



**TOWN OF PAONIA**  
**214 GRAND AVE**  
**TUESDAY, NOVEMBER 29, 2022**  
**SPECIAL TOWN BOARD MEETING AGENDA 5:00 PM**  
[HTTPS://US02WEB.ZOOM.US/J/88221190634](https://us02web.zoom.us/j/88221190634)  
**MEETING ID: 882 2119 0634**  
**ONE TAP MOBILE**  
**17193594580**

**Roll Call**

**Approval of Agenda**

**Announcements**

**Unfinished Business**

**New Business**

- [1. RCAC Presentation - Sewer Cost of Service Analysis](#)
- [2. Resolution 2022-14 Garbage Rates](#)
- [3. Resolution 2022-15 Water Rates and Charges](#)
- [4. Ordinance 2022-08 Sewer Rates](#)
- [5. Discussion on next steps for Town Administrator interviews](#)

**How Did We Do?**

**Adjournment**

AS ADOPTED BY:  
TOWN OF PAONIA, COLORADO  
RESOLUTION NO. 2017-10 – Amended May 22, 2018

I. RULES OF PROCEDURE

Section 1. Schedule of Meetings. Regular Board of Trustees meetings shall be held on the second and fourth Tuesdays of each month, except on legal holidays, or as re-scheduled or amended and posted on the agenda prior to the scheduled meeting.

Section 2. Officiating Officer. The meetings of the Board of Trustees shall be conducted by the Mayor or, in the Mayor's absence, the Mayor Pro-Tem. The Town Clerk or a designee of the Board shall record the minutes of the meetings.

Section 3. Time of Meetings. Regular meetings of the Board of Trustees shall begin at 6:30 p.m. or as scheduled and posted on the agenda. Board Members shall be called to order by the Mayor. The meetings shall open with the presiding officer leading the Board in the Pledge of Allegiance. The Town Clerk shall then proceed to call the roll, note the absences and announce whether a quorum is present. Regular Meetings are scheduled for three hours, and shall be adjourned at 9:30 p.m., unless a majority of the Board votes in the affirmative to extend the meeting, by a specific amount of time.

Section 4. Schedule of Business. If a quorum is present, the Board of Trustees shall proceed with the business before it, which shall be conducted in the following manner. Note that all provided times are estimated:

(a) Roll Call - (5 minutes)

(b) Approval of Agenda - (5 minutes)

(c) Announcements (5 minutes)

(d) Recognition of Visitors and Guests (10 minutes)

(e) Consent Agenda including Approval of Prior Meeting Minutes (10 minutes)

(f) Mayor's Report (10 minutes)

(g) Staff Reports: (15 minutes)

(1) Town Administrator's Report

(2) Public Works Reports

(3) Police Report

(4) Treasurer Report

(h) Unfinished Business (45 minutes)

(i) New Business (45 minutes)

(j) Disbursements (15 minutes)

(k) Committee Reports (15 minutes)

(l) Adjournment

\* This schedule of business is subject to change and amendment.

Section 5. Priority and Order of Business. Questions relative to the priority of business and order shall be decided by the Mayor without debate, subject in all cases to an appeal to the Board of Trustees.

Section 6. Conduct of Board Members. Town Board Members shall treat other Board Members and the public in a civil and polite manner and shall comply with the Standards of Conduct for Elected Officials of the Town. Board Members shall address Town Staff and the Mayor by his/her title, other Board Members by the title of Trustee or the appropriate honorific (i.e.: Mr., Mrs. or Ms.), and members of the public by the appropriate honorific. Subject to the Mayor's discretion, Board Members shall be limited to speaking two times when debating an item on the agenda. Making a motion, asking a question or making a suggestion are not counted as speaking in a debate.

Section 7. Presentations to the Board. Items on the agenda presented by individuals, businesses or other organizations shall be given up to 5 minutes to make a presentation. On certain issues, presenters may be given more time, as determined by the Mayor and Town Staff. After the presentation, Trustees shall be given the opportunity to ask questions.

Section 8. Public Comment. After discussion of an agenda item by the Board of Trustees has concluded, the Mayor shall open the floor for comment from members of the public, who shall be allowed the opportunity to comment or ask questions on the agenda item. Each member of the public wishing to address the Town Board shall be recognized by the presiding officer before speaking. Members of the public shall speak from the podium, stating their name, the address of their residence and any group they are representing prior to making comment or asking a question. Comments shall be directed to the Mayor or presiding officer, not to an individual Trustee or Town employee. Comments or questions should be confined to the agenda item or issue(s) under discussion. The speaker should offer factual information and refrain from obscene language and personal attacks.

Section 9. Unacceptable Behavior. Disruptive behavior shall result in expulsion from the meeting.

Section 10. Posting of Rules of Procedure for Paonia Board of Trustees Meetings. These rules of procedure shall be provided in the Town Hall meeting room for each Board of Trustees meeting so that all attendees know how the meeting will be conducted.

## II. CONSENT AGENDA

Section 1. Use of Consent Agenda. The Mayor, working with Town Staff, shall place items on the Consent Agenda. By using a Consent Agenda, the Board has consented to the consideration of certain items as a group under one motion. Should a Consent Agenda be used at a meeting, an appropriate amount of discussion time will be allowed to review any item upon request.

Section 2. General Guidelines. Items for consent are those which usually do not require discussion or explanation prior to action by the Board, are non-controversial and/or similar in content, or are those items which have already been discussed or explained and do not require further discussion or explanation. Such agenda items may include ministerial tasks such as, but not limited to, approval of previous meeting minutes, approval of staff reports, addressing routine correspondence, approval of liquor licenses renewals and approval or extension of other Town licenses. Minor changes in the minutes such as non-material Scribner errors may be made without removing the minutes from the Consent Agenda. Should any Trustee feel there is a material error in the minutes, they should request the minutes be removed from the Consent Agenda for Board discussion.

