City of Rifle, Colorado

Population: 6,784
Population projection: 11,315 by 2020
Employment Rate: 97%
Median Age: 30.9 years
Income: In 1999, over one third (37%) of households earned less than $34,999. Approximately one quarter (24.8%) earned between $50,000 and $74,999.[1]

WEF Member: Charlie Stevens, Utilities Director, City of Rifle
Infrastructure needs:

- Upgrades to Beaver Creek Water Treatment Plant - $600,000
- Construction of a pipeline under the Colorado River and a temporary pump station to connect two wastewater treatment plants and bring one into compliance - $1.3 million
- Construction of a new wastewater treatment facility to meet growing demand and comply with new regulations for ammonia – approximately $23 million
- Water system improvements over the next 20 years including a new water treatment plant within five (5) years $41,750,000

Funding sources:

- User rate increase
- Connection fee increase
- Enterprise Capital Fund reserves
- State Revolving Loans
- Revenue bonds

Situation:
When Charlie Stevens became the Utilities Director of the City of Rifle, Colorado in April of 2006, he inherited some big problems: the State of Colorado had issued a boil order on their drinking water from one of Rifle's two water treatment plants; one of Rifle's wastewater treatment plants had been violating their effluent discharge permit for approximately eight months; and wastewater treatment was near full capacity and facing increasingly stringent regulations for ammonia.

[1] All demographic Information from 2000 Census Data

Charlie helped the city tackle the easiest problem first by securing funding to fix the problems that lead to the boil order. Two months and $600,000 later the boil order was over and Rifle's tap water was drinkable again. The funding was secured through a combination of existing city funds and grant moneys from the State of Colorado's Department of Local Affairs (DOLA), which distributes monies from revenue collected through gas and oil severance taxes.

The problem behind the violation of the effluent discharge permit was one of BOD overloading. Rifle has two lagoon systems, North and South. Together they treat approximately 1 million gallons of raw sewage per day. The North lagoon facility needed to be connected to the South lagoon facility by drilling underneath the Colorado River and I-70 and constructing a temporary pumping station. Both City of Rifle and DOLA dollars were used to finance this $1.3 million project.

Although connection of the North lagoons to the South lagoons brought Rifle out of violation of its discharge permit, the issue remained that the current lagoon system of treatment would not stand up to new Federal standards and continue to serve a growing population. This system needed to be replaced with a modern wastewater treatment plant, which would necessitate a large rate increase.

Estimated costs for the new plant were about $23 million. The city knew it would have to borrow these funds through revenue bonds that would be paid back over two decades. The only way to pay back the estimated $1.6 million per year would be to increase user rates significantly.

Charlie and the finance director, Charles Kelty, performed a cash flow analysis and determined that a 105% rate increase was going to be necessary, along with another $1 million grant from DOLA, to pay back the necessary bonds.

In October of 2006 Charlie asked the city council to increase connection fees paid through new residential and commercial construction from $3500 to $5000 for sewers and from $3000 to $4500 for water for each new home. The council passed that request with 5% yearly increases until 2011. While area developers had questions, information provided by Rifle Utilities showed them that they weren't the only group of rate payers who would be affected. The regular user rate increase was going to be a harder sell, however….

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Charlie had already been through rate increases as a utility manager in Iowa, but the needs there were apparent to people because of many wet weather sanitary sewer overflows over the years. Rifle's problems weren't that visible to the general public, so when Charlie learned of the opportunity to pilot a new education program on water infrastructure, he jumped at the chance. His city council backed him, because they saw that even the up front costs for materials would be a significant overall savings to producing the materials themselves.

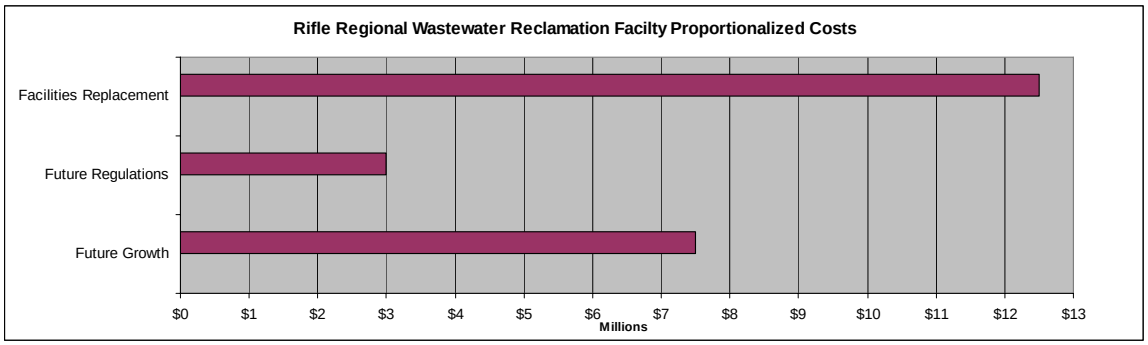
Charlie and his staff then set out to educate everyone they could about the need to update Rifle's infrastructure, gaining support from the city council and citizens.

Charlie started with newspaper ads utilizing the ready-made WIL ad files. They started a regular newsletter that provided information on financing, and pertinent facts such as a cost comparison of tap water verses things like Pepto Bismol and Evian bottled water. An especially helpful graph in their January 2007 newsletter showed the different areas that the funding for the new plant would come from. He also used the ready-made WIL PowerPoint presentations to educate community groups including the local Rotary Club, Senior Center and Chamber of Commerce members. He also had regular meetings with news reporters to keep the issue in front of them and utilized ready made videos from AWWA's Only Tapwater Delivers program on local TV.

Because Rifle has a significant Hispanic population, the Utilities Department also gave presentations to ESL classes at the local Colorado Mountain College. To reach youth, utilities and public works staff went to talk to local 5th grade classes during American Public Works Week.

The 105% rate increase passed a final vote of the city council on March 7, 2007 and appeared on bills on May 1st.

Charlie feels the successful passing of the user rate increase was a direct result of all the up-front public education he and his staff did in the months prior. In fact, as of June 2007 they have only had one call of complaint about the increase! Construction is slated to begin on the new facility in November of 2007.



Estimated rate increases 2007 through 2011