

RESOLUTION NO. 2015 - 2

A RESOLUTION ESTABLISHING FLOW BASED USER RATES FOR PARTICIPATING COMMERCIAL CUSTOMERS IN THE SOUTH DURANGO SANITATION DISTRICT.

WHEREAS, the South Durango Sanitation District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado organized pursuant to the Colorado Special District Act, C.R.S. 32-1-101, *et seq.* (the "Act"); and

WHEREAS, the Board of Directors (the "Board") of the District has previously adopted resolutions establishing rules, regulations and fees for the District; and

WHEREAS, the District's fee structure is based on cost of service principles; and

WHEREAS, a recent comparison of the flows being generated by some commercial users with the rates those users were paying indicated that the rates being paid were not consistent with cost of service principles; and

WHEREAS, commercial customers in the District obtain water from a variety of sources including the City of Durango, private water systems and wells making it difficult to measure or estimate flows for all commercial customers; and

WHEREAS, the Board has determined that a voluntary flow based user fee for participating commercial customers is necessary and consistent with cost of service principles; and

WHEREAS, the Board has determined that the implementation of a voluntary flow based user fee for participating customers will not adversely impact the financial stability of the District.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH DURANGO SANITATION DISTRICT:

1. That effective March 1, 2015, the District will accept applications from commercial customers for a flow based user fee. Applicants must meet the following criteria:
 - a. The property being served must be used only for commercial or business activities. No residential uses are permitted.
 - b. The applicant must furnish acceptable water usage records for at least 24 consecutive months. Acceptable water usage records include meter reading records from the City of Durango or meter reading records furnished to the Division of Water Resources or properly verified for a private well.
 - c. Applicant will provide information reasonably requested by the District on current uses of the property such as number of employees, occupancy rate, hours of operation, and characteristics of the waste water flows.

2. The District will review all applications to determine an appropriate flow based rate which shall be calculated as follows:

a. The average monthly flow for the previous 12 consecutive months without including the lowest month and the highest month divided by 5,400 gallons (180 gpd/ERT x 30 days) will establish the number of flow based ERTs.

b. If recommended by the District's engineer an adjustment shall be made for peak flows, irrigation, statistical anomalies or other factors utilizing generally accepted engineering analysis. Applicants may submit additional data or engineering analysis on any adjustments.

c. One (1) ERT shall be based on sewage flows of 180 gallons per day with a five day average BOD⁵ of 250 ppm and 250 ppm total suspended solids.

3. If an applicant does not agree with the determination of the flow based rate the matter will be reviewed by the Board. The applicant may appear and present information to the Board for consideration in the determination. The determination of the Board shall be final.

4. All customers with flow based rates shall provide updated information on or before November 1 of each year to allow rates to be reviewed and adjusted if necessary. The information shall include acceptable water usage record for the prior 12 months and any changes in the use of the property (see 1.c. above). Any adjustment to the number of flow based ERTs shall be effective on January 1 of the following year. If a customer fails to provide updated information by November 1 they will not be eligible for a flow based rate and will be billed in the standard manner based on number of purchased ERTs for the property.

5. The determination of the number of ERTs to be used in calculating the flow based user fee is for that purpose only. The number of ERTs purchased for a particular property will not be adjusted or reduced except in cases where the use of the property has changed substantially. In those cases, relinquishment of ERTs is permitted in accordance with standard District procedures.

6. The Board reserves the right to modify or terminate a flow based rate with respect to any or all customers.

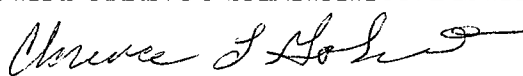
7. All sections of any prior resolutions establishing fees contrary to those set forth herein are hereby repealed, but only to the extent necessary to conform to the fees established herein.

Adopted this 26th day of February, 2015.

ATTEST:



SOUTH DURANGO SANITATION DISTRICT

By 

President