Section 3. Removal of Item from Consent Agenda. One or more items may be removed from the Consent Agenda by a timely request of any Trustee. A request is timely if made prior to the vote on the Consent Agenda. The request does not require a second or a vote by the Board. An item removed from the Consent Agenda will then be discussed and acted on separately either immediately following the consideration of the Consent Agenda or placed later on the agenda, at the discretion of the Board.

## III. EXECUTIVE SESSION

Section 1. An executive session may only be called at a regular or special Board meeting where official action may be taken by the Board, not at a work session of the Board. To convene an executive session, the Board shall announce to the public in the open meeting the topic to be discussed in the executive session, including specific citation to the statute authorizing the Board to meet in an executive session and identifying the particular matter to be discussed "in as much detail as possible without compromising the purpose for which the executive session is authorized." In the event the Board plans to discuss more than one of the authorized topics in the executive session, each should be announced, cited and described. Following the announcement of the intent to convene an executive session, a motion must then be made and seconded. In order to go into executive session, there must be the affirmative vote of two thirds (2/3) of Members of the Board.

Section 2. During executive session, minutes or notes of the deliberations should not be taken. Since meeting minutes are subject to inspection under the Colorado Open Records Act, the keeping of minutes would defeat the private nature of executive session. In addition, the deliberations carried out during executive session should not be discussed outside of that session or with individuals not participating in the session. The contents of an executive session are to remain confidential unless a majority of the Trustees vote to disclose the contents of the executive session.

Section 3. Once the deliberations have taken place in executive session, the Board should reconvene in regular session to take any formal action decided upon during the executive session. If you have questions regarding the wording of the motion or whether any other information should be disclosed on the record, it is essential for you to consult with the Town Attorney on these matters.

## IV. SUBJECT TO AMENDMENT

Section 1. Deviations. The Board may deviate from the procedures set forth in this Resolution, if, in its sole discretion, such deviation is necessary under the circumstances.

Section 2. Amendment. The Board may amend these Rules of Procedures Policy from time to time.

AGENDA SUMMARY FORM

	Roll Call
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Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Mayor Bachran	Trustee Knutson	Trustee Valentine
Trustee Stelter	Trustee Smith	Trustee Markle	Trustee Weber

AGENDA SUMMARY FORM

	<p>Agenda Approval</p>
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Summary:

Notes:

Possible Motions:  
  
Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Mayor Bachran	Trustee Knutson	Trustee Valentine
Trustee Stelter	Trustee Smith	Trustee Markle	Trustee Weber

AGENDA SUMMARY FORM

	Announcements
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Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Mayor Bachran	Trustee Knutson	Trustee Valentine
Trustee Stelter	Trustee Smith	Trustee Markle	Trustee Weber

AGENDA SUMMARY FORM

	1. RCAC- Sewer Cost of Service Analysis
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Summary:

Notes:

Possible Motions:  
  
Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Mayor Bachran	Trustee Knutson	Trustee Valentine
Trustee Stelter	Trustee Smith	Trustee Markle	Trustee Weber



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**Town of Paonia:  
Sewer System Rates  
November 29, 2022**



# What is RCAC?

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- Rural Community Assistance Corporation
- Federally funded to help rural communities like Paonia...
- ...stay in compliance with the rules and regulations
- Make USDA & SRF borrowers better positioned financially to repay debts

# Why do a Cost of Service Analysis?

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- Stay solvent
- Often required for grants and loans
- Sustainable revenue to keep system components replaced as needed
- Avoids larger rate increases in future
- Board and Staff may understand revenues and expenses better

# Consequences of not balancing the budget

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1. Reduction in reserves
2. Inability to pay bills
3. Inability to maintain system=Violations
4. Receivership

# Board Responsibilities

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- Fiduciary responsibility to keep the system running...
- ...in the short run and the long run.
- Provided the money for staff to do their job.

