



CITY OF CAÑON CITY

City Council

City Council Chambers
128 Main St., Cañon City, CO 81212
(719) 269-9011 • www.canoncity.org

GENERAL GOVERNMENT COMMITTEE MEETING

November 5, 2025
6:00 p.m.

AGENDA

1. CALL TO ORDER: City Council Chambers
2. ROLL CALL: COUNCIL MEMBERS DENNEHY, MELONI, SCHMISSEUR, STEIN, TRACY, WORTHINGTON, MAYOR PRO TEM HAMRICK, MAYOR TROUTMAN.
3. DISCUSSION:
 - A. Stormwater Rates
 - B. Water Rates
4. ADJOURN: The next regular meeting is scheduled for December 3, 2025.

Posted pursuant to code on Wednesday, October 29, 2025.
Cindy Foster Owens, City Clerk



CITY OF CAÑON CITY

City Administrator

P.O. Box 1460 • 128 Main Street
Cañon City, CO 81215-1460
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TO: Mayor and City Council

FROM: Ryan Stevens, City Administrator

PREPARED BY: Travis R. Payne

DATE: 11/05/2025

RE: Water and Stormwater Rates

SUMMARY:*

The water rates ordinance being presented is year one of the three year phased in cost of service option as directed by City Council with the 7% rate increase. As council may remember both the cost of service and rate increase are outlined in the rate study that was completed in 2024. This cost of service and rate increase results in the following overall rate changes.

User Group

| Inside Residential | Current Rates | Year 1 Rates | Percent Change |
|-------------------------------|---------------|--------------|----------------|
| Tier 1 1000-4000 Gallons | 2.17 | 2.38 | 9.7 |
| Tier 2 5,000-12,000 Gallons | 4.32 | 4.73 | 9.5 |
| Tier 3 13,000 or more Gallons | 6.49 | 7.12 | 9.7 |
| Non-Residential (Commercial) | 3.52 | 3.66 | 4.0 |
| Multi-Unit | 5.81 | 5.31 | -8.6 |
| City | 2.76 | 3.64 | 31.9 |
| Golf | 2.76 | 3.68 | 33.3 |
| Group User | 4.8 | 5.156 | 7.4 |

This ordinance also adjusts the pump zone surcharges we charge as outlined in the cost of service plan. Those changes are as follows.

| | Current Rate | Year 1 Rate | Percent Change |
|---------------------------|--------------|-------------|----------------|
| Pump Zone 1A-Lower Dawson | 0.82 | 0.98 | 19.5 |
| Pump Zone 2-Mid Dawson | 1.16 | 1.23 | 6.0 |
| Pump Zone 3-Upper Dawson | 1.79 | 2.25 | 25.7 |
| Pump Zone 1B-N. 9th | 0.57 | 1.07 | 87.7 |
| Pump Zone 1C-Four Mile | 0.57 | 0.72 | 26.3 |

The Stormwater Ordinance will also be presented. This year staff is proposing an inflationary increase of 2.7%.

Attached is a breakdown of revenues vs. expenses proposed for 2026 as well as an explanation of how capital projects are selected and prioritized.

Staff will be at the meeting for a presentation and discussion.

REVIEWED BY

Yes No

LEGAL?

RECOMMENDED Approve Water and Stormwater Ordinances for First Reading

ACTION:

of attachments 3

**A BILL FOR
ORDINANCE NO. XX, SERIES OF 2025**

**AN ORDINANCE INCREASING THE BASE RATE USED TO CALCULATE
STORMWATER MANAGEMENT FEES CHARGEABLE BY THE CITY'S
STORMWATER UTILITY ENTERPRISE.**

WHEREAS, the Council of Cañon City has determined that an increase in the "base rate" used to calculate Stormwater Management Fees is necessary as required by the Cañon City Municipal Code 13.10.065; and

WHEREAS, the City finds that this inflationary rate increase of 2.7% is in the best interests of the citizens of the City.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF CAÑON CITY:

Section 1. Effective January 1, 2026, Appendix 13.10 of the Cañon City Municipal Code is amended by the adoption of new base rate schedule, Schedule A, 2026 Base Rate Calculation, Stormwater Management Fees, attached hereto as Exhibit A and incorporated herein by this reference. The new schedule shall supersede and replace the corresponding schedule of Appendix 13.10 that was in effect at the time of the adoption of this ordinance.

