



JOINT CITY COUNCIL AND PLANNING COMMISSION WORK SESSION

448 E. 1st Street, Room 190 Salida, Colorado 81201

February 03, 2025 - 6:00 PM

AGENDA

Please register for the City Council Work Session

https://zoom.us/webinar/register/WN_AlrC-BsIRNiigokU1E5K4w

After registering, you will receive a confirmation email containing information about joining the webinar.

To watch live meetings: <http://www.youtube.com/@cityofsalidacolorado>

DISCUSSION ITEMS

- [1.](#) 7305 CR 160 Annexation, Zoning, and Major Subdivision
- [2.](#) Ehlers Water and Wastewater Discussion



CITY COUNCIL WORK SESSION MEMO

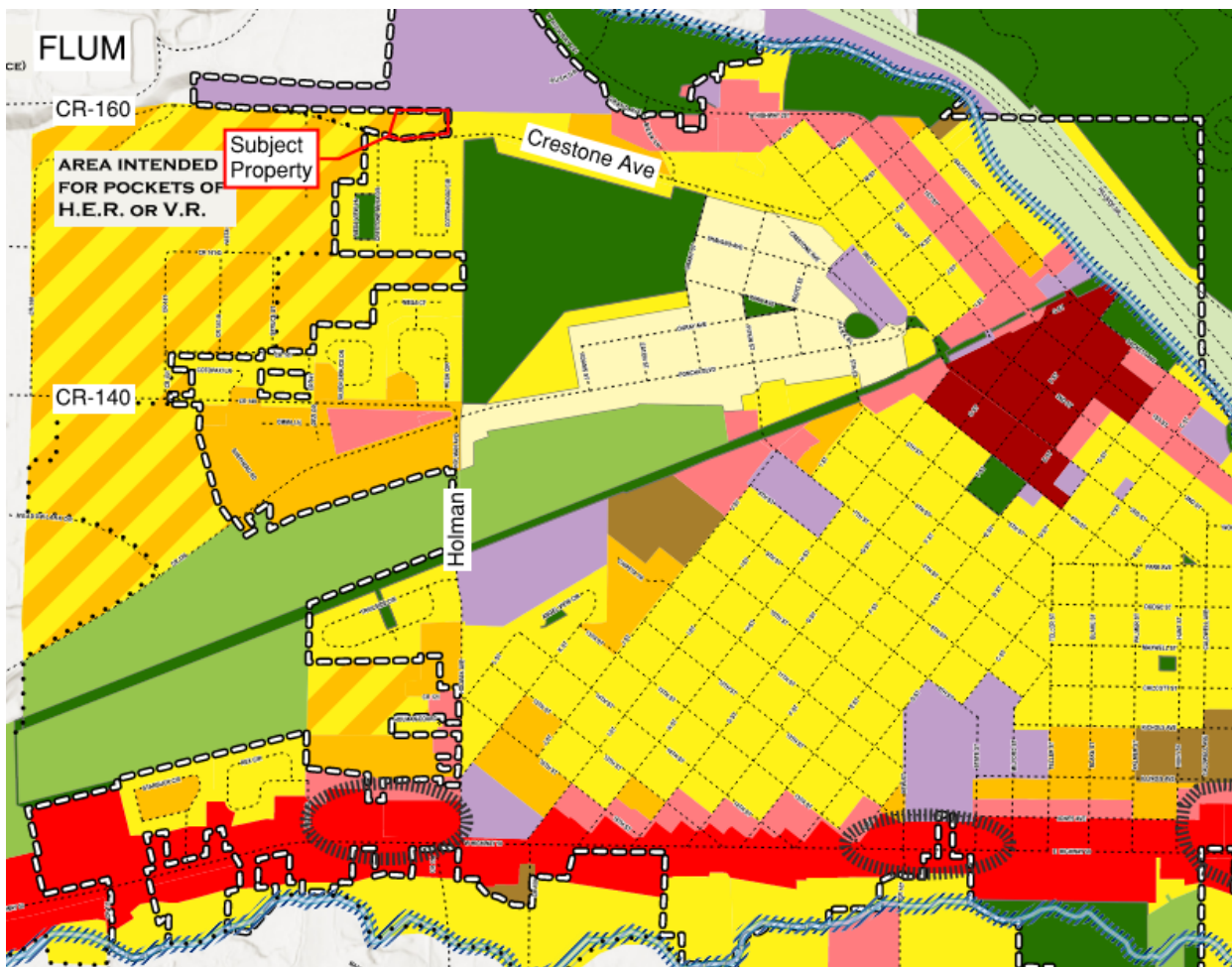
DEPARTMENT	PRESENTED BY	DATE
Community Development	Kristen Hodges - Associate Planner	February 3, 2025

AGENDA ITEM

Conceptual Review with Planning Commission:
7305 CR 160 Annexation, Zoning, and Major Subdivision

BACKGROUND

Applicants, Kenny Layton and Matt Osness, have submitted conceptual site plans for the annexation, zoning, and major subdivision of the 2.45-acre property located at 7305 CR 160. This property is within the Municipal Services Area (MSA) and shows as R-2 or R-3 on the Future Land Use Map, anticipating mid to high density residential uses:





CITY COUNCIL WORK SESSION MEMO

DEPARTMENT	PRESENTED BY	DATE
Community Development	Kristen Hodges - Associate Planner	February 3, 2025

Initial proposals request annexation of the site and R-2 zoning designation. The current intent is to subdivide into 10 total lots of slightly varying sizes and widths. Proposed development of the site includes detached and attached single-family dwelling units, and R-2 zoning would also allow multi-family units depending on lot size.

Staff has communicated with the applicants that a multi-use path would likely be a requirement of the annexation agreement by the City to connect the upper mesa with the hospital and public lands to the north, consistent with the connectivity intent of the Salida Regional Transportation Plan and the Parks, Recreation, Open Space and Trails master plan. Conversation in pre-application meetings and other correspondence concluded with a preference for the path to be located along the eastern and northern edge of the site, dropping down as it connects to existing paths to the west. The trail and the additional area immediately surrounding it are anticipated to be dedicated to the City. Such dedication is likely to satisfy Open Space requirements.

Inclusionary Housing requirements on site include at least either: 1 built unit or 1 lot dedicated to a qualified non-profit housing developer; both options would require fees in lieu of fractional units. 2 built units (or area dedicated that is sufficient for 2 units) would satisfy the requirement without the need for additional fees in lieu.

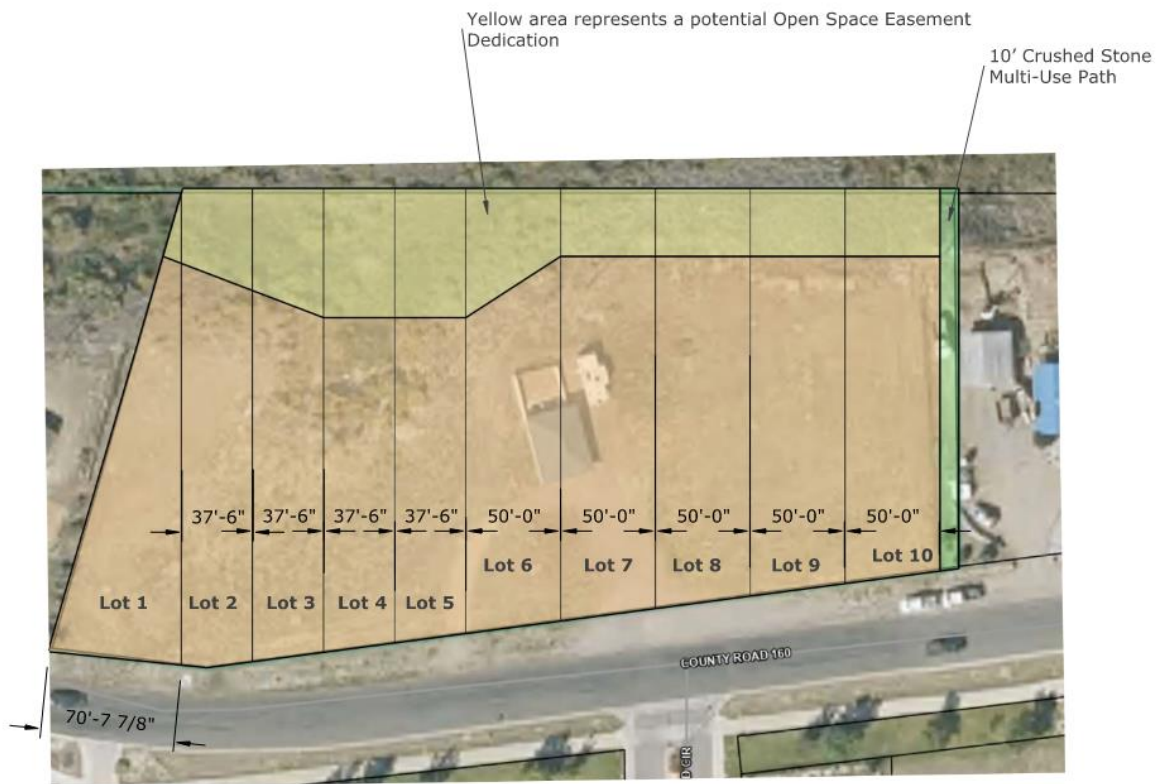
The site is constrained geographically, sandwiched between CR-160 and the steep drop of the mesa. Recent survey information shows fencing within the trail space, which would need modification to meet the trail needs. Open Space and Inclusionary Housing will be determined in finer detail further into the annexation process.

(Continued below)



CITY COUNCIL WORK SESSION MEMO

DEPARTMENT Community Development	PRESENTED BY Kristen Hodges - Associate Planner	DATE February 3, 2025
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Lot 1 - 8,734 sqft
Lot 2 - 9,421 sqft
Lot 3 - 9,258 sqft
Lot 4 - 9,073 sqft
Lot 5 - 8,888 sqft

Lot 6 - 11,562 sqft
Lot 7 - 11,233 sqft
Lot 8 - 10,904 sqft
Lot 9 - 10,574 sqft
Lot 10 - 10,245 sqft

Inclusionary Housing Requirement would require a minimum of 1 built unit plus fees in lieu.

Dedication of Multi-Use Trail connecting Mesa with HRRMC property and Frantz Lake Area would satisfy Open space requirements.

REQUESTED DIRECTION FROM COUNCIL AND PLANNING COMMISSION

Staff requests any feedback that City Council and Planning Commission may have on this proposal. Please provide any initial comments to the applicant team regarding the annexation, zoning, and major subdivision of the property located at 7305 CR 160. Please indicate if the applicant team should pursue the project as proposed or with any modifications and move forward with the application process.



CITY COUNCIL WORK SESSION MEMO

DEPARTMENT	PRESENTED BY	DATE
Finance	Aimee Tihonovich - Finance Director	February 3, 2025

AGENDA ITEM

Water and Wastewater Rate study results

BACKGROUND

Building upon a presentation made to City Council at their February 20, 2024 worksession, Ehler's Inc. has completed their rate study and recommended Water and Wastewater fees utilizing an "Equivalent Residential Unit" (ERU) approach. This model follows best practices for creating a fair and equitable approach for maintaining the water and wastewater services and addressing significant capital needs.

This presentation has been delayed due to negotiations with Poncha Springs regarding the Intergovernmental Agreement. This fee schedule matches what was agreed to with Poncha Springs for System Development Fees and is designed to address funding for the poncha interceptor project.

Ehler's will make a presentation at the meeting and will be able to fully address your questions.

REQUESTED DIRECTION FROM COUNCIL

Staff Requests that Council ask questions until they are fully comfortable with the proposed fees in preparation for the amended fee schedule resolution that Council will be asked to adopt at the regular meeting immediately following this presentation.



City of Salida, CO

Utility Rate Study

November 4, 2024

Overview

Item 2.

- Background on enterprise funds
- Purpose and approach of the study
- System Development Fee (SDF) Study
- Water and Sewer Rate Study
- Next Steps

Utility Enterprise Funds

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Enterprise Funds

Intended to operate as a business



Water

Cost for providing clean water for drinking, indoor, recreational, and commercial use



Sewer

Costs related to treatment of waste discharged into the sewer system

What exactly do they do?

Water Utility

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Extraction: Raw water is collected from surface water, like lakes and rivers, or from underground aquifers using **wells** and **well pumps**.



Treatment: **Water treatment facilities** treat raw water, remove minerals and harmful pollutants, and make it safe for human consumption.



Storage: **Water towers** and **reservoirs** store treated water and manage water pressure and flow to ensure the municipality can meet customer demands and fire flow requirements.



Distribution: **Water mains**, which are miles of buried pipes, **valves**, and **booster stations**, which are used to manage flow, and deliver the treated water to homes and businesses.

Sewer Utility

Item 2.



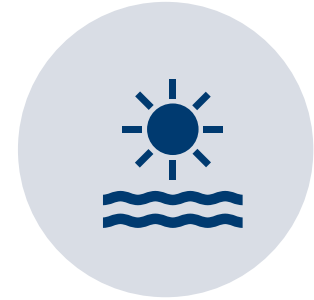
Collection:

Wastewater flows away from homes and businesses utilizing miles of **sewer main pipe infrastructure** and **lift stations** to reach its treatment destination



Treatment:

Once received by the municipality, the wastewater is then treated at a **treatment facility** where solids, grease, oil, chemicals, and other pollutants are removed



Distribution:

Once the wastewater has been treated and deemed to be safe, it is returned to the environment

Purpose of the Studies

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Maintain Financial Health

- Ensure utilities are self-sufficient
- Maintain healthy reserves

Inform Capital Planning

- Determine how Capital Improvement costs (CIP) will be funded

Establish Development Fees

- Determine equitable system for having growth pay for growth

Estimate Bill Impacts

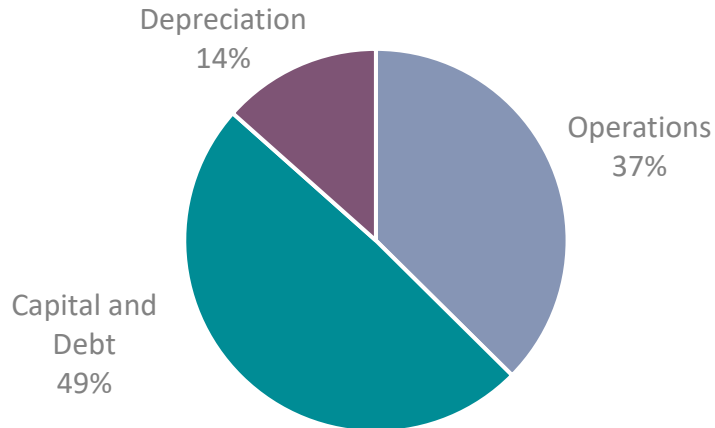
- Look at user impacts and overall affordability

What is driving the need for rate increases?

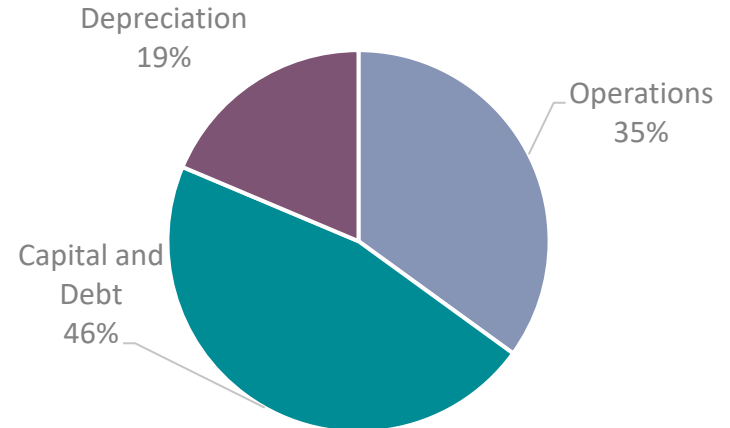
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Utilities are capital intensive

2028 Water Expenditures



2028 Sewer Expenditures



Major Capital Projects – Water Fund

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Improvement	Year	Cost (Today's Dollars)
Mesa Water Storage Tank	2025-2026	\$3,500,000
Water Pipeline for Base Zone Interconnect	2026-2027	\$2,900,000
Water Pipeline for High Zone Interconnect	2027-2028	\$3,500,000
Harrington Ditch Pipeline	2028-2029	\$4,670,000
Airport Water Storage Tank	2028	\$3,500,000
Water Treatment Plant Replacement	2031-2034	\$45,000,000

Major Capital Projects – Sewer Fund

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Improvement	Year	Cost (Today's Dollars)
Phosphorous Removal WWTF Improvements	2026-2027	\$550,000
Highway 50 Interceptor	2026-2027	\$14,600,000
Wastewater Biosolids Treatment Improvements	2032-2033	\$3,580,000

System Development Fees

SDF Framework

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All fees based on
Equivalent
Residential Units

- ERU's based on a combination of flow data and policy

Previous Sewer ERU Calculations

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- One Equivalent Residential Unit (ERU) = 180 gallons per day
 - ✓ Based on City of Salida engineering data
- Multifamily properties and Accessory Dwelling Units (ADUs) discharge 90% of single-family effluent
 - ✓ One multifamily unit = 0.9 ERU
- Affordable Housing unit = 0.4 ERU
- Commercial property assumed to have 2.5 ERUs per connection

Proposed ERU Modification: Goals

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Address concern
about affordability
for multifamily
rental properties

Ease
administration

Solution: Conform Water and Sewer ERU Calculation

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- Multifamily/ADU water use is approximately 50% of single-family water use on a per unit basis
 - ✓ Based on billing data
- Establish Multifamily/ADU units at 0.5 ERU's for both water and sewer
- Maintain affordable housing units at 0.4 ERU's

Impact: Future Sewer SDF rate increases (after 5 years) will be 4.5% per year instead of 3.5% per year

Proposed 2025 Sewer SDFs – Salida Only

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Housing Type	2024 Fee per Unit	2025 Proposed Fee per Unit	Proposed Change
Single Family	\$ 5,206	\$ 6,485	\$ 1,279
Affordable Single Family	\$ 2,082	\$ 2,594	\$ 512
Condo	\$ 3,905	\$ 3,242	\$ (663)
Affordable Condo	\$ 2,082	\$ 2,594	\$ 512
Market Rate Rental Apartment	Varies	\$ 3,242	Varies
Affordable Apartment	Varies	\$ 2,594	Varies

Note: Current fee for apartments varies based on meter size and number of units

Future Salida Sewer System Development Fees

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	2025	2026	2027	2028	2029
Fee per ERU	\$6,485	\$7,764	\$9,042	\$10,321	\$11,600

Sewer SDF fee will need to **increase 4.5% annually in 2030 and beyond**

Capital Costs to Recover with Water SDFs

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Mesa Water Storage Tank: \$3.5M

50% of Harrington Ditch Pipeline: \$2.3M

30% of Airport Storage Tank: \$1.2M

25% of Water Treatment Plant: \$11.25M

Estimated Future Growth

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Estimated Development (Average of Last 6 Years)

Salida

Single Family Units	51
Multifamily/ADU Units	26
Commercial/Industrial Connections	7

Assumed Growth Future Years	75%
ERU's Assumed for Study	57

Proposed 2025 Water SDFs – Salida Only

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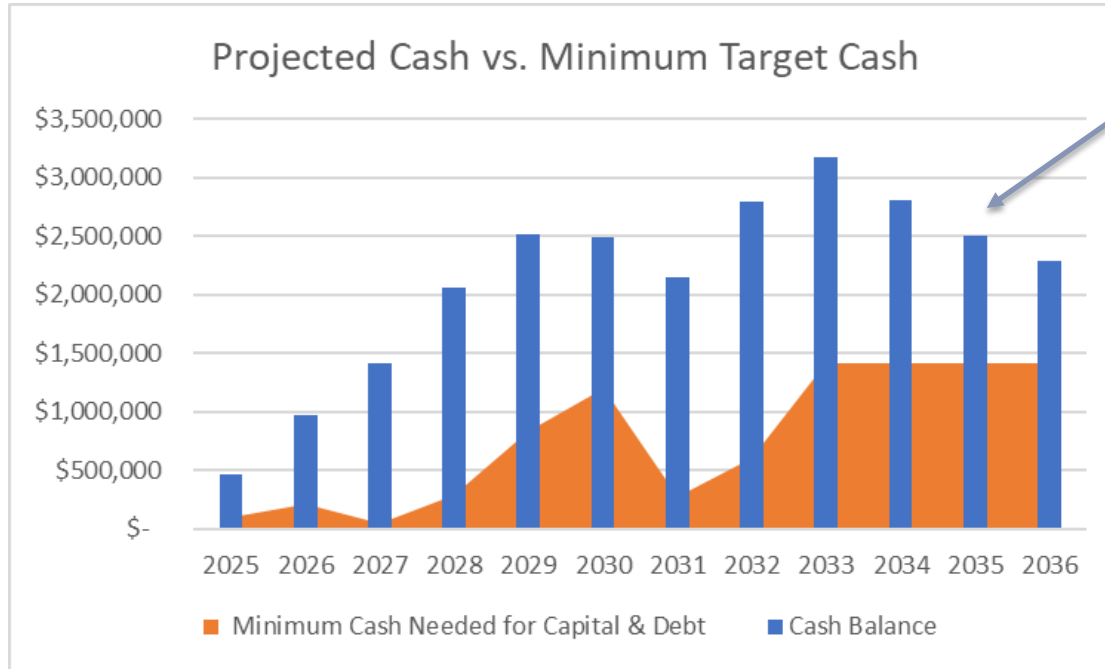
Housing Type	Current Fee per Unit	2025 Proposed Fee per Unit	2025 Proposed Increase
Single Family	\$ 8,512	9,363	\$ 851
Affordable Single Family	\$ 3,405	3,745	\$ 340
Condo	\$ 6,384	4,682	\$ (1,702)
Affordable Condo	\$ 3,405	3,745	\$ 340
Market Rate Rental Apartment	Varies	4,682	Varies
Affordable Apartment	Varies	3,745	Varies

Note: Current fee for apartments varies based on meter size and number of units

Water SDF fee will need to increase 7% annually in 2026 and beyond to fund a portion of the water treatment plant replacement

Projected Cash Needs for Water SDF's

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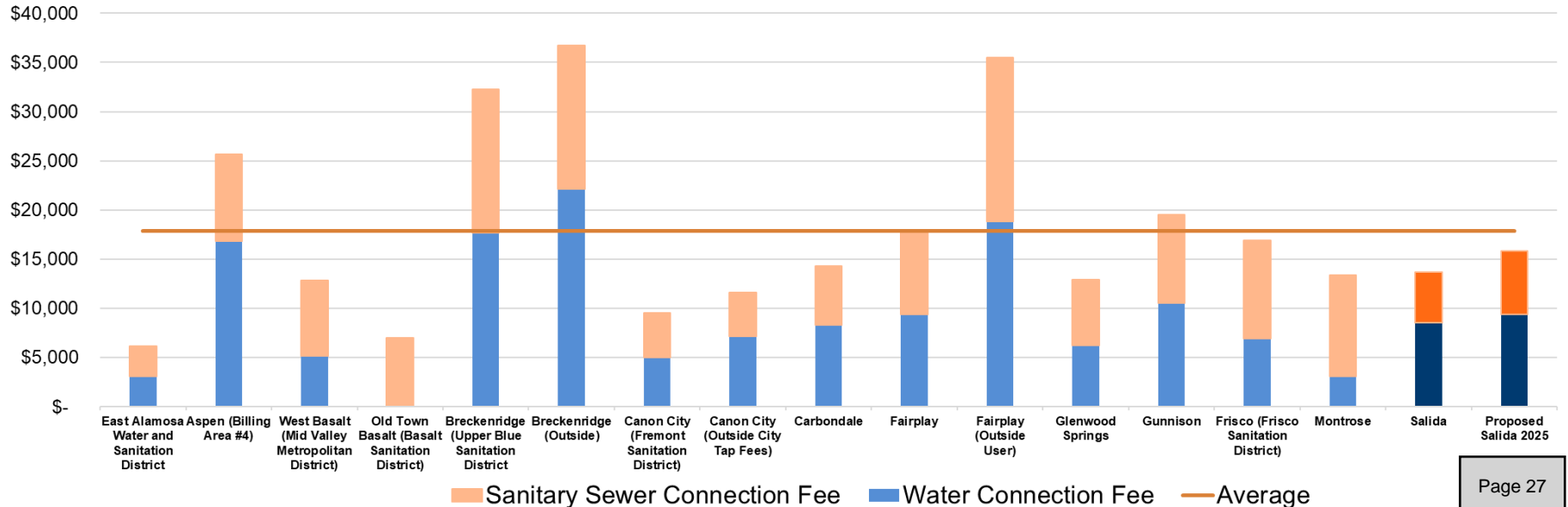


Water Treatment Plant debt service will draw down cash

Fee Comparison – Single-Family Home

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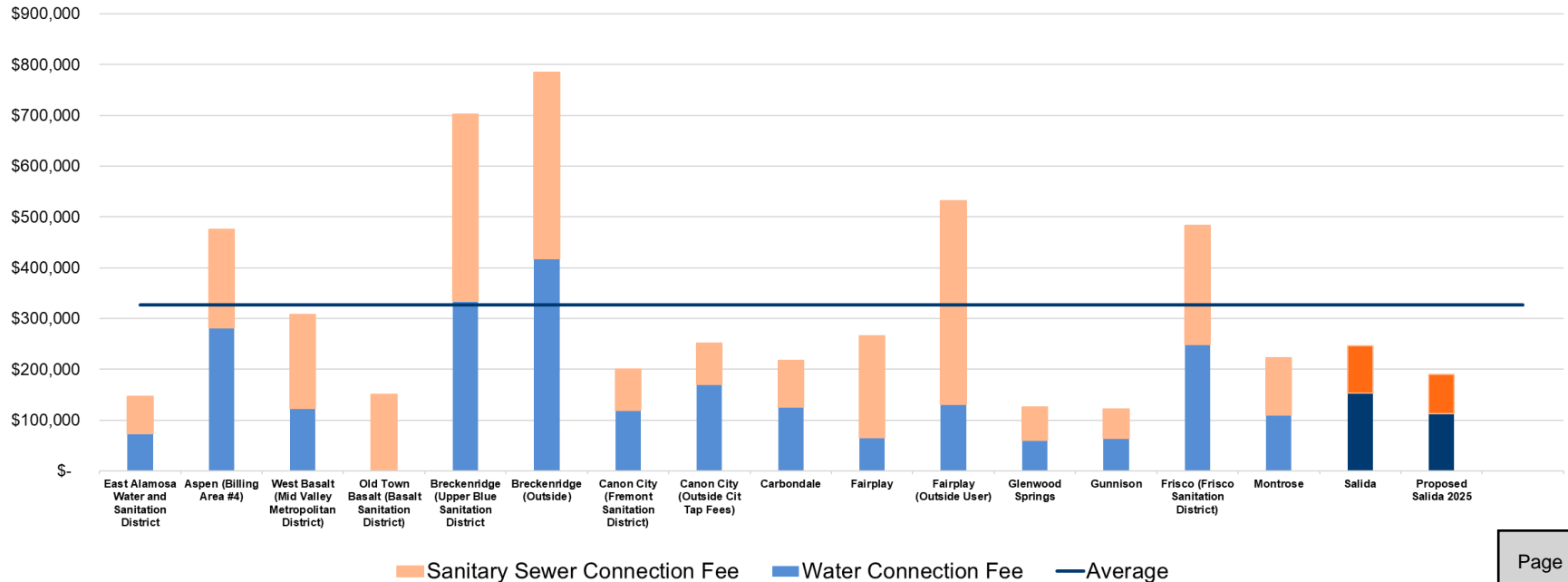
2024 Sewer System Development Fees for a Single Family Home



Fee Comparison – Market Rate Condos

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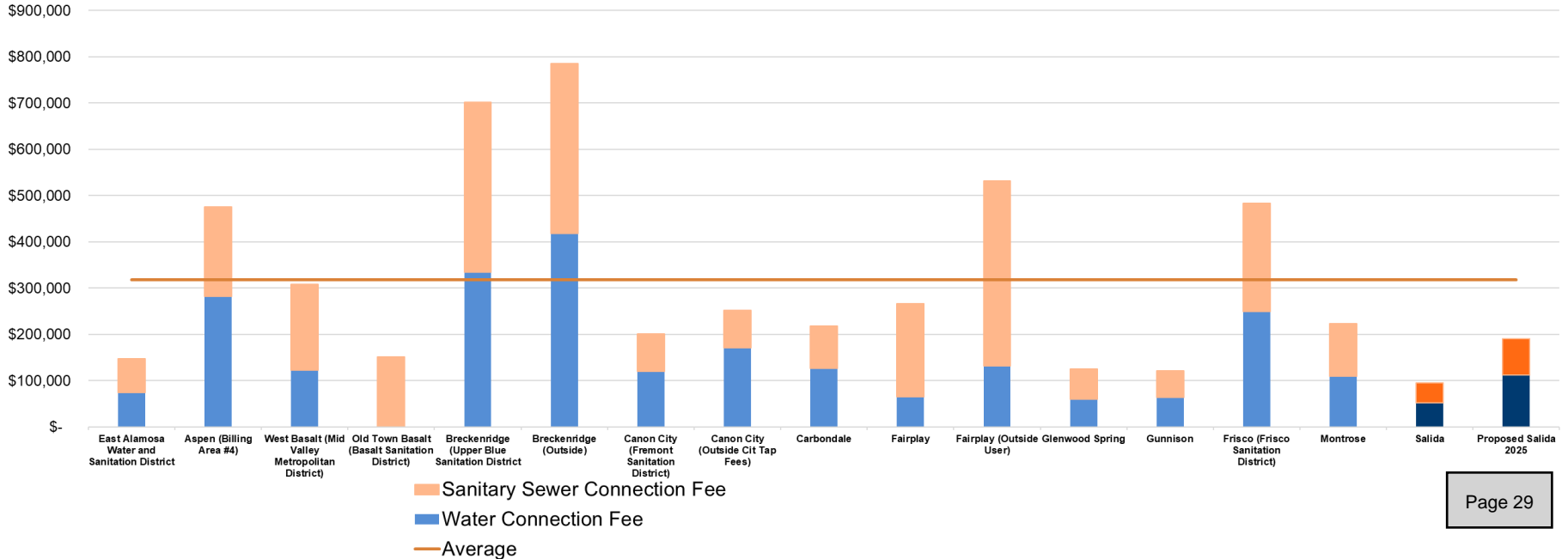
2024 Sewer System Development Fees for a 24-unit Market Rate Condo Building



Fee Comparison - Market Rate Apartments

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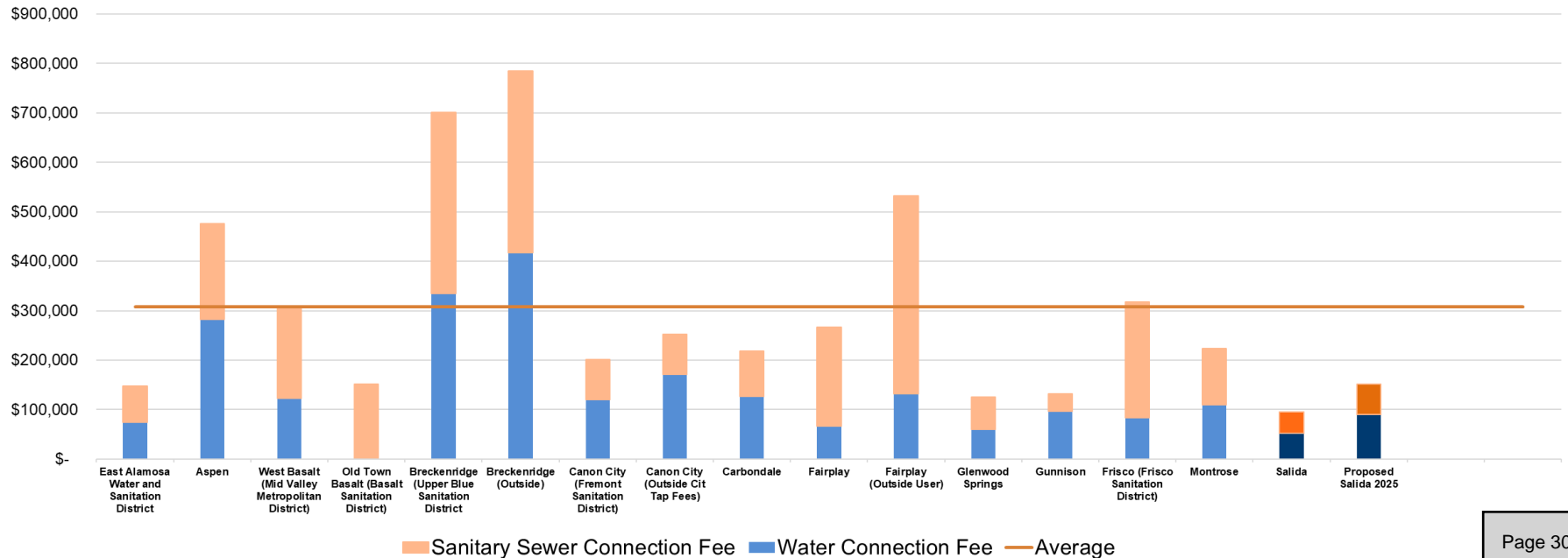
2024 Sewer System Development Fees for a 24-unit Market Rate Apartment Building



Fee Comparison – Affordable Apartments

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2024 Sewer System Development Fees for a 24-unit Affordable Apartment Building





Water and Sewer Rate Study

Assumptions & Other Factors

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- Fund & Cash balance requirements
 - ✓ Minimum Working Capital: **Six** Months of Operations (excluding depreciation) + **One-Year** of Debt Service
- Funds all capital projects per the Capital Improvement Plan (CIP)
- Growth follows SDF Study
- Assumes all expenses occur in their budgeted year

Assumption or Variable	Annual Amount
Other Revenue Growth	2.0%
Investment Earnings	1.0% - 2.0%
Expenses, Operations	2.0% - 3.0%
Expenses, Capital Projects	4.4%

Goals for the Utility Rate Study

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- Fund Large Capital Projects
 - ✓ Cash vs. Bonding
 - ✓ Connection Fees vs. User Rates
- Restructure Rates
 - ✓ Fixed and Variable Rates
 - ✓ Conservation Rates for Water
- Maintain Fund Stability

Capital Projects – Next 10 Years

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Project	Water	Sewer
Capital Equipment	\$2,850,000	\$3,465,000
Infrastructure Upgrades & Replacements	5,800,000	4,800,000
Meter, Hydrant & Valve Replacements	1,660,000	
News Water Pipelines – Base & High Zones	6,400,000	
New Storage Tanks – Mesa & Airport	7,000,000	
Harrington Ditch Pipeline Project	4,670,000	
Surface Water Treatment Plant Replacement	45,000,000	
Highway 50 Sewer Replacement Project		14,600,000
Wastewater Biosolids Treatment Improvements		3,580,000
Other Projects	300,000	550,000
Total (Uninflated)	\$73,680,000	\$26,995,000

Capital Projects – Next 10 Years

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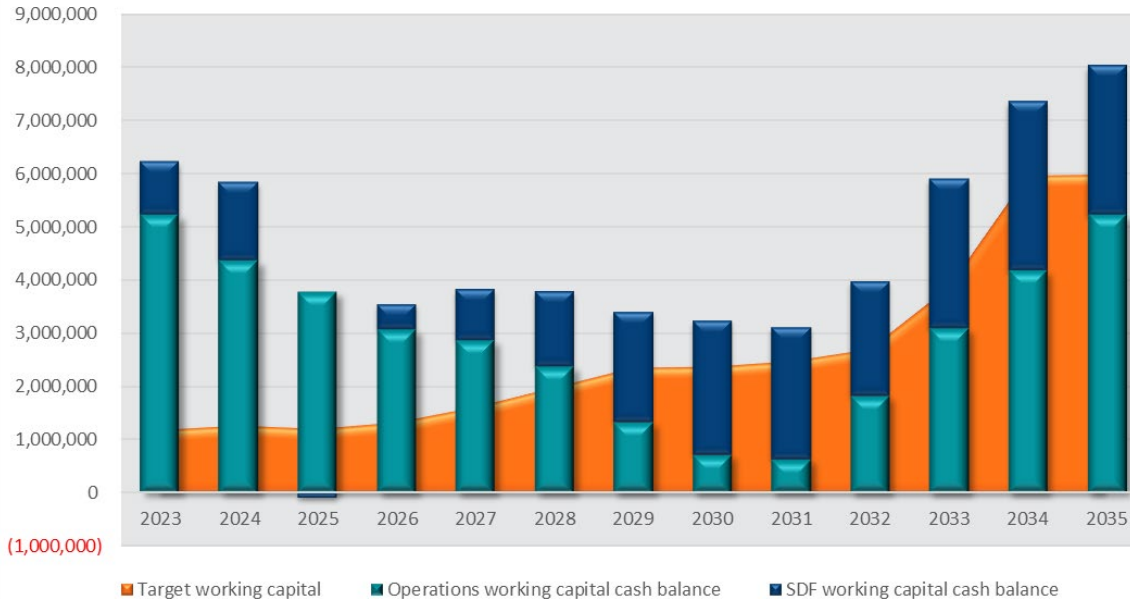
Proposed Bonding by Fund			
Year	Water Fund	Sewer Fund	Total
2026	1,600,000	7,600,000	9,200,000
2027	4,000,000	9,000,000	13,000,000
2028	8,000,000	-	8,000,000
2029	5,500,000	-	5,500,000
2031	1,500,000	-	1,500,000
2032	3,500,000	-	3,500,000
2033	22,500,000	2,200,000	24,700,000
2034	40,500,000	-	40,500,000
Total	87,100,000	18,800,000	105,900,000

- Highway 50 Sewer Replacement Project
 - ✓ \$16.6M over 2026 & 2027
 - ✓ Split between City and Poncha Springs
 - ✓ Paid with SDF's
- Surface WTP Replacement
 - ✓ \$63M over 2033 & 2034
 - ✓ Paid with combination of SDF's and User Rates

Water Fund Projected Balance

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Water Fund Capital Cash Reserves



Considerations

- ✓ **7%** annual rate increases through 2032
- ✓ **30%** increases for 2033 & 2034
 - Pay for Surface Water Treatment Plant
- ✓ Includes both system development fees & user charges

Current Water Rate Structure

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- Fixed Charges
 - ✓ Existing structure includes 2,000 gallon minimum
 - ✓ Meter and base charges pay for 95% of budgeted fixed costs
- Consumption Rates
 - ✓ 2 tier structure over 2,000 gallon minimum
 - ✓ Same for all customer types

Conservation Rates

Item 2.

Recommended Because...

- ✓ Delays capacity needs & allows for more growth without additional infrastructure
- ✓ Keeps more water in the river



- ✓ Resiliency during drought
- ✓ Minimum stream flows
- ✓ Availability of future water rights
- ✓ Environmental best practice

Proposed Fixed Monthly Charges

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OPTION #1 (Recommended): Conservation Rates & Fixed Rates Cover 100% of Fixed Costs					
RATE STRUCTURE OPTIONS	Number of Meters	Max Flow (gpm)	Equivalent Ratio	Monthly Charge	Annual Revenues
1 Fixed Rate					
2 5/8 inch & 3/4 inch	2,880	20	1.0	\$ 26.00	\$ 898,560
3 ADU Only	18	10	0.5	13.00	2,808
4 1.0 Inch	103	50	2.5	65.00	80,340
5 1.5 Inch	24	100	5.0	130.00	37,440
6 2.0 Inch	23	160	8.0	208.00	57,408
7 2.0 Inch - Compound	14	160	8.0	208.00	34,944
8 3.0 Inch	4	320	16.0	416.00	19,968
9 3.0 Inch - Compound	3	350	17.5	455.00	16,380
10 4.0 Inch	5	500	25.0	650.00	39,000
11 6.0 Inch	1	1,600	80.0	2,080.00	24,960
12 TOTALS	3,075				\$ 1,211,808
13 100% TOTAL FIXED AND METER COSTS - WATER FUND					\$ 1,186,218

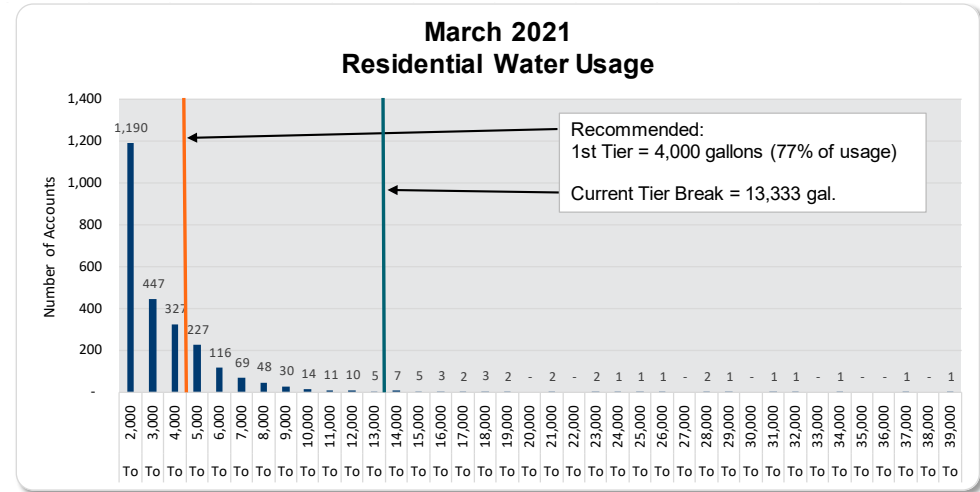
Simplified Structure

- Excludes 2,000 gal. minimum
- Eliminates need for Maintenance & Demand Fees
- Covers 100% of Fixed Costs

Usage Rate Design – Residential Customers

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- Winter Water Usage
 - ✓ Considered “essential” water usage
 - ✓ Around 80% in 1st tier
 - 4,000 gallons
 - ✓ Most affordable



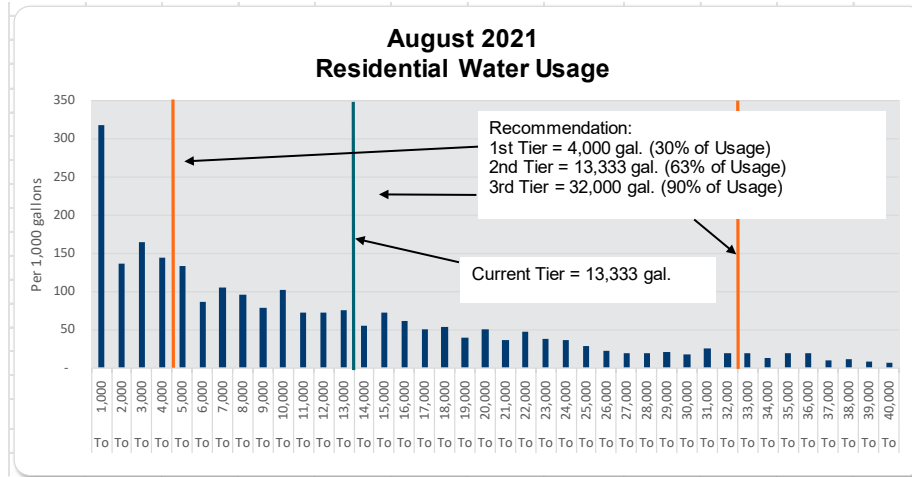
0	TO	4,000	=	1,964	Accounts	OR	77.3%
4,000	TO	9,000	=	490	Accounts	OR	96.5%
9,000	TO	14,000	=	47	Accounts	OR	98.4%
14,000	TO	19,000	=	15	Accounts	OR	99.0%
19,000	TO	24,000	=	5	Accounts	OR	99.2%
24,000	TO	29,000	=	5	Accounts	OR	99.4%
29,000	TO	34,000	=	3	Accounts	OR	99.5%
34,000	TO	39,000	=	2	Accounts	OR	99.6%
OVER		39,000	=	11	Accounts	OR	99.6%