# Tough decisions must be made



# Guiding Principles of this Cost of Service Analysis

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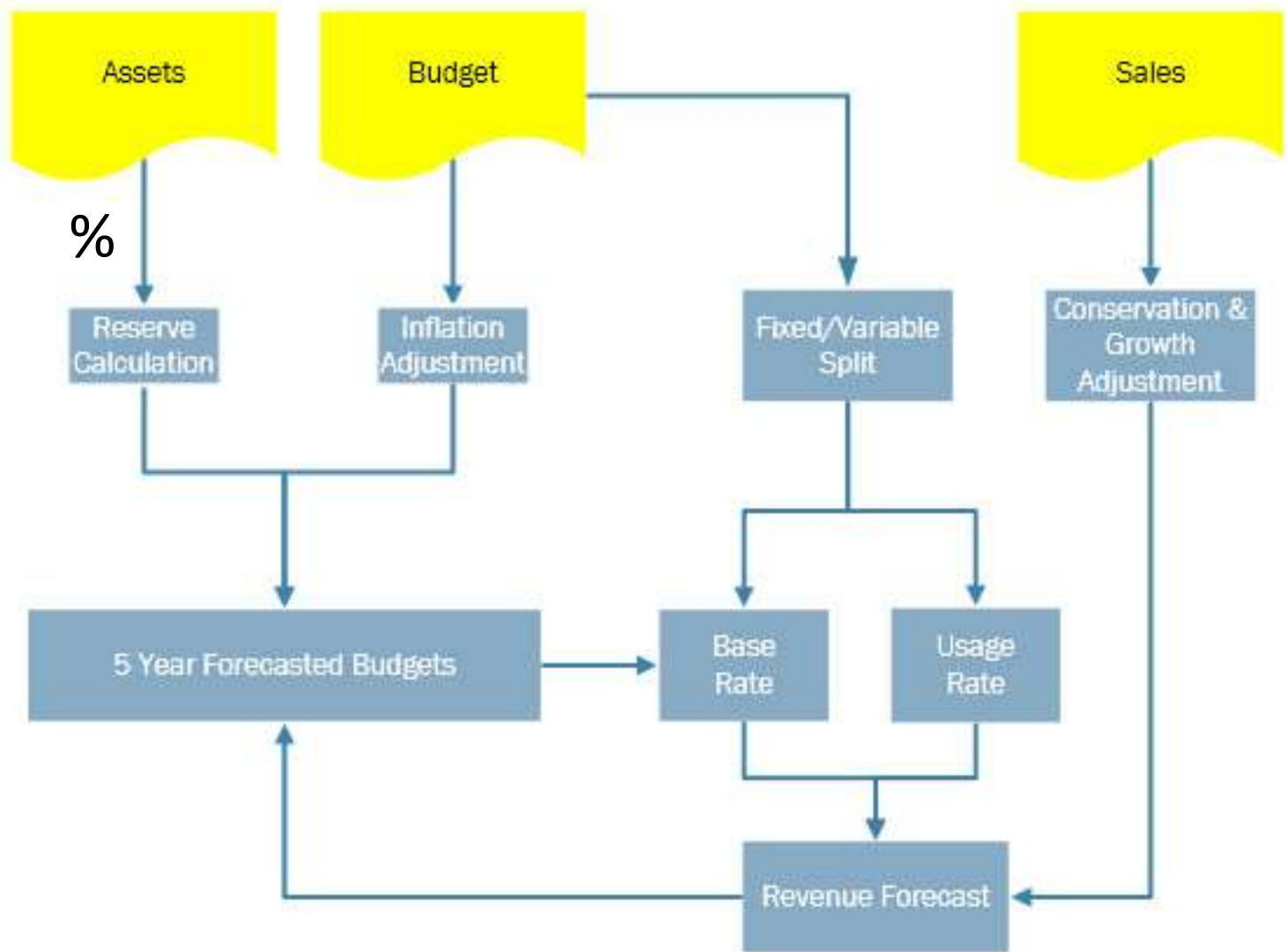
- Sustainable
- Equitable
- Conservation
- Justifiable
- Community Beautification

# Rate Model

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- AWWA Standards  
(American Water Works Association)
- Discussions internal to RCAC with others who conduct rate studies
- Reviewed by staff and board
- Affordable rates: Between 1.5% - 4% of MHI

# Rate Setting with Water Meters





# Reserves

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- Debt
- Operating
- Emergency
- Capital Replacement Reserves

# Capital Replacement Program

- Inventory of all assets
- Which will not be replaced
- Those that will be replaced
  - When
  - How much it will cost
  - How pay for it (cash, grant or loan)

Replacement Value From	To	Cash	Grant	Loan
\$0	\$20,000	100%	0%	0%
\$20,001	\$50,000	100%	0%	0%
\$50,001	\$1,000,000	50%	30%	20%
\$1,000,001	\$9,999,999	10%	40%	50%
\$10,000,000	\$9,999,999	10%	40%	50%

- >>>>> Calculate how much we must set aside each year to have enough cash when needed

# Annual Capital Reserve Requirement \$213,232

Quantity	Asset	Year Acquired	Unit Cost (Historic, Current or Future)	Estimated Remaining Life	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required
<b>Replacement of Existing Capital Assets</b>										
1	Storage Tank 2 - Pinom Hills Cr	1980	108,782	15	226,150	10%	30%	60%	4,614	1,148
1	Storage Tank 3 - N Summit Dr	2020	108,782	40	765,824	2%	30%	68%	923	324
1	Storage Tank 1 - Milton Lane	1980	32,705	15	67,991	20%	0%	80%	2,774	690
1	Storage Tank 4 Pinon Hills Circle	2003	108,782	42	844,321	2%	30%	68%	923	340
1	Meeting Room/Garage	1980	41,459	20	110,003	10%	30%	60%	1,759	436
1	Office/Processing Plant Filtration Chloro -	1980	141,292	20	374,890	10%	30%	60%	5,993	1,487
1	Office/Processing Plant - Contents	1980	57,728	5	73,677	20%	0%	80%	4,897	1,938
						0%	0%	100%	0	0
1	Well 1 197"	2003	150,000	11	256,551	10%	30%	60%	6,362	1,696
1	Well 1 Sub Pump 7.5 HP	2019	10,000	7	16,289	100%	0%	0%	4,635	1,630
1	Well 2 19'3"	1999	150,000	7	211,065	10%	30%	60%	6,362	2,061
1	Well 2 5 HP 3 HP	2010	10,000	2	11,025	100%	0%	0%	4,242	3,378
						0%	0%	100%	0	0
10,833	Dist System 6" Phase 1	1980	100	58	18,353,889	2%	30%	68%	9,190	5,313
1,177	Dist System 4" Phase 1	1980	90	58	1,794,727	2%	30%	68%	899	520
31,524	Dist System 3"	1980	85	58	45,398,300	2%	30%	68%	22,731	13,141
61	Dist System 2"	1980	80	38	31,161	100%	0%	0%	2,070	692
16	Dist System 2"	2000	80	58	21,686	100%	0%	0%	543	314
9,250	Transmission Line (From Wells)	2000	90	58	14,104,691	2%	30%	68%	7,062	4,083
25	Valve 6"	1980	2,500	5	79,768	20%	0%	80%	5,302	2,099
17	Valve 3"	1980	1,500	5	32,545	100%	0%	0%	10,816	4,281
						0%	0%	100%	0	0
10	Hydrants	1980	10,000	8	147,746	10%	30%	60%	4,242	1,285
5	Hydrants	2000	10,000	28	196,006	10%	30%	60%	2,121	578
2	Hydrants	2021	10,000	49	218,427	10%	30%	60%	848	377
						0%	0%	100%	0	0
<b>Subtotal Replacement of Existing Capital Assets</b>					83,336,732	2%	30%	68%	109,307	47,812

