



THE CITY OF FRUITA

SEWER CHARGES

UTILITY RATE STUDY INFORMATION

OBJECTIVES OF THE STUDY

Sewer rates are reviewed by the City annually with more comprehensive utility rate studies performed by a third party periodically to ensure financial integrity. A sewer rate study was completed in 2018 by a consultant with the following principles in mind:

- ✓ Ensure capital requirements and debt service are provided for
- ✓ Ensure operating expenses are covered
- ✓ Be fair and equitable for all customers classes
- ✓ Be easy to understand by customers
- ✓ Be easy to administer



ALTERNATIVE RATE STRUCTURES

Various rate alternatives were evaluated by the consultant consisting primarily of a combination of flat rate and consumptive-based options. The City Council considered the alternatives believed to provide the best balance in achieving the goals of the study. Ultimately, the City decided to maintain the existing rate structure and incorporate smaller incremental increases over time to keep pace with expenses rather than having to implement larger, less-frequent increases. This is projected to require a 2% increase over the next 5 years or so. These rates will be reviewed annually and will only be adjusted as necessary.

PROPOSED MONTHLY SEWER RATES

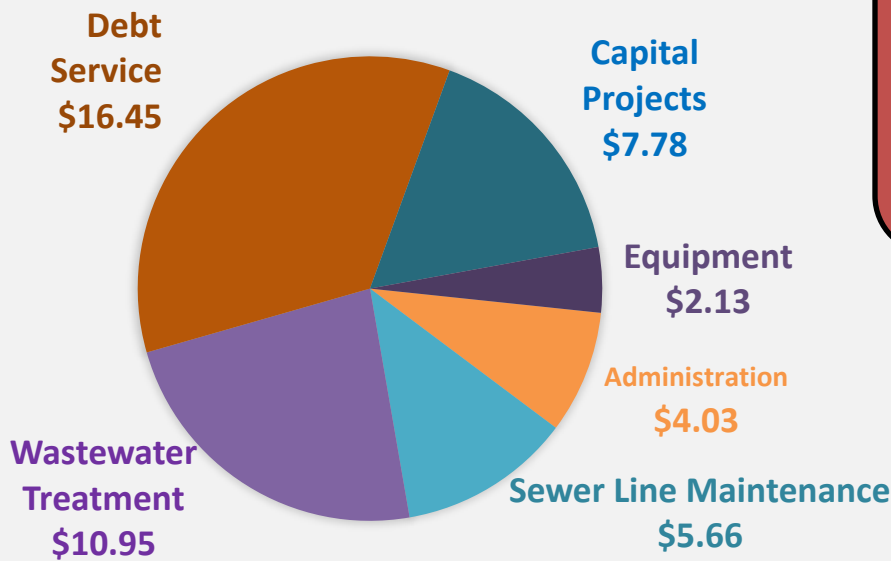
Year	Residential		Non-Residential				% Change
	Flat Rate	Senior*	Base Rate	Flow Rate Charge \$/1,000 gallons			
				0 – 5,000 gallons	5,001 – 105,000 gallons	> 105,000 gallons	
2018	\$46.00	\$18.50	\$53.00	\$0.00	\$6.90	\$4.25	-
2019	\$47.00	\$18.90	\$54.05	\$0.00	\$7.05	\$4.35	2.0 %
2020	\$47.86	\$19.28	\$55.14	\$0.00	\$7.18	\$4.42	2.0 %
2021	\$48.82	\$19.66	\$56.24	\$0.00	\$7.32	\$4.51	2.0 %
2022	\$49.72	\$20.06	\$57.37	\$0.00	\$7.47	\$4.60	2.0 %
2023	\$50.79	\$20.46	\$58.52	\$0.00	\$7.62	\$4.69	2.0 %

* Senior rate based on age and income level eligibility requirements.

WHY ARE FRUITA'S SEWER RATES HIGHER THAN SOME OTHER CITIES?

When it comes to water and sewer services, no two cities are alike. The City of Fruita has a Wastewater Reclamation Facility (WWRF) off 15 Road that was constructed in 2011 and provides advanced treatment of approximately 1 million gallons of wastewater every day. Construction of the plant was triggered by environmental regulations to treat ammonia and other nutrients to a higher level. The City is proud to serve as a strong environmental steward to the Colorado River, but this also brings challenges in paying for a newer facility. For Fruita, the sewer plant was constructed primarily through bonds and the debt must be split between the roughly 5,000 customers. This results in higher than average payments going to debt service and there are still other capital needs that City will need to address in the coming years.

USE OF MONTHLY CHARGES?



2019 CAPITAL PROJECTS

Maple Street Sewer = \$287,000
H2S Sewer Mitigation = \$200,000
Lift Station Upgrades = \$90,000
WWRF Aeration Design = \$30,000
2019 CAPITAL PROJECTS = \$607,000

See the entire 2018 Sewer Rate Study at <https://www.fruita.org/administration/page/sewer-rates>

ENVIRONMENTAL BENEFITS

The City supports a wide variety of water conservation efforts, which in turn reduces the amount of wastewater needing to be treated at the plant.



Wastewater that does make it to the plant is treated using biological processes that limit the amount of chemicals needed and uses sophisticated automation systems to limit the amount of labor needed to operate the plant. As a result, the Fruita WWRF operates 24 hours every day of the year with only 5 employees.

Our employees are constantly trying to find ways to improve processes to reduce chemical and energy usage. In fact, in 2018 the WWRF used approximately \$6,000 less in electricity compared to the prior year.



The Fruita WWRF is the only treatment plant in the Grand Valley that composts biosolids for soil amendment rather than disposing in the landfill.