

**Town of Lyons, Colorado
Board of Trustees
BOT Agenda Cover Sheet
Agenda Item No: IX. 1.
Meeting Date: 5 Jun 2023**

TO: Mayor Rogin and Members of the Board of Trustees
FROM: Aaron Caplan, Engineering, Building & Utilities Director
DATE: May 26, 2023
ITEM: 1st Reading - Ordinance 1147 An Ordinance of the Town Of Lyons, Colorado, Amending Section 13-3-70 of the Lyons Municipal Code Removing the Requirement to Pay a Monthly Base Charge for the Use of the Town's Bulk Water Station

☒ ORDINANCE
☐ MOTION / RESOLUTION
☐ INFORMATION

- I. **REQUEST OR ISSUE:** Removing the requirement that the rate for bulk water includes a monthly base rate.
- II. **RECOMMENDED ACTION / NEXT STEPS:** Adopt the Ordinance as presented on the first reading, schedule a public hearing, and second reading.
- III. **FISCAL IMPACTS:** By increasing the rate per thousand gallons of water and removing the monthly base charge we are estimating a comparable rate for the average bulk water customer. We have heard from some former customers that using this rate structure would be more incentive for them to return to using Lyons bulk water dispenser and we expect an increase in the number of customers from the rate change alone.

The rate change will also allow for the use of credit card payments directly at the bulk water dispenser, which should increase the amount of water being purchased even more from one-time customers who might be passing through over the weekend or holidays when the system is not currently available.

- IV. **BACKGROUND INFORMATION:** The Town has required anyone purchasing bulk water to pay the same monthly base fee that a property owner with a connection to the water system pays. This was believed to be an equitable rate structure that would charge customers coming to get their own water the same charges as the Town's water customers.

The Town recently purchased an electronic bulk water dispensing system. This system has the option to allow users to purchase water with a credit or debit card. However, setting up to include a monthly base fee of \$29 when paying by credit or debit card is not possible. It is also a disincentive to a potential one-time user who wants to purchase 500 gallons of water.

The UEB has reviewed this rate structure and the fact that none of our surrounding communities charge a monthly base fee and determined that raising the rate and eliminating the base fee would be a good idea. The individual usage rate is set via resolution. Should this ordinance be passed on the first reading and scheduled for a second reading, staff will also present a resolution recommending the new rate per 1,000 gallons of bulk water. This ordinance is just to remove the language from the municipal code that requires a base fee to be charged.

V. LEGAL ISSUES: None

VI. CONFLICTS OR ENVIRONMENTAL ISSUES: None

VII. SUMMARY AND ALTERNATIVES:

- a. Approve Ordinance
- b. Request changes to the Ordinance and have it brought back for another first Reading
- c. Set a future date for further review of the ordinance
- d. Decline Ordinance

PROPOSED MOTION:

“I move to approve Ordinance 1174 on 1st Reading and move to public hearing and second reading.”