Quantity	Asset	Year Acquired	Unit Cost (Current or Future)	Estimated Remaining Life	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required
<b>Replacement of Funded Project Assets</b>										
						0%	0%	0%	0	0
						0%	0%	0%	0	0
						0%	0%	0%	0	0
<b>Subtotal Replacement of Funded Project Assets</b>					0	0%	0%	0%	0	0

Enter Existing Reserves for Replacement of Funded Project Assets

Quantity	Asset	Year to be Purchased	Unit Cost (Current or Future)	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required	
<b>Reserves for Additional Capital Assets</b>										
1	Security Fencing/Monitoring for Wells and	2024	50,000	55,125	100%	0%	0%	0	27,494	
1	Control Panel update	2023	10,000	10,500	100%	0%	0%	0	10,500	
1	Building Repair and ADA Accessible Upgra	2024	20,000	22,050	100%	0%	0%	0	10,998	
2	Water Guage for 2 tanks	2023	2,000	4,200	100%	0%	0%	0	4,200	
1	Bulk Water Station Upgrade	2023	5,000	5,250	100%	0%	0%	0	5,250	
1	New Storage Tank	2027	200,000	255,256	10%	30%	60%	0	5,054	
<b>Subtotal Reserves for Additional Capital Assets</b>					352,381	35%	22%	43%	0	63,496

Enter Existing Reserves for Additional Capital Assets

<b>Total Capital Reserves</b>					83,689,113	2%	30%	68%	109,307	111,308
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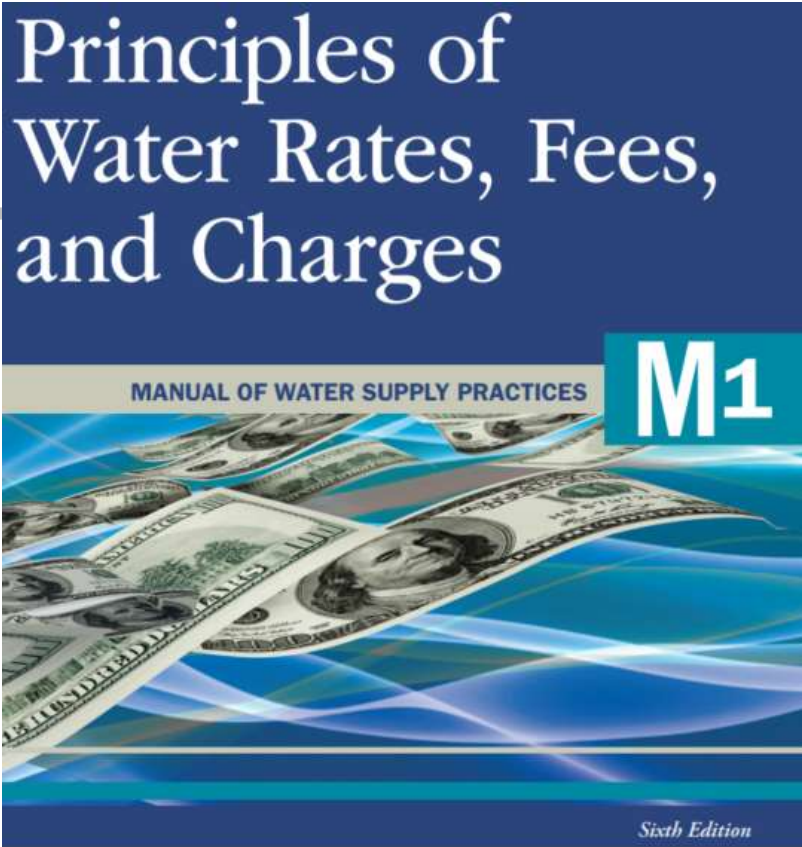
# Types of Rate Structures

Uniform Rates

Tiered Blocks

Equivalent Residential Units

Meter Sized



The Authoritative Resource on Safe Water\*

Advocacy  
Communications  
Conferences  
Education and Training  
Science and Technology  
Sections



# Base Rate or Minimum Charge

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Could not operate without steady revenue

- to make loan payments,
- pay staff and
- plan for future improvements.

Payment is required whether utilities used or not, tied to the property value.

# Uniform Rate Structures

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- Uniform Rates, Uniform Volume Rates
  - Constant rate based on per 1000 gallons
  - Simple to understand
  - Does not promote conservation
  - Larger volume users supported by smaller volume users

# Tiered Rates Structure

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- Tiered or Increasing Block Rates
  - The more volume used the higher the price per 1000 gallons

Tiers (Gallons)		Usage Charge (per 1000 gallons)
0	10,000	\$5.24
10,000	20,000	\$6.70
20,000	40,000	\$9.58
40,000	67,000	\$13.38
67,000	9,999,999	\$23.97

# Budget

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- Adjustments for inflation (was 3% now 4.5%)
- Includes reserve requirements
- “Real” Costs



# Fixed – Variable Costs

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## Fixed

- Do not change with the quantity of water treated
- Example: Insurance, Reserves, Administration
- Funded with Fixed Revenue (Base Charge)

## Variable

- Vary with the quantity of water sold
- Example: Electricity
- Funded with Variable Revenue (Usage Charges)

# Tough decisions must be made



# Now Lets Dive into the Details



# Scenario 1 – Existing

**\$38 in-town / \$57 out-of-town**

**\$1.4M DEFICIT** over the next 5 years

The below table specifies for each **class** of customers, their **rate structure** and the **rate schedule**.