Section 2. **Severability.** If any section, subsection, paragraph, clause or other provision of this Ordinance for any reason is held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

Section 3. **Effective Date.** Pursuant to Article XII, Section 3 and Section 5 of the Charter, this Ordinance shall be effective January 1, 2026.

EXHIBIT A

APPENDIX 13.10 STORMWATER BASE RATE SCHEDULES

Schedule A: Base Rate – Stormwater Management Fees

As provided in Section 13.10, on or after January 1, 2026, Stormwater Management Fees shall be as follows:

\$0.005599/square foot of impervious surface

Stormwater Fund Fact Sheet – FY 2026

2026 Revenue = \$2,859,678

- Potential Grants = \$75,000
 - Stormwater Master Plan (If Awarded)
- Utility Fees = \$2,531,178
- Penalties = \$7,500
- Interest = \$50,000
- Impact Fees = \$40,000
- Permit & Inspection Fees = \$4,000
- Transfer = \$152,000
 - Cost Allocation Repayment

2026 Expenses = \$5,992,107 (~\$2.9M w/o Rhodes Avenue)

- Salaries & Wages = \$428,150
- Supplies & Materials = \$113,450
- Purchased Services = \$465,700
 - \$230,500 for Vegetation Management
- Utilities = \$6,000
- Debt Service = \$587,318
 - 2018 Capital Projects (20-Year Debt)
- Grants = \$150,000
 - Stormwater Master Plan (If Awarded)
- Transfer to Other Funds = \$450,000
 - Street Sweeping
 - Engineering
- Capital = \$3,746,489
 - ~\$3.1M Rhodes Avenue
 - ~\$400K 9th Street Storm Sewer
 - ~\$200K TBD

How Are Capital Projects Selected & Prioritized?

Currently we are still working to complete the priority projects that were identified and funded with the 2018 COP and debt issuance. The last project from that list is Rhodes Avenue Stormwater System which has lingered as we work on completing the railroad crossing portion of the project. Beyond those COP funded projects the fund generates very little revenue to pursue other capital demands as noted by the relatively equal revenue and expense projections when Rhodes Avenue is taken out of the summary.

To maximize the limited funding we prioritize small stormwater capital projects that align with needs identified in the multiple planning documents and where those needs also happen to overlap with other capital projects, such as projects within the 2A program.

In 2026 we are proposing to provide for a minor stormwater system expansion on 9th Street in the form of \$400K towards extension of the storm sewer 2 Blocks North under the Hydraulic Ditch. Extension of this storm sewer is identified in the 2019 Hydraulic Ditch Study. However, the study also notes that the downstream capacity is limited, especially between the River and US-50.

In 2026 we are also proposing a small project in reserve (\$200K) that can be used to address a small unanticipated projects that demand immediate attention. The project to stabilize the Osprey Court channel in Dawson Ranch during 2024 would be an example as the erosion in that channel began to threaten damage to structures we needed to take action. We have a similar situation taking shape on Forked Gulch immediately downstream of the Valley Road crossing that will likely require similar attention in 2026 or 2027.

The Department unsuccessfully pursued a grant in 2025 with the vision to complete a Stormwater Master Plan similar to the recently adopted Water Master Plan that would seek to update, consolidate, and prioritize the multitude of stormwater studies that exist for the city into a single concise document that could be used to prioritize future funding and investment. While unsuccessful in 2025 we plan to continue to pursue this goal in 2026 as noted by the budget allocations towards the effort.

**A BILL FOR
ORDINANCE NO. # SERIES OF 2025**

**AN ORDINANCE OF THE CITY OF CAÑON CITY AMENDING APPENDIX
13.08 OF THE CAÑON CITY MUNICIPAL CODE REGARDING WATER RATES**

WHEREAS, based on a water rate study completed in 2024 evaluating projections of revenues and expenses for the City's Water Activity Enterprise (the "Water Rate Study"), it is necessary for the City to incrementally increase water rates to cover increasing operational and capital costs;

WHEREAS, the City further recognizes the need to provide enough revenue to allow future capital improvements to the City's water system;

WHEREAS, the City Council is authorized to adjust such fees by Section 13.08.250(A) of the Cañon City Municipal Code; and

WHEREAS, the City finds that an incremental rate increase is in the best interests of the citizens of the City and desires to increase the water fees incrementally over the next three years until the fee amount recommended in the Water Rate Study is reached.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF CAÑON CITY:

Section 1. In accordance with the Water Rate Study, Appendix 13.08 of the Cañon City Municipal Code is hereby repealed and replaced as attached hereto in **Exhibit A**.

Section 2. Severability. If any section, subsection, paragraph, clause or other provision of this Ordinance for any reason is held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

Section 3. Effective Date. Pursuant to Article XII, Section 3 and Section 5 of the Charter, this Ordinance shall be effective January 1, 2026.

EXHIBIT A
APPENDIX 13.08-A - RATE AND FEE SCHEDULES

Schedule D: Inside Residential Rates

As provided in Sections 13.08.050 and 13.08.060A of the Cañon City Municipal Code, on and after January 1, 2026, the owner of each water service connection making water service available to a residential structure (and/or other permitted residential accessory structure or use) shall pay on a monthly basis the Meter Charge as provided for in Part I of this schedule and for water consumption according to the rates set forth in Part II of this schedule.

PART I

| <u>Meter Charge (Monthly)</u> | <u>Amount</u> |
|--|---------------|
| For a 5/8-inch connection (meter size) | \$19.90 |
| For a 3/4-inch connection | \$19.90 |
| For a 1-inch connection | \$26.30 |
| For a 1-1/2-inch connection | \$47.62 |
| For a 2-inch connection | \$89.64 |

PART II

| <u>Water Consumption (rounded to the nearest 1000)</u> | <u>Rate Per 1000 Gallons</u> |
|--|------------------------------|
| 1,000 – 4,000 gallons | \$ 2.38 |
| 5,000 – 12,000 gallons | \$ 4.73 |
| 13,000 gallons or more | \$ 7.12 |

This table replaces and supersedes Schedule D to Appendix 13.08, as adopted through Ordinance No. #, Series of 2025, with respect to water consumed on and after January 1, 2026.

Schedule E: Inside Non-Residential Rates

As provided in Section 13.08.050 and Subsection 13.08.060B, on and after January 1, 2026, the owner of each water service connection making water service available to a non-residential unit (and/or other permitted accessory structure or use) shall pay on a monthly basis the Meter Charge as provided for in Part I of this schedule and for water consumption according to the rates set forth in Part II of this schedule.

This rate shall also apply to all water delivered by the Water Department to any public building, public facility or public grounds owned, operated and maintained by the City of Canon City for the benefit of the inhabitants of the City and surrounding community without regard to its location within or outside the corporate limits of the City. Parks, cemeteries, and green spaces shall apply to the City rates as outlined in Schedule L.

PART I

| <u>Meter Charge (Monthly)</u> | <u>Amount</u> |
|--|---------------|
| For a 5/8-inch connection (meter size) | \$19.90 |
| For a 3/4-inch connection | \$19.90 |
| For a 1-inch connection | \$26.30 |
| For a 1-1/2-inch connection | \$47.62 |
| For a 2-inch connection | \$74.95 |
| For a 3-inch connection | \$143.24 |
| For a 4-inch connection | \$200.64 |
| For a 6-inch connection | \$370.47 |
| For a 8-inch connection | \$989.78 |
| For a 10-inch connection | \$1,468.52 |

PART II

| <u>Water Consumption (rounded to the nearest 1000)</u> | <u>Rate Per 1000 Gallons</u> |
|--|------------------------------|
| 1,000 gallons or more | \$ 3.66 |

This table replaces and supersedes Schedule E to Appendix 13.08, as adopted through Ordinance **No. #, Series of 2025**, with respect to water consumed on and after January 1, 2026.

Schedule F: Inside Multi-Unit Rates

As provided in Section 13.08.050 and Subsection 13.08.060C, on and after January 1, 2026, the owner of each water service connection making water service available to a multi-unit facility (and/or other permitted accessory structure or use) shall pay on a monthly basis the Meter Charge as provided for in Part I of this schedule and for water consumption according to the rates set forth in Part II of this schedule.

PART I

| <u>Meter Charge (Monthly)</u> | <u>Amount</u> |
|--|---------------|
| For a 5/8-inch connection (meter size) | \$19.90 |
| For a 3/4-inch connection | \$19.90 |
| For a 1-inch connection | \$26.30 |
| For a 1-1/2-inch connection | \$47.62 |
| For a 2-inch connection | \$74.95 |
| For a 3-inch connection | \$143.24 |
| For a 4-inch connection | \$200.64 |
| For a 6-inch connection | \$370.47 |
| For a 8-inch connection | \$989.78 |
| For a 10-inch connection | \$1,468.52 |

PART II

| <u>Water Consumption (rounded to the nearest 1000)</u> | <u>Rate Per 1000 Gallons</u> |
|--|------------------------------|
| 1,000 gallons or more | \$ 5.31 |

This table replaces and supersedes Schedule F to Appendix 13.08, as adopted through Ordinance No. #, Series of 2025, with respect to water consumed on and after January 1, 2026.

