

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

**RESOLUTION NO. 18-2024**

**A RESOLUTION ESTABLISHING WATER RATES AND CHARGES**

**WHEREAS**, pursuant to the Water Activity Law, Title 37, Article 45.1, C.R.S., and Section 13-4-10 of the Paonia Municipal Code (“PMC” or “Code”), the Town of Paonia (“Town”) has established the Town Water and Sewer Enterprise (“Enterprise”) consisting of the Town's water and sanitary sewer facilities and properties, now owned or hereafter acquired, whether situated within or without the Town boundaries, including all present or future improvements, extensions, enlargements, betterments, replacements or additions thereof or thereto, with all of the authority, powers, rights, obligations and duties as may be provided or permitted by the Colorado Constitution, Water Activity Law, and as may be further prescribed by ordinance or resolution of the Town; and

**WHEREAS**, to maintain its enterprise status, the Enterprise must at all times and in all ways, conduct its affairs so as to continue to qualify as a "water activity enterprise" within the meaning of Section 37-45.1-102, C.R.S., and as an "enterprise" within the meaning of Article X, Section 20, of the State Constitution, including the inability to levy taxes to pay bonds or any other expenses of the Enterprise or water and sewer systems; and

**WHEREAS**, as a condition of many loans, bonds, and grants available for water and sewer system upgrades, enterprises must, at minimum, ensure their rates and charges offset the cost of providing water services, including maintenance, capital reinvestment, and related debt service; and

**WHEREAS**, PMC § 13-1-20 authorizes the Board of Trustees (the “Board”) to establish by resolution all water rates and charges and the effective date of said rates and charges; and

**WHEREAS**, the Board has made a thorough review of such water rates and charges vis-à-vis the cost of providing water services, including maintenance, capital reinvestment, and related debt service; and

**WHEREAS**, in view of the above recitals, the Board finds 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, and therefore desires to adjust water rates and charges to offset such costs, as set forth below in this resolution.



**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF  
THE TOWN OF PAONIA, COLORADO:**

**Section 1.** That the following water rates shall be charged by the Town of Paonia:

**A) Base Water Rates for In-Town and Out-of-Town Users**

The Town has submitted a Project Needs Assessment to the Colorado Department of Public Health and Environment and updated a 20-year cash flow analysis as a requirement of obtaining debt-financing for critical water infrastructure improvements. As a result of those studies, users will be charged, on a monthly basis in arrears, the base In-Town and Out-of-Town water rates set forth in the following fee schedule:

|                                       | 2025    | 2026    | 2027    | 2028    | 2029    |
|---------------------------------------|---------|---------|---------|---------|---------|
| BASE RATE IN TOWN:<br>RESIDENTIAL     | \$44.00 | \$44.88 | \$46.00 | \$48.30 | \$50.72 |
| BASE RATE IN TOWN:<br>COMMERCIAL      | \$54.00 | \$55.08 | \$56.00 | \$58.80 | \$61.74 |
| BASE RATE OUT OF<br>TOWN: RESIDENTIAL | \$54.75 | \$56.39 | \$58.08 | \$60.99 | \$64.04 |
| BASE RATE OUT OF<br>TOWN: COMMERCIAL  | \$71.50 | \$74.36 | \$78.08 | \$81.98 | \$86.08 |

**B) (Additional) Water Usage Rate for In-Town and Out-of-Town Users**

In addition to the Base Water Rate, users shall be charged, in arrears, for monthly water usage at the applicable rate set forth in the following table, (customer service account/meter) for each 1,000 gallons used by such user during the previous month. and proportionately for each fractional part thereof, as follows:

**All Users**

|                        | 2025   | 2026   | 2027   | 2028   | 2029   |
|------------------------|--------|--------|--------|--------|--------|
| 1 – 1,000 GALLONS      | \$2.83 | \$2.95 | \$3.24 | \$3.63 | \$4.06 |
| 1,000 – 3,000 GALLONS  | \$2.83 | \$2.95 | \$3.24 | \$3.63 | \$4.06 |
| 3,000 – 10,000 GALLONS | \$3.97 | \$4.12 | \$4.54 | \$5.08 | \$5.84 |



|                          |         |         |         |         |         |
|--------------------------|---------|---------|---------|---------|---------|
| 10,000 – 25,000 GALLONS  | \$5.52  | \$5.80  | \$6.38  | \$7.14  | \$8.22  |
| 25,000 – 50,000 GALLONS  | \$8.93  | \$9.46  | \$10.88 | \$12.84 | \$15.66 |
| 50,000 – 75,000 GALLONS  | \$18.64 | \$19.76 | \$23.71 | \$28.45 | \$34.71 |
| 75,000 – 100,000 GALLONS | \$24.94 | \$26.43 | \$33.04 | \$41.30 | \$51.63 |
| 100,000+ GALLONS         | \$26.40 | \$29.57 | \$39.92 | \$53.89 | \$72.75 |

**C) Public Bulk Water Tap**

All persons receiving municipal water from the public bulk water 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.

**D) 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.

**E) Effective Date**

The water rates set forth herein shall become effective on January 1, 2025, to reflect on the first bill in February 2025; and for each subsequent year the water rates set for the herein shall become effective on January 1<sup>st</sup>, to reflect on the first bill in February of each successive year.

**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the Board of Trustees of the Town of Paonia, Colorado, on this 10<sup>th</sup> day of December 2024.

Attest:

\_\_\_\_\_  
Samira M. Vetter, Town Clerk



\_\_\_\_\_  
Paige Smith, Mayor

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Clayton Buchner, Town Attorney