Proposed Customer Classes	Name of Class	Rate Structure	Schedule	
1	Residential in town	Flat	A	Go to row 42 and enter the flat
2	Residential out of town	Flat	B	Go to row 42 and enter the flat
3	Commercial in town	Flat	C	Go to row 42 and enter the flat
4	Commercial out of town	Flat	D	Go to row 42 and enter the flat
5	Standby	Flat	E	Go to row 42 and enter the flat

The below tables specify the **Base** and **Usage rates** (in \$) of each **rate structure** (D29 to D38) and **rate schedule** (F29 to F38).

Rate Structures		Rate Schedules						
Flat	Meter Size	A	B	C	D	E	F	G
	1	2	3	4	5	6	7	
Base	0.625	\$38.00	\$57.00	\$38.00	\$57.00	\$38.00		

Growth Factor of Rates		Year 2	Year 3	Year 4	Year 5
Base	\$3 annual increase	0.0%	0.0%	0.0%	0.0%
Base dollar amount		\$ 38	\$ 38	\$ 38	\$ 38

Results of the new rates	2023	2024	2025	2026	2027	5 Years
TOTAL EXPENSES	\$890,665	\$789,861	\$809,931	\$837,275	\$859,192	\$4,186,925
TOTAL REVENUE	\$554,895	\$555,149	\$555,414	\$555,692	\$555,981	\$2,777,131
NET LOSS OR GAIN: (Short/Over to Reserves)	-\$335,770	-\$234,712	-\$254,517	-\$281,584	-\$303,210	-\$1,409,794
NET CASH FLOW (Contribution to Reserves)	-\$81,889	-\$840	-\$20,645	-\$62,744	-\$84,370	-\$250,488
Affordability assuming MHI of \$51071 for residential meters.	0.89%	0.89%	0.89%	0.89%	0.89%	

Are you putting enough money in reserves?	No	No	No	No	No
Positive Annual Cash Flow?	No	No	No	No	No

## Scenario 2 –

**\$55 in-town / \$60 out-of-town**

**\$360,000 DEFICIT** over the next 5 years

The below table specifies for each class of customers, their rate structure and the rate schedule.

Proposed Customer Classes	Name of Class	Rate Structure	Schedule	
1	Residential in town	Flat	A	Go to row 42 and enter the flat ra
2	Residential out of town	Flat	B	Go to row 42 and enter the flat ra
3	Commercial in town	Flat	C	Go to row 42 and enter the flat ra
4	Commercial out of town	Flat	D	Go to row 42 and enter the flat ra
5	Standby	Flat	E	Go to row 42 and enter the flat ra

The below tables specify the Base and Usage rates (in \$) of each rate structure (D29 to D38) and rate schedule (F29 to F38).

Rate Structures		Rate Schedules						
Flat	Meter Size	A	B	C	D	E	F	G
	1	2	3	4	5	6	7	
Base	0.625	\$55.00	\$60.00	\$55.00	\$60.00	\$55.00		

Growth Factor of Rates		Rate Schedules			
	Base Usage	Year 2	Year 3	Year 4	Year 5
		\$55.00	\$55.00	\$55.00	\$55.00

Results of the new rates	2023	2024	2025	2026	2027	5 Years
TOTAL EXPENSES	\$890,665	\$789,861	\$809,931	\$837,275	\$859,192	\$4,186,925
TOTAL REVENUE	\$763,623	\$763,877	\$764,142	\$764,420	\$764,709	\$3,820,771
NET LOSS OR GAIN: (Short/Over to Reserves)	-\$127,042	-\$25,984	-\$45,789	-\$72,856	-\$94,482	-\$366,154
NET CASH FLOW (Contribution to Reserves)	\$126,839	\$207,888	\$188,083	\$145,984	\$124,358	\$793,152
Affordability assuming MHI of \$51071 for residential meters.	1.29%	1.29%	1.29%	1.29%	1.29%	
Are you putting enough money in reserves?	No	No	No	No	No	
Positive Annual Cash Flow?	Yes	Yes	Yes	Yes	Yes	



# Scenario 3 – \$55 in-town / \$60 out-of-town with \$3 annual increases

**\$41,000 SURPLUS** over the next 5 years

The below table specifies for each class of customers, their rate structure and the rate schedule.

Proposed Customer Classes	Name of Class	Rate Structure	Schedule	
1	Residential in town	Flat	A	Go to row 42 and enter the flat rates.
2	Residential out of town	Flat	B	Go to row 42 and enter the flat rates.
3	Commercial in town	Flat	C	Go to row 42 and enter the flat rates.
4	Commercial out of town	Flat	D	Go to row 42 and enter the flat rates.
5	Standby	Flat	E	Go to row 42 and enter the flat rates.

The below tables specify the Base and Usage rates (in \$) of each rate structure (D29 to D38) and rate schedule (F29 to F38).

