

RIDGWAY TOWN COUNCIL
MINUTES OF WORKSHOP MEETING

AUGUST 13, 2019

The Town Council convened for a workshop meeting at 6:05 p.m. in the Ridgway Community Center at 201 North Railroad Street, Ridgway, Colorado. In attendance Councilors Cheek, Hunter, Meyer, Mayor Pro Tem Johnson and Mayor Clark. Councilor Austin was absent, Councilor Lakin entered the meeting after the roll call.

Town Clerk's Notice of Workshop to review and discuss water rates dated August 2, 2019.

Town Manger Jen Coates presented a memorandum dated August 9, 2019 containing background, questions for discussion and exhibits. She reviewed fixed costs and variables that contribute to the cost of water, relative to the amount of water sold. She explained the estimated costs for variables that effect the water rates such as the cost of water, capital projects, tap fees and fund reserves. She explained that while the costs are projected and based on fixed and historical information many variables are also included.

There were comments and discussion by the Council.

SPEAKING FROM THE AUDIENCE

Robert Goodbinder, representing Ridgway Lodge and Suites requested a history of the water treatment facility and asked what consists of the proposed seven million dollars projected for capital equipment. He also asked if the Town has enough water supply to accommodate the anticipated growth or drought without annexing or purchasing water rights.

Tate Rogers said "the people carrying the biggest burden with the rate increase are the same people improving the quality of life for the town by paying high real estate taxes, sales tax, and lodging tax" and requested the Council consider this when reviewing the water rates "to keep businesses in town".

Rodney Fitzhugh said it is difficult for business and large families to conserve water. He asked "staff to review the facts and figures before making an arbitrary decision".

John Countryman asked why there are overages if the current rate is for the actual cost to deliver water and stated the current price for water should be sufficient without overage rates. He said he "only wants to pay his fair share" and does not want his "use to be subsidized by his neighbors, nor does desire to subsidize his neighbor".

Bob Collins noted only 136 taps exceeded the base allowance in 2018. He did not agree with how the water rates were calculated. Collins shared his rational for rate structure and suggested keeping the base rates the same and increasing the overage rates.

Barthold Lichtenbelt spoke in favor of the rate structure and asked what the rate structure policy will be.

Councilor Lakin entered the workshop at 7:00 p.m.

John Countryman said the base water rate does not make sense for winter use since most of the gallons allocated are not used. Countryman commented that “only charging the base rate for actual water used will incentivize conservation”.

The Council discussed Mr. Countryman’s ideas. The Council spoke extensively on cost of water, base rate and water structure and shared what they is doing to conserve water.

Mr. Countryman felt there should not be a tiered rate structure and low volume water users should not be charged for water they do not use, and that everyone in the water system should pay for capital costs not just overage users. He suggested that a new rate structure could assist in water conservation.

Cat Lichtenbelt said she understands how the larger water users strain the system, but the fact that they provide jobs in the community should be considered in the fees they pay to make the fees equitable.

Tom McKenney said all of the problems are about overages not paying the base rate and felt those users should pay for the overage, not people that stay within their base rate. He asked the Town to consider purchasing remote meters to determine daily usage instead of waiting for the monthly invoice.

Laurie Greischel commented that she uses minimal water except in the summer, and then her usage creates an overage. She asked why the base rate cannot seasonally change

Town Manager Coates explained the larger water users create a bigger demand on the system and compel most of the capital costs incurred. She summarized the conversation and there was consensus by the Council to support the six stated goals in the memorandum with overacrchng goals of disincentivizing excessive water use while not being overly punitive and having all users pay a “fair share” of water use, balancing lower user costs with higher users costs; confidence in the figures used to establish the cost of water at \$10.50 per 1000 gallons and operating expenses of \$475,000; supported the capital projects estimates and summary for the water fund to assist in setting the rate; supported the target for twelve month reserves based on the \$475,000 average; agreed the estimated tap fee revenues are sufficient for the purpose of setting the rate; agreed the \$42 base rate is “generally appropriate”; directed staff to look at the base allocations (4000 gallons for non-residential users and 6000/7000 gallons for residential users) while bringing down the water use overage costs as much as is reasonable while limiting the amount of subsidy provided by low water users for the benefit of the high water users.

The workshop adjourned at 8:45 p.m.

Respectfully Submitted,

Karen Christian
Deputy Clerk