



Agenda Item Summary

MEETING DATE: September 9, 2024

SUBJECT: **Ordinance No. 1067** – An Ordinance of the Town of Mead, Colorado, Adopting a New Sewer User Fee to Offset the Town’s Direct and Indirect Expenses Associated with Operating and Improving the Raterink Lift Station

PRESENTED BY: Erika Rasmussen, Town Engineer/Public Works Director

SUMMARY

The Town of Mead (the “Town”) has recently discovered and addressed unplanned maintenance needs at a Town-owned wastewater facility, specifically the Raterink Lift Station (“Lift Station”), that was installed in 2022.

The Town has contracted with several contractors to implement needed improvements to the Lift Station, including Ramey Environmental Compliance, Inc., Concrete Conservation LLC, and Browns Hill Engineering & Controls (together, the “Contractors”). The estimated total cost for the maintenance and repair services provided by the Contractors is Ninety-Two Thousand Dollars (\$92,000.00).

Pursuant to Sec. 13-1-210(a) of the Mead Municipal Code (“MMC”), the Board of Trustees has the authority to establish fees for the use of and for the service supplied by the wastewater facilities of the Town. The amounts of such fees are to be set forth in the Town's comprehensive fee schedule and adopted by resolution of the Board of Trustees.

Town staff recommends that the Board of Trustees adopts a new sewer user fee/service fee titled the *Raterink Lift Station – Capital Maintenance Fee* (“Maintenance Fee”) set at a level to fully reimburse the Town for ongoing maintenance costs associated with ensuring that the Lift Station remains in good working order. There are currently two (2) sewer accounts that utilize the Lift Station. Town staff recommends setting the Maintenance Fee at a rate of **\$1,285 per month/per user** for an approximate three-year (36 month) repayment schedule, to be effective starting November 1, 2024, in order to reimburse the Town for the 2024 maintenance and repair costs within the approximate three (3) year period.

Ordinance No. 1067 (the “Ordinance”): (1) establishes the *Raterink Lift Station – Capital Maintenance Fee* at a rate of \$1,285 per month/per user, effective November 1, 2024; (2) reserves the right for the Board of Trustees to recompute the Maintenance Fee by way of resolution if additional users are added to the Lift Station, on the basis of a financial or engineering study, or as otherwise necessary to ensure that adequate funds are available for the operation, maintenance, and repair of the Lift Station; (3) directs the Town’s Administrative Services Director / Town Clerk to provide advance written courtesy notice of the Maintenance Fee to any and all account holders that utilize the Lift Station for sanitary sewer services; and (4) directs Town staff to prepare a resolution for adoption by the Board of Trustees amending the Town’s comprehensive fee schedule to add the Maintenance Fee.

Town staff recommends adoption of the Ordinance.

As set forth below, the Ordinance is included on the September 9th consent agenda. If the Mayor or Board have questions relating to the Maintenance Fee, the Ordinance may be pulled off of consent for questions or further discussion.

FINANCIAL CONSIDERATIONS

The estimated maintenance costs for the Lift Station are broken down as follows:

Estimated maintenance costs (2024)

Flow Meter R&R (Ramey Environmental Compliance, Inc.):	\$20,000.00
SpectraShield well coating and related services (Concrete Conservation LLC):	\$68,250.00
Mission upgrades/add flow meter to SCADA (Browns Hill Engineering & Controls):	\$3,750.00

Total estimated costs:	\$92,000.00
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The Maintenance Fee will be applied to two accounts at \$1,285/month per user for a three-year repayment schedule. If additional users utilize the Lift Station in the future, or if additional costs are incurred by the Town in the future related to the Lift Station, the Ordinance preserves the flexibility for the Maintenance Fee to be adjusted.

The Maintenance Fee is a “special fee” as discussed in *Bloom v. City of Fort Collins*, 784 P.2d 304 (1989) in that the Maintenance Fee is not designed or intended to raise revenues to defray the general governmental expenses of the Town, but rather is a charge imposed on specific persons or property for the purpose of defraying the cost of a particular governmental service, in this case the direct and indirect costs of providing sewer service to those specific properties that use and benefit from the Lift Station.

STAFF RECOMMENDATION/ACTION REQUIRED

A motion to approve the September 9, 2024, consent agenda will approve the Ordinance. If this item is pulled off the consent for further discussion or questions, Staff recommends the following motion:

Suggested Motion:

“I move to approve Ordinance No. 1067 – An Ordinance of the Town of Mead, Colorado, adopting a new sewer user fee to offset the Town’s direct and indirect expenses associated with operating and improving the Raterink Lift Station.”

ATTACHMENTS

Ordinance No. 1067