

CITY OF OURAY

WATER AND SEWER REGULATIONS

EQR SYSTEM POLICY CONCEPTS

Periodically, the City's administrative staff receives questions or comments regarding the City's EQR system for water and sewer utility charges. Often, the concern is of a policy nature rather than administrative interpretation. We recognize that the EQR system is relatively unique and have prepared the following summary of the policy concepts to assist you in understanding of the City's regulations.

The City uses an equivalency rate ("EQR") structure to charge its utility customers for water and sewer services. A single-family residence has a base rate of 1.0 EQR. The EQR rates for other property categories (e.g. retail, lodging, restaurants) are measured from this base perspective. In 1992, the City formed an EQR Committee to extensively research data to develop the current EQR rate structure for all properties, as set forth in City Code section 9-11 (see attached). **The City's water and sewer rates have been determined to be in the lower 10% of such municipal rates within Colorado.**

Frequently, a customer asks why the City does not use a metering system. The following are several reasons the City has chosen not to meter its customers:

- The cost of the water is minimal, since it flows from an underground spring for which the City has water rights and is only required to add chlorine gas. The real cost is with respect to the distribution infrastructure (installation and maintenance of water and sewer lines), which must be capable of managing peak season demand for potable consumption and fire protection, i.e. July 4th. EQRs for lodging are determined by number of beds, for restaurants by number of seats (both indoor and outdoor) and for office/retail by square footage. This is a capacity (ability to supply) concept that does not contemplate average usage, or seasonality of residences or businesses.
- Installation of a metering system is expensive and requires additional manpower to read meters and process periodic invoices.
- Meters would disproportionately spread system costs by basing charges on a minor cost element of providing water and sewer services.
- A metering system would create a disincentive to live and operate businesses in Ouray on a year-round basis. Affordable housing is currently an issue.
- Discharge from watering lawns and washing cars does not flow into the sewer system and therefore have little effect on sewer capacity requirements.
- In order to minimize the problems of freezing water lines, the City encourages users to keep water running at a trickle during winter months.
- Some businesses make their restrooms available to the public and should not be penalized for such community service.
- Not all water usage is equal. For example, a restaurant without a grease trap creates system demand that is not commensurate with water usage.

Should this summary not adequately address your specific question or concern, we encourage you to write a letter to City Council for consideration.

Sincerely,

The City Council