Rate Structures		Rate Schedules						
Flat	Meter Size	A	B	C	D	E	F	G
	1	2	3	4	5	6	7	
Base	0.625	\$55.00	\$60.00	\$55.00	\$60.00	\$55.00		

Growth Factor of Rates		Year 2	Year 3	Year 4	Year 5
Base	\$3 annual increase	5.4%	5.1%	4.9%	4.6%
Base dollar amount		\$ 58	\$ 61	\$ 64	\$ 67

Results of the new rates	2023	2024	2025	2026	2027	5 Years
TOTAL EXPENSES	\$890,665	\$789,861	\$809,931	\$837,275	\$859,192	\$4,186,925
TOTAL REVENUE	\$763,623	\$804,808	\$845,818	\$886,818	\$927,605	\$4,228,672
NET LOSS OR GAIN: (Short/Over to Reserves)	-\$127,042	\$14,947	\$35,887	\$49,543	\$68,414	\$41,748
NET CASH FLOW (Contribution to Reserves)	\$126,839	\$248,819	\$269,759	\$268,383	\$287,254	\$1,201,053
Affordability assuming MHI of \$51071 for residential meters.	1.29%	1.36%	1.43%	1.50%	1.57%	
Are you putting enough money in reserves?	No	Yes	Yes	Yes	Yes	
Positive Annual Cash Flow?	Yes	Yes	Yes	Yes	Yes	



## Scenario 4 – \$55 in-town / \$60 out-of-town equal in 2024, \$2 annual increases after.

**\$36,000 SURPLUS** over the next 5 years

The below table specifies for each class of customers, their rate structure and the rate schedule.

Proposed Customer Classes	Name of Class	Rate Structure	Schedule	
1	Residential in town	Flat	A	Go to row 42 and enter the flat rates.
2	Residential out of town	Flat	B	Go to row 42 and enter the flat rates.
3	Commercial in town	Flat	C	Go to row 42 and enter the flat rates.
4	Commercial out of town	Flat	D	Go to row 42 and enter the flat rates.
5	Standby	Flat	E	Go to row 42 and enter the flat rates.

The below tables specify the Base and Usage rates (in \$) of each rate structure (D29 to D38) and rate schedule (F29 to F38).

Rate Structures		Rate Schedules						
Flat	Meter Size	A	B	C	D	E	F	G
	1	2	3	4	5	6	7	
Base	0.625	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00		

		Rate Schedules				
Growth Factor of Rates		Year 2	Year 3	Year 4	Year 5	
	Base \$3 annual increase	9.1%	3.3%	3.2%	3.1%	
	Base dollar amount	\$ 60	\$ 62	\$ 64	\$ 66	

Results of the new rates	2023	2024	2025	2026	2027	5 Years
TOTAL EXPENSES	\$890,665	\$789,861	\$809,931	\$837,275	\$859,192	\$4,186,925
TOTAL REVENUE	\$755,403	\$823,817	\$851,346	\$878,888	\$906,441	\$4,215,895
NET LOSS OR GAIN: (Short/Over to Reserves)	-\$127,262	\$33,956	\$41,415	\$41,612	\$47,250	\$36,970
NET CASH FLOW (Contribution to Reserves)	\$118,619	\$267,828	\$275,287	\$260,452	\$266,090	\$1,188,276
Affordability assuming MHI of \$51071 for residential meters.	1.29%	1.41%	1.46%	1.50%	1.55%	
Are you putting enough money in reserves?	No	Yes	Yes	Yes	Yes	
Positive Annual Cash Flow?	Yes	Yes	Yes	Yes	Yes	

# Scenario 5 – Scenario 3 with major WWTF Upgrade in 2028

**\$261,000 DEFICIT** over the next 5 years

The below table specifies for each class of customers, their rate structure and the rate schedule.

Proposed Customer Classes	Name of Class	Rate Structure	Schedule	
1	Residential in town	Flat	A	Go to row 42 and enter the flat rates.
2	Residential out of town	Flat	B	Go to row 42 and enter the flat rates.
3	Commercial in town	Flat	C	Go to row 42 and enter the flat rates.
4	Commercial out of town	Flat	D	Go to row 42 and enter the flat rates.
5	Standby	Flat	E	Go to row 42 and enter the flat rates.

The below tables specify the Base and Usage rates (in \$) of each rate structure (D29 to D38) and rate schedule (F29 to F38).

Rate Structures		Rate Schedules						
Flat	Meter Size	A	B	C	D	E	F	G
	1	2	3	4	5	6	7	
Base	0.625	\$55.00	\$60.00	\$55.00	\$60.00	\$55.00		

		Rate Schedules				
		Year 2	Year 3	Year 4	Year 5	
Growth Factor of Rates	Base	\$3 annual increase	5.4%	5.1%	4.9%	4.6%
	Base dollar amount	\$ 58	\$ 61	\$ 64	\$ 67	

Results of the new rates	2023	2024	2025	2026	2027	5 Years
TOTAL EXPENSES	\$896,130	\$806,714	\$826,784	\$1,069,034	\$890,950	\$4,489,612
TOTAL REVENUE	\$763,623	\$804,808	\$845,818	\$886,818	\$927,605	\$4,228,672
NET LOSS OR GAIN: (Short/Over to Reserves)	-\$132,507	-\$1,907	\$19,034	-\$182,215	\$36,655	-\$260,940
NET CASH FLOW (Contribution to Reserves)	\$126,839	\$248,819	\$269,759	\$68,383	\$287,254	\$1,001,053
Affordability assuming MHI of \$51071 for residential meters.	1.29%	1.36%	1.43%	1.50%	1.57%	
Are you putting enough money in reserves?	No	No	Yes	No	Yes	
Positive Annual Cash Flow?	Yes	Yes	Yes	Yes	Yes	



# Impact of Scenario 3

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- Budget becomes balanced in 2024 and beyond
- Provides funds to replace current system when needed
- Affordability levels rise (should be between 1.5% and 4.5%)

