, 2009 at the first full billing cycle, as follows:

Wastewater

Current Rates:

\$2.85 per 1,000 gallons (3,000 gallon minimum)

New Rates:

\$3.08 per 1,000 gallons (3,000 gallon minimum)

DATED at Northglenn, Colorado, this ____ day of _____, 2009.

KATHLEEN M. NOVAK
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney