

TOWN OF ARRIBA
BOARD OF TRUSTEES PUBLIC HEARING
Monday, February 11, 2019
Arriba Town Hall, 711 Front Street, Arriba, CO 80804

Call to Order Mayor Alex Flores called the hearing to order at 7:01. Board members present included Jack Petty, Courtney Dean, Bob Rush, and Carolyn Steinsiek.

Public Audience included Gerald Steinsiek, Harvey Dumcum, Jay Spurling, Geoff Tomes, Marie Daniel, and Debbie Brooks.

Water Rate Increase

Geoff Tomes asked if after the water loan gets paid off if there was any chance of the water rates going back down. Mayor Flores said no, the reason the rates keep going up is just to keep up with the utilities and insurance- just to keep things running. Geoff Tomes asked how long until the water loan is paid off. Clerk Hart said she thought there was 20 years left on the loan.

Debbie Brooks said that the current base rate is \$38.50 for 4000 gallons of water. She said that Genoa is \$34.50 for 2000 gallons and then its \$4.50 for every 1000 gallons after that up to 10. She recommended decreasing the gallon amount and increasing the next tier rate since Arriba's is only \$1.50 for every thousand gallons after the first 4,000 gallons. She said that Hugo has pretty low rates, for minimum water and sewer it's like \$55.

Trustee Rush said he thought the Town just needed to raise the minimum rate and not increase or decrease anything else.

There was discussion on how many accounts go over the minimum, how many accounts use below the minimum, and how effective lowering the minimum gallons and raising the tier rates would be.

Trustee Petty asked if the revenue from Castle Rock Construction could be figured in to satisfy the loan agreement debt ratio for the next few years. The majority of the Board didn't think so because there will be operating costs for supplying a high volume of water and Castle Rock Construction might get water for one year only. It was noted that by raising the Town's water rates it guarantees a long term revenue which the State wants to see. If the Town waits to raise rates the rate increase will need to be much more.

Clerk Hart noted that the Town needs to be in compliance with the State because the Town is going to be asking for grants and loans for the wastewater and not being in compliance might have an effect on that.

Clerk Hart said a proposed idea for the money coming from Castle Rock was to put it toward fixing the out of town well line so that the Town can use all four wells.

There was discussion on how much this would cost and what it would all entail. Clerk Hart said that until the Town has someone dig down into the north well no one knows exactly what needs done.

There was discussion on how Castle Rock Construction is getting water. They will be connecting onto a fire hydrant and getting chlorinated water. The Town is selling water to them at \$6 per 1000 gallons. Marie Daniel said she thought the Town should be charging them more.

Clerk Hart said the Board had decided \$8 and castle rock came back with \$6. Clerk Hart said there was a verbal agreement for the \$6 per 1000 gallons, she said that she and Trustee McCue had dealt with castle rack and that she had emailed the board all the details. Trustee Petty said the Town should have come back to castle rock with \$7. He said he was against a water rate increase for residents if the Town wasn't going to increase castle rock's rate.

There was discussion on how much water the CDOT Rest Area and Prosper Farms use and if they should be billed more for their high usage. Trustee Rush commented that if the Town raises rates too high CDOT can use a private well and Prosper Farms might do the same. There was discussion on what the Town will do with the money from Castle Rock Construction, putting it towards repairs, maintenance, and reserves was mentioned.

Clerk Hart said the rates haven't been increased since 2012. In 2014 the minimum gallons was decreased.

Trustee Petty asked what the State will do if the Town does nothing. Clerk Hart said that they will make the Town hire a company to do a rate study to see what the rates should be and then make the Town implement those findings.

Debbie Brooks asked if the wastewater rates were going up. Clerk Hart said that at this time no but they might be going up in the next couple of years because of the cost of building a new wastewater facility.

Trustee Petty said he felt the Town could be sustained on the money from Castle Rock Construction and be able to push back the rate increase for several years.

Mayor Flores said that he sees the money from Castle Rock to help build the Towns budget back to where it was. He said that the Town has given employees raises, the electric rates went up, the gas rates went up, taxes went up, all expenses have gone up.

Harvey Dumcum asked if anyone has thought about the people that will be paying this increase, a lot of them are older and won't be here to pay the water bill.

Trustee Petty said someone needs to do the math on how many people use the minimum and how many go over and what increase would work to satisfy the debt ratio.

There was discussion on how last month expenses exceeded the revenues, the Town is not building much revenue right now.

Trustee Petty asked if there was any way to increase revenues without raising rates. Clerk Hart said that for the loan compliance only water revenue is factored in.

Clerk Hart explained that the water loan agreement says the Town must be at 110% debt ratio, the Town is at 15%. The Town needs to have an additional \$16,000 of annual water revenue to be at 110%. Raising the minimum rate by \$11 brings the Town to the \$16,000 of annual water revenue.

Mayor Flores said that he would have like to have a gradual increase over the years but that didn't happen.

Trustee Petty said he was against a water rate increase

Mayor Flores adjourned the public hearing at 7:48pm.

Submitted by: Josie Hart, Arriba Town Clerk

Signed by: 

Mayor Alex Flores

Approved by the Board on: 4-8-19

Town of Arriba
Board of Trustees
Public Hearing
Monday, February 11, 2019
7:00pm
Regular Meeting
7:45pm

Sign In Sheet

Ladbroe Brooks
Lanny Burman
Geoffrey R. Jones
Jay Spurling
Marilyn D. Daniel