Affordability Index	2022	2023	2024	2025	2026	2027
Sewer	0.89%	1.29%	1.36%	1.43%	1.50%	1.57%

# Questions ????????

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AGENDA SUMMARY FORM

	2. Resolution 2022-14 Garbage Rates
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Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Mayor Bachran	Trustee Knutson	Trustee Valentine
Trustee Stelter	Trustee Smith	Trustee Markle	Trustee Weber

**TOWN OF PAONIA, COLORADO**

**RESOLUTION NO. 2022-14**

**A RESOLUTION OF THE TOWN OF PAONIA ESTABLISHING GARBAGE RATES AND CHARGES**

**WHEREAS**, Ordinance 2018-01 of the Town of Paonia authorizes the Board of Trustees to establish by resolution all garbage rates and charges and the effective date of said rates and charges; and

**WHEREAS**, the Board of Trustees has made a thorough review of its existing Ordinances pertaining to garbage rates and charges; and

**WHEREAS**, the rates levied for garbage services must be calculated to meet the cost of providing garbage services, including landfill tipping fees, maintenance, capital reinvestment, and related debt service, to avoid deficit spending.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, COLORADO**, that the following garbage rates and charges shall be levied by the Town of Paonia:

1. Rates for regular refuse collection:

A) The basic rate for each weekly pickup shall be increased as follows:

- (1) The charge per month for a single 33-gallon container shall be increased by **eight** dollars (**\$8.00**) from **seventeen** dollars (**\$17.00**) to **twenty-five** dollars (**\$25.00**). To qualify for the single 33-gallon container charge, the person responsible for paying the trash bill must sign an agreement with the Town stating that they will not exceed the single, weekly, 33-gallon container limitation.
- (2) The charge for two or three 33-gallon containers will increase **seven** dollars (**\$7.00**) from **twenty-three** dollars (**\$23.00**) to **thirty** dollars **\$30.00** per month.
- (3) The charge for four or five 33-gallon containers will increase **fifteen** dollars (**\$15.00**) from **thirty** dollars (**\$30.00**) to **forty-five** dollars **\$45.00** per month.
- (4) It is the decision of the Town Clerk and/or Administrator to determine which users fit into each of the categories listed herein based upon the average monthly usage of the user. Any perceived needed change in basic rate based on usage will be brought to the users attention by letter prior to changing any rates.
- (5) In addition, a **\$25.00** per month fee shall be charged for each additional 33-gallon container, or the equivalent refuse equal in volume to a 33-gallon container, placed out for collection that exceeds the user's categorized limit.

B) For each weekly pickup from a two cubic yard dumpster, the charge shall be increased by **ten dollars (\$10.00)** from **fifty dollars (\$50.00)** to **sixty dollars (\$60.00)** per month, and for a three cubic yard dumpster, rates shall be increased by **ten dollars (\$10.00)** from **sixty dollars (\$60.00)** to **seventy dollars (\$70.00)** per month.

C) For pickups more frequent than weekly, the per gallon charge shall be multiplied by the number of pickups per week.

2. Oversize Refuse, Collection Rates. The following rates shall be levied by the Town for oversize refuse collection:

A) Oversize refuse or garbage that does not fit in an approved container may be placed adjacent to the regularly sized refuse containers for collection. The cost of removing the oversized refuse or garbage as determined by the garbage collectors, using the 33-gallon container equivalents as noted in Section 1, will be considered as part of the category limit for the user.

B) The Town may, at its discretion, apply an extra charge for each oversize item using the following formula:

Oversize items that can be handled easily by one garbage collector will be charged **\$20.00**.

Oversize items that can be handled easily by two garbage collectors will be charged **\$30.00**.

Oversize items that can be handled by three garbage collectors will be charged **\$40.00**.

3) **Effective Date.** This Resolution and the garbage rates set forth herein shall become effective on December 1, 2022.


**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the Board of Trustees of the Town of Paonia, Colorado, on this 29th day of November 2022.

Attest:

\_\_\_\_\_  
Amanda Mojarro, Interim Town Clerk

\_\_\_\_\_  
Mary Bachran, Mayor

AGENDA SUMMARY FORM

	<p>3. Resolution 2022-15 Water Rates and Charges</p>
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Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Mayor Bachran	Trustee Knutson	Trustee Valentine
Trustee Stelter	Trustee Smith	Trustee Markle	Trustee Weber

**STATE OF COLORADO  
TOWN OF PAONIA, COLORADO**

**RESOLUTION NO. 2022-15**

**A RESOLUTION OF THE TOWN OF PAONIA ESTABLISHING WATER RATES AND CHARGES**

**WHEREAS**, Section 13-1-20 of the Paonia Municipal Code authorizes the Board of Trustees to establish by resolution all water rates and charges and the effective date of said rates and charges; and

**WHEREAS**, the Board of Trustees has made a thorough review of its existing Ordinances pertaining to water rates and charges; and

**WHEREAS**, the rates levied for water services must be calculated to meet the cost of providing water services, including maintenance, capital reinvestment, and related debt service to avoid deficit spending.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, COLORADO** that the following water rates shall be charged by the Town of Paonia:

**A) Basic Water Rate within the Town**

The basic in-Town water rate shall be increased by **three** dollars (**\$3.00**) from **thirty-seven** dollars (**\$37.00**) per month to **forty** dollars (**\$40.00**) for each residential customer service account and from **forty-seven** dollars (**\$47.00**) to **fifty** dollars (**\$50.00**) per month for each commercial customer service account.

