

ORDINANCE NO. 319

AN ORDINANCE ESTABLISHING A WATER FACILITY FEE IN THE WATER ENTERPRISE FUND

WHEREAS, the town of Sugar City, Colorado owns and operates a potable water system which serves the residents of the town of Sugar City and adjacent areas and whose revenues and expenses are accounted for in a water enterprise fund; and

WHEREAS, the potable water system includes a water storage tank; and

WHEREAS, Colorado Department of Public Health and Environment regulations mandate that all municipal water towers be inspected periodically; and

WHEREAS, the Town of Sugar City did cause the water tower to be inspected; and

WHEREAS, the inspection determined that areas of the water tank's interior had lost paint and was starting to pit; and

WHEREAS, in order to protect the integrity of the tank the inspection determined that part or all of the tank's interior must be sandblasted and repainted; and

WHEREAS, the town's current water rates have been insufficient to allow the town to accumulate enough funds to offset the cost of the maintenance and are insufficient to allow the payment of principal and interest where the maintenance is financed; and

WHEREAS, the Board of Trustees has not been able to obtain a grant to offset the cost of the maintenance; and

WHEREAS, the Board of Trustees desires to spread the cost of the maintenance equally among all customers.

NOW, THEREFORE, BE IT ORDAINED by the Board of Trustees of the Town of Sugar City as follows.

- a. **Facility Fee Established.** A Water Facility Fee is hereby established in the Water Enterprise Fund.
- b. **Revenues Restricted.** All revenues from the Water Facility Fee shall be placed in a restricted account for the following purposes: (1) to make principle and interest payments on water enterprise fund debt and (2) to establish and maintain any reserve amounts required by the water enterprise fund debt agreements.
- c. **Initial Rate.** The initial rate for the facility fee shall be \$14.19 per month assessed on each water account for each water tap.
- d. **Facility Fee Effective Date.** The facility fee shall be effective upon the first day of the September 2014 billing period which is billed to customers in October 2014.

- e. **Separate Line Item Required.** The facility fee shall be shown as a separate item on customer's bills.
- f. **Amendments.** The Board of Trustees may amend the water facility fee from time to time by resolution or ordinance.
- g. **Conflicts.** All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed or amended to the extent necessary to conform with this ordinance.
- h. **Severability.** Should any section, clause or provision of this ordinance be declared to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of this ordinance as a whole, or any part thereof, other than the part declared to be invalid.
- i. **Emergency Clause.** The town of Sugar City Board of Trustees finds that this ordinance is necessary for the immediate preservation of the public health and safety in order to maintain a safe and sanitary potable water supply and orders that this ordinance shall be effective the next day following publication of this Ordinance.

INTRODUCED, READ IN FULL, PASSED AND ORDERED PUBLISHED the 20th day of August, 2014

ADOPTED AND APPROVED the 20th day of August, 2014.

TOWN OF SUGAR CITY

DATED this 20th day of August, 2014.

BY:


Robert Petty, Mayor

ATTEST:


Town Clerk/Deputy Clerk