Median Usage is 5,750 Gallons / Month

Average Usage is 3,543 gallons / Month

Usage Rate Design – Residential Customers

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0	TO	4,000	=	763 Accounts	OR	30.0%
4,000	TO	9,000	=	501 Accounts	OR	49.7%
9,000	TO	14,000	=	380 Accounts	OR	64.7%
14,000	TO	19,000	=	279 Accounts	OR	75.6%
19,000	TO	24,000	=	209 Accounts	OR	83.9%
24,000	TO	29,000	=	111 Accounts	OR	88.2%
29,000	TO	34,000	=	94 Accounts	OR	91.9%
34,000	TO	39,000	=	69 Accounts	OR	94.6%
OVER		39,000	=	129 Accounts	OR	94.9%

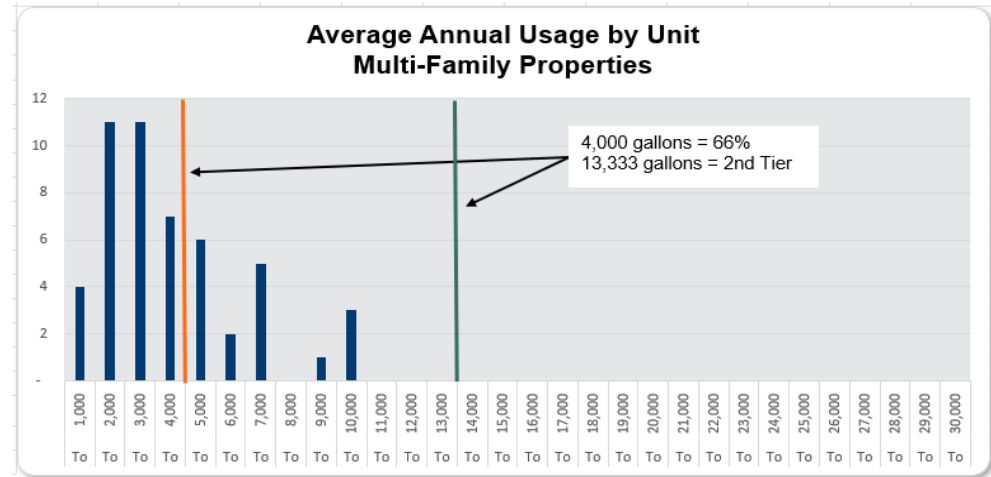
Average Usage is 13,717 Gallons / Month

- Summer Water Usage
 - ✓ Includes irrigation and other outdoor use
 - ✓ Current tier of 13,333 = 63%
 - OK for 2nd tier
 - ✓ Highest tier at 90% of summer usage
 - 3rd tier at 32,000 gallons

Usage Rate Design – Multi-Family Customers

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- Average Annual Usage
 - ✓ Tiers on a per-unit basis
 - ✓ Same tiering as Residential

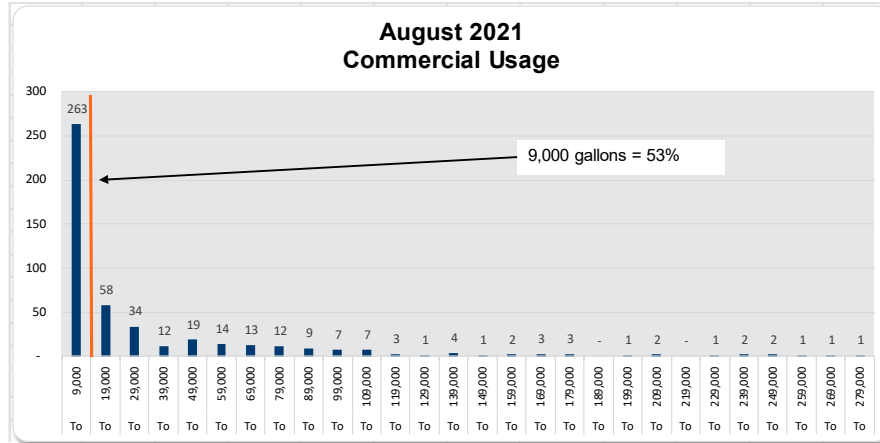


0	TO	1,000	=	4	Accounts	OR	8.0%
1,000	TO	2,000	=	11	Accounts	OR	30.0%
2,000	TO	3,000	=	11	Accounts	OR	52.0%
3,000	TO	4,000	=	7	Accounts	OR	66.0%
4,000	TO	5,000	=	6	Accounts	OR	78.0%
5,000	TO	6,000	=	2	Accounts	OR	82.0%
6,000	TO	7,000	=	5	Accounts	OR	92.0%
7,000	TO	8,000	=	-	Accounts	OR	92.0%
8,000	TO	9,000	=	1	Accounts	OR	94.0%
9,000	TO	10,000	=	3	Accounts	OR	100.0%
OVER		10,000	=	-	Accounts	OR	100.0%

Median Usage is 2,811 Gallons / Month

Usage Rate Design – Commercial Customers

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• Annual Usage

- ✓ Usage more stable year-round
- ✓ Only two tiers recommended
- ✓ 1st tier at 9,000 gallons or 50%
 - Protects small businesses

0	TO	9,000	=	263	Accounts	OR	53.5%
9,000	TO	39,000	=	104	Accounts	OR	74.6%
39,000	TO	69,000	=	46	Accounts	OR	84.0%
69,000	TO	99,000	=	28	Accounts	OR	89.6%
99,000	TO	129,000	=	11	Accounts	OR	88.2%
129,000	TO	159,000	=	7	Accounts	OR	93.3%
159,000	TO	189,000	=	6	Accounts	OR	94.5%
189,000	TO	219,000	=	3	Accounts	OR	95.1%
219,000	TO	249,000	=	5	Accounts	OR	96.1%
249,000	TO	279,000	=	3	Accounts	OR	96.7%
OVER		279,000	=	16	Accounts	OR	100.0%

Median Usage is 5,958 Gallons / Month

Average Usage is 45,150 Gallons / Month

Proposed 2025 Water Usage Rates

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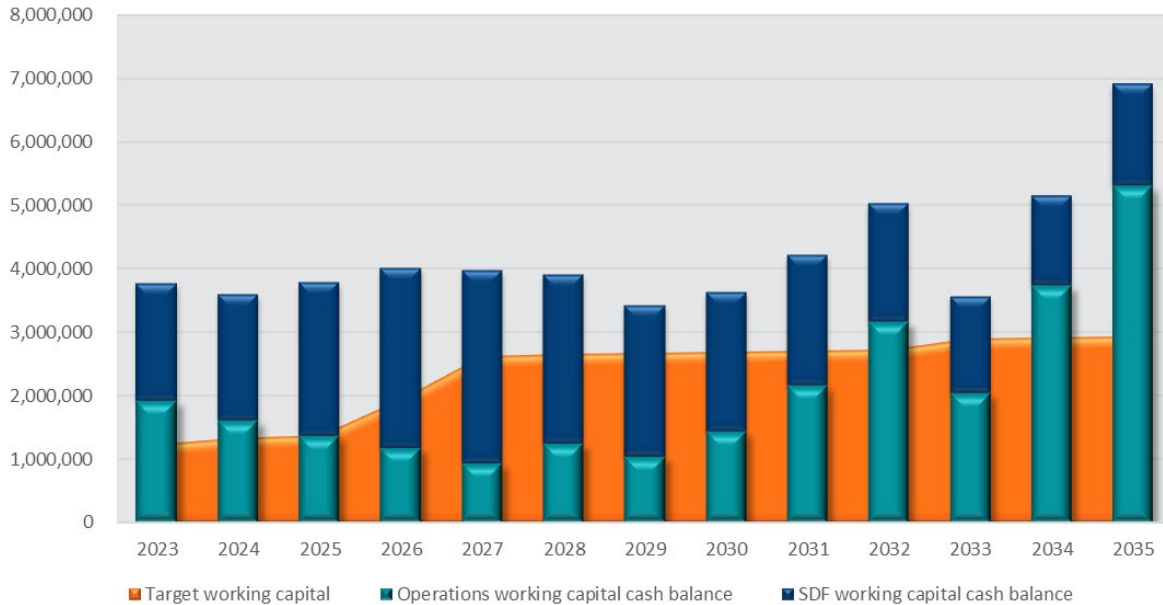
- Promotes Conservation
 - ✓ 1st 2 tiers lower than current
 - ✓ Shifts burden to higher water users
 - ✓ Keeps essential water usage affordable
- Meets revenue requirements for fund stability