**B) Basic Water Rate outside the Town**

The basic out-of-Town water rate shall be increased from **forty-seven** dollars (**\$47.00**) per month to **fifty** dollars (**\$50.00**) for each residential customer service account and from **sixty-two** dollars (**\$62.00**) per month to **sixty-five** dollars (**\$65.00**) for each commercial customer service account. Out-of-Town water users using municipal water through a single water meter shall be charged and shall be responsible for such water individually.

**C) Usage**

**An additional water rate** shall be charged a user (customer service account/meter) for each 1,000 gallons and proportionately for each fractional part thereof, as follows:

**All Users**

1-1,000 gallons	\$0.00 increased to	\$ 2.50 per thousand gallons
1,000-3,000 gallons	\$2.40 increased to	\$ 2.50 per thousand gallons
3,000-10,000 gallons	\$3.30 increased to	\$ 3.50 per thousand gallons

10,000-25,000 gallons	\$4.20 increased to	\$ 4.50 per thousand
25,000-50,000 gallons	\$5.50 increased to	\$ 7.50 per thousand
50,000-75,000 gallons	\$10.00 increased to	\$ 15.50 per thousand
75,000-100,000 gallons	\$11.00 increased to	\$ 20.50 per thousand
100,000-99,999,999 gallons	\$12.00 increased to	\$ 20.50 per thousand

**D) Public Tap**

All persons receiving municipal water from the public tap furnished by the Town shall continue to pay for such water at the rate of **three** dollars (**\$3.00**) per one hundred (100) gallons.

**E) Service Fee**

There shall continue to be a charge of **fifty** dollars (**\$50.00**) for a new account set up. There shall continue to be a charge of **twenty-five** dollars (**\$25.00**) for final meter readings. There may be a charge of **one-hundred** dollars (**\$100.00**) for same-day water shut-off/on for repairs or maintenance, when requested by property owner or agent.

**F) Effective Date**

The water rates set forth herein shall become effective on December 1, 2022, to reflect on the first bill in January 2022.

**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the Board of Trustees of the Town of Paonia, Colorado, on this 29<sup>rd</sup> day of November 2022.


Attest:

\_\_\_\_\_  
Amanda Mojarro, Interim Town Clerk

\_\_\_\_\_  
Mary Bachran, Mayor



AGENDA SUMMARY FORM

	4. Ordinance 2022-08 Sewer Rates
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Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Mayor Bachran	Trustee Knutson	Trustee Valentine
Trustee Stelter	Trustee Smith	Trustee Markle	Trustee Weber

**STATE OF COLORADO  
TOWN OF PAONIA, COLORADO**

**ORDINANCE NO. 2022-08**

**AN ORDINANCE OF THE TOWN OF PAONIA ESTABLISHING  
WASTEWATER/SEWER RATES AND CHARGES**

**WHEREAS**, Section 13-5-230 of the Paonia Municipal Code authorizes the Board of Trustees to establish by ordinance all wastewater/sewer rates and charges and the effective date of said rates and charges; and

**WHEREAS**, the Board of Trustees has made a thorough review of its existing Ordinances pertaining to wastewater/sewer rates and charges; and

**WHEREAS**, the rates levied for wastewater/sewer services must be calculated to meet the cost of providing wastewater/sewer services, including maintenance, capital reinvestment, and related debt service to avoid deficit spending.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, COLORADO** that the following wastewater/sewer rates shall be charged by the Town of Paonia:

**Section 13-5-230 shall be amended to incorporate the following subparagraphs:**

**A) Wastewater/Sewer Rate within the Town**

The in-Town wastewater/sewer rate shall be increased by **seventeen** dollars (**\$17.00**) from **thirty-eight** dollars (**\$38.00**) to **fifty-five** dollars (**\$55.00**) per month for each residential unit and increased by **twenty-two** dollars (**\$22.00**) from **thirty-eight** dollars to **sixty** dollars (**\$60.00**) per month for each commercial unit within the boundaries of the Town of Paonia.

**B) Wastewater/Sewer Rate outside the Town**

The out-of-Town wastewater/sewer rate shall be increased by **three** dollars (**\$3.00**) from **fifty-seven** dollars (**\$57.00**) to **sixty** dollars (**\$60.00**) per month for each residential and commercial unit outside the boundaries of the Town of Paonia.

**C) Wastewater/Sewer Standby Fee**

The wastewater/sewer standby fee shall be increased by **twenty-five** dollars (**\$25.00**) from **thirty** dollars (**\$30.00**) to **fifty-five** dollars (**\$55.00**) per month for each unit.

**D) Notice**

- 1. Notice of the wastewater/sewer rates shall be given by publication of this Ordinance in a newspaper of general circulation in the County so as to inform all users of such changes.

2. A copy of this Ordinance shall also be mailed to the owners of properties outside the boundaries of the Town of Paonia using the wastewater/sewer system at the last known address of said owners as shown in the records of the Town.

**E) Effective Date**

The wastewater/sewer rates set forth herein shall become effective on January 1, 2023.


**INTRODUCED, READ, APPROVED, ADOPTED AND ORDERED TO BE PUBLISHED** at a regular meeting of the Board of Trustees of the Town of Paonia, Colorado, on this 29<sup>th</sup> day of November 2022.

ATTEST:

\_\_\_\_\_  
Amanda Mojarro, Interim Town Clerk

\_\_\_\_\_  
Mary Bachran, Mayor

AGENDA SUMMARY FORM

	5. Discussion on next steps for Town Administrator interviews
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Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Mayor Bachran	Trustee Knutson	Trustee Valentine
Trustee Stelter	Trustee Smith	Trustee Markle	Trustee Weber

AGENDA SUMMARY FORM

	Adjournment
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Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Mayor Bachran	Trustee Knutson	Trustee Valentine
Trustee Stelter	Trustee Smith	Trustee Markle	Trustee Weber