

## RIFLE CITY COUNCIL MEETING

Wednesday, March 5, 2012

### SPECIAL MEETING

7:00 p.m. \* Council Chambers

A special meeting of the Rifle City Council was called to order at 7:00 p.m. by Mayor Jay Miller.

**PRESENT ON ROLL CALL:** Councilors Rich Carter, Alan Lambert, Keith Lambert, Jonathan Rice, Jen Sanborn, Randy Winkler, and Mayor Jay Miller.

**OTHERS PRESENT:** John Hier, City Manager; Matt Sturgeon, Assistant City Manager/Director of Planning; Lisa Cain, City Clerk; Jim Neu, City Attorney; Michael Churchill, Channel 10 Assistant Manager; Daryl Meisner, Police Chief; Dick Deussen, Utilities Director; Robert Burns, Water Supervisor; Charles Kelty, Finance Director; Gil Frontella; Greg Valunas; Jim Shira; Nora Shira; Mike McCoy; Clint Croy; Bret Cook; Carmie Cook; and Nella Barker.

#### ***DISCUSS AND CONSIDER TAKING ACTION ON WATER PLANT ISSUES***

Council did not discuss or take action on water plant issues.

#### ***DISCUSS ORDINANCE NO. 7, SERIES OF 2012 (UTILITY SERVICE CHARGE AMENDMENTS TO RMC APPENDIX A AND SECTION 13-4-60)***

City Manager John Hier and City Attorney Jim Neu explained that the City adopted a new utility code in late 2004 that changed the way the City calculated tap fees, which used to be based upon the size of the water line servicing the structure. The City enacted an Equivalent Residential Unit (EQR) Schedule that looked at the structure's use, how many square feet it contained and how many water fixtures it had. An EQR Schedule is a more accurate way to determine the impact to the City's system, and this is how tap fees are charged.

Monthly service charges were also tied to the EQR value assigned to each structure. Single family dwellings were billed no different than before at 1 EQR and multi-family units on master meters were still billed 1 EQR per unit.

Every single family dwelling and each multi-family dwelling unit was charged a base monthly fee (about \$14) and then a usage fee for all water used above four thousand gallons. In the example of a four apartment complex on one master meter, they would have paid \$14 X 4 units = \$56, and they would have paid a usage fee for all usage above 16,000 gallons (i.e., 4 units x 4,000 gallons = 16,000 gallons). That is because the first 4,000 gallons of usage is included with the base fee. Some multi-family units never paid extra for water usage because they never exceeded the monthly minimum of 4,000 gallons times the number of units. Other multi-family units, such as mobile home courts, often exceeded this minimum and paid a base rate per unit and a usage fee.

On the commercial side, staff had no idea how many EQR to attribute to commercial developments existing at that time, so each commercial account was billed 1 EQR. Utility staff reasoned that commercial developments would make up the difference through the tiered water usage rate over the 4,000 gallon monthly allocation. To codify this practice, the 2007 ordinance changed the service charges invoiced each month from "per EQR" to "per account."

Finance staff interpreted this to mean that multi-family complexes were to be charged one base fee no matter how many units were in the complex, and then be billed for all usage above 4,000 gallons. This resulted in a reduced water bill for many small multi-family complexes that didn't use 4,000 gallons per unit per month. Larger multi-family complexes (King's Crown, a mobile home court, for example) paid about the same total bill as they previously had paid simply because they were being billed one base fee and a usage fee for all water used above four thousand gallons, which about equaled the per unit base fees.

In 2011, staff caught the mistake and the new ordinance recently adopted clarified that all customers are supposed to pay a base fee on a per unit basis and pay for usage. This change conformed to Section 13-1-380 which has been in the Code for many years and did not "increase" rates for multi-family units - it simply fixed a billing error. This has significantly increased the total water/sewer bill for owners/renters in small multi-family complexes. The increase is especially significant because these multi-family users are paying the base water rate and base sewer rate, and the base sewer rate more than doubled since 2007 (that was a result of the new waste water treatment plant and associated rate increase).

Gil Frontella, Greg Valunas, Mike McCoy, Clint Croy, and Brett Cook presented information about the effect of the 2011 ordinance on water and sewer bills at multi-family residences.

Jim Shira and Nora Shira presented information about the effect of the 2011 ordinance on water and sewer bills at a recreational vehicle (RV) park.

In 2008 the City amended the EQR Schedule for multi-family units to reflect the various impacts on the City's system related to the number of units in a building and their size. The amendment reduced the EQR values for many multi-family units. Staff suggested that small multi-family complexes could be billed at a reduced monthly base rate as compared to single family residences, as reflected in the revised EQR Schedule, in order to reduce water and sewer bills for multi-family complexes.

After discussion, Council directed staff to prepare an ordinance allowing small multi-family complexes to be billed based on the EQR values for those complexes, establishing an EQR value for RV parks, and allowing RV parks to be billed based on the EQR values for those parks.

Council also directed staff to process credits against bills for excess charges for January and February 2012 resulting from the 2011 ordinance.

**EXECUTIVE SESSIONS**

- **FOR A CONFERENCE WITH THE CITY ATTORNEY FOR THE PURPOSE OF RECEIVING LEGAL ADVICE ON SPECIFIC LEGAL QUESTIONS UNDER CRS SECTION 24-6-402(4)(B) REGARDING PENDING LITIGATION**
- **TO DISCUSS PERSONNEL MATTERS UNDER CRS 24-6-402(2)(F) AND NOT INVOLVING: (1) ANY SPECIFIC EMPLOYEES WHO HAVE REQUESTED DISCUSSION OF THE MATTER IN OPEN SESSION; (2) ANY MEMBER OF THIS BODY OR ANY ELECTED OFFICIAL; (3) THE APPOINTMENT OF ANY PERSON TO FILL AN OFFICE OF THIS BODY OR OF AN ELECTED OFFICIAL; OR (4) PERSONNEL POLICIES THAT DO NOT REQUIRE THE DISCUSSION OF MATTERS PERSONAL TO PARTICULAR EMPLOYEES**

Councilor A. Lambert moved to adjourn to executive sessions to receive legal advice and to discuss personnel matters; seconded by Councilor Rice (8:17 p.m.).

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

Upon return to open session following conclusion of the executive sessions, meeting adjourned at 9:15 p.m.

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Lisa H. Cain  
City Clerk

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Jay D. Miller  
Mayor