OPTION #1 (Recommended): Conservation Rates & Fixed Rates Cover 100% of Fixed Costs							Annual Revenues
Consumption Charge		Proposed Tiers (1,000 Gallons)		Proposed Rates			
1	Residential	Tier 1	- to 4,000	\$	1.73	\$	148,787
2		Tier 2	4,000 to 13,333		2.16		159,073
3		Tier 3	13,333 to 32,000		2.70		119,936
4		Tier 4	Over 32,000		3.38		60,130
5	Total Residential Revenues						\$ 487,927
6	Multi-Family	Tier 1	- to 4,000	\$	1.73	\$	9,309
7	(Per Unit Basis)	Tier 2	4,000 to 13,333		2.16		4,465
8		Tier 3	13,333 to 32,000		2.70		1,283
9		Tier 4	Over 32,000		3.38		-
10							
11	Total Multi-Family Revenues						\$ 15,056
12	Commercial	Tier 1	- to 9,000	\$	1.73	\$	46,850
13		Tier 2	Over 9,000		2.16		283,716
14	Total Commercial Revenues						\$ 330,566

Sewer Fund Projected Balance

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Sewer Fund Capital Cash Reserves



Considerations

- ✓ **7%** annual rate increases
- ✓ **Highway 50** project debt paid with City and Poncha Springs SDF Fees

Current Sewer Rate Structure

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- Fixed Charges
 - ✓ Existing structure includes 2,000 gallon minimum for Residential
 - ✓ Commercial fixed cost based on meter size
 - ✓ Meter and base charges pay for +100% of budgeted fixed costs
- Consumption Rates
 - ✓ Different rates by customer type
 - Residential customers not charged for first 2,000 gallons (included in fixed charge)

Proposed Sewer Rates

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PROPOSED: 2024 Sewer Rate Structure Options		Annual Revenues
Base Charge - Excludes Minimum Consumption		
	Proposed Rate	
1 All Users charged per meter	\$ 27.85	\$ 1,301,375
2 ADU's	13.93	501
3 Sewer Only	38.35	95,708
Consumption Charge		
4 All Users	3.50	934,551
5 TOTAL PROJECTED ANNUAL REVENUES		\$ 2,331,634

Simplified Rate Structure

- Base Charge excludes 2,000 gallons minimum usage
- All users charged the same base charge regardless of meter size or number of units
- Consumption charge the same for all customer types

User Impacts - Residential

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Type	RESIDENTIAL ACCOUNTS				
	Market Rate Apartment	Low	Median	High	Poncha Springs
Account Number		25% Quartile	50% Quartile	75% Quartile	50% Quartile
Account Name	Per Unit				
	3-Unit Bldg				
Sample 2021 Usage (Incl. 1st 2,000 Gal.)	3,000	6,000	25,000	40,000	-
Winter Average (Incl. 1st 2,000 Gal.)	1,000	2,000	2,250	3,750	2,100
Meter Size	5/8"	5/8"	5/8"	5/8"	5/8"
Existing 2024 Rates and Structure					
Total Water	\$ 29.73	\$ 35.40	\$ 78.66	\$ 116.46	\$ -
Total Sewer	27.85	27.85	28.31	31.07	28.03
Total Water & Sewer	\$ 57.58	\$ 63.25	\$ 106.97	\$ 147.53	\$ 28.03
2025 OPTION #1 (Recommended): Conservation Rates & Fixed Rates Cover 100% of Fixed Costs					
Total Water	\$ 13.86	\$ 37.24	\$ 84.58	\$ 130.52	
Total Sewer	12.78	34.85	35.73	40.98	35.20
Total Water & Sewer	\$ 26.64	\$ 72.09	\$ 120.31	\$ 171.50	\$ 35.20
\$ Increase/(Decrease)	\$ (30.94)	\$ 8.84	\$ 13.34	\$ 23.97	\$ 7.17

User Impacts - Commercial

Item 2.

Type	OTHER ACCOUNTS					
	Low Income Apartment	Low Commercial	Median Commercial	High Commercial	Very High Commercial	Poncha Springs
Account Number		25% Quartile	50% Quartile	75% Quartile	100% Quartile	50% Quartile
Account Name	Per Unit 8-Unit Bldg	Downtown Retail	Salida Steam Plant	Big Box Store	Chaffee County Court House	
Sample 2021 Usage (Incl. 1st 2,000 Gal.)	5,500	4,000	22,000	173,000	793,000	-
Winter Average (Incl. 1st 2,000 Gal.)	5,500	4,000	22,000	173,000	793,000	2,600
Meter Size	1.0"	3/4"	1.5"	3.0"	4.0"	3/4"
Existing 2024 Rates and Structure						
Total Water	\$ 12.68	\$ 31.43	\$ 91.56	\$ 527.19	\$ 2,165.98	\$ -
Total Sewer	23.79	42.49	135.12	704.10	2,845.35	37.72
Total Water & Sewer	\$ 36.47	\$ 73.92	\$ 226.68	\$ 1,231.29	\$ 5,011.33	\$ 37.72
2025 OPTION #1 (Recommended): Conservation Rates & Fixed Rates Cover 100% of Fixed Costs						
Total Water	\$ 18.29	\$ 32.92	\$ 173.65	\$ 785.81	\$ 2,359.01	\$ -
Total Sewer	22.73	41.85	104.85	633.35	2,803.35	36.95
Total Water & Sewer	\$ 41.02	\$ 74.77	\$ 278.50	\$ 1,419.16	\$ 5,162.36	\$ 36.95
\$ Increase/(Decrease)	\$ 4.55	\$ 0.85	\$ 51.82	\$ 187.87	\$ 151.03	\$ (0.77)

Water and Sewer Summary

Item 2.

- **Water**

- ✓ Water rate restructure in 2025
- ✓ **7%** annual rate increases 2026 through 2032
- ✓ Preliminary **30%** increases for 2033 & 2034
 - Pay for Surface Water Treatment Plant
 - Recommend rate study update once capital costs known

- **Sewer**

- ✓ Sewer rate restructure and simplification in 2025
- ✓ **7%** annual rate increases 2026 through 2032



Next Steps

Item 2.

- Discuss and feedback on rate scenarios
- Adopt new 2025 user rates at Council meeting

Important Disclosures

Item 2.

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