Schedule G: Outside Residential Rates

As provided in Section 13.08.050 and Subsection 13.08.070A, on and after January 1, 2026, the owner of each water service connection making water service available to a residential structure (and/or other permitted residential accessory structure or use) shall pay on a monthly basis the Meter Charge as provided for in Part I of this schedule and for water consumption according to the rates set forth in Part II of this schedule.

PART I

| <u>Meter Charge (Monthly)</u> | <u>Amount</u> |
|--|---------------|
| For a 5/8-inch connection (meter size) | \$29.85 |
| For a 3/4-inch connection | \$29.85 |
| For a 1-inch connection | \$39.45 |
| For a 1-1/2-inch connection | \$71.42 |
| For a 2-inch connection | \$112.43 |

PART II

| <u>Water Consumption (rounded to the nearest 1000)</u> | <u>Rate Per 1000 Gallons</u> |
|--|------------------------------|
| 1,000 – 4,000 gallons | \$ 3.56 |
| 5,000 – 12,000 gallons | \$ 7.09 |
| 13,000 gallons or more | \$ 10.68 |

This table replaces and supersedes Schedule G to Appendix 13.08, as adopted through Ordinance No. #, Series of 2025, with respect to water consumed on and after January 1, 2026.

Schedule H: Outside Non-Residential Rates

As provided in Section 13.08.050 and Subsection 13.08.070B, on and after January 1, 2026, the owner of each water service connection making water service available to a non-residential dwelling unit (and/or other permitted accessory structure or use) shall pay on a monthly basis the Meter Charge as provided for in Part I of this schedule and for water consumption according to the rates set forth in Part II of this schedule.

PART I

| <u>Meter Charge (Monthly)</u> | <u>Amount</u> |
|--|---------------|
| For a 5/8-inch connection (meter size) | \$29.85 |
| For a 3/4-inch connection | \$29.85 |
| For a 1-inch connection | \$39.45 |
| For a 1-1/2-inch connection | \$71.42 |
| For a 2-inch connection | \$112.43 |
| For a 3-inch connection | \$214.86 |
| For a 4-inch connection | \$300.95 |
| For a 6-inch connection | \$555.70 |
| For a 8-inch connection | \$1,484.67 |
| For a 10-inch connection | \$2,202.78 |

PART II

| <u>Water Consumption (rounded to the nearest 1000)</u> | <u>Rate Per 1000 Gallons</u> |
|--|------------------------------|
| 1,000 gallons or more | \$ 5.49 |

This table replaces and supersedes Schedule H to Appendix 13.08, as adopted through Ordinance No. #, Series of 2025, with respect to water consumed on and after January 1, 2026.

Schedule I: Outside Multi-Unit Rates

As provided in Section 13.08.050 and Subsection 13.08.070C, on and after January 1, 2026, the owner of each water service connection making water service available to a multi-unit facility (and/or other permitted accessory structure or use) shall pay on a monthly basis the Meter Charge as provided for in Part I of this schedule and for water consumption according to the rates set forth in Part II of this schedule.

PART I

| <u>Meter Charge (Monthly)</u> | <u>Amount</u> |
|--|---------------|
| For a 5/8-inch connection (meter size) | \$29.85 |
| For a 3/4-inch connection | \$29.85 |
| For a 1-inch connection | \$39.45 |
| For a 1-1/2-inch connection | \$71.42 |
| For a 2-inch connection | \$112.43 |
| For a 3-inch connection | \$214.86 |
| For a 4-inch connection | \$300.95 |
| For a 6-inch connection | \$555.70 |
| For a 8-inch connection | \$1,484.67 |
| For a 10-inch connection | \$2,202.78 |

PART II

| <u>Water Consumption (rounded to the nearest 1000)</u> | <u>Rate Per 1000 Gallons</u> |
|--|------------------------------|
| 1,000 gallons or more | \$ 7.96 |

This table replaces and supersedes Schedule I to Appendix 13.08, as adopted through Ordinance No. #, Series of 2025, with respect to water consumed on and after January 1, 2026.

Schedule J: Group Users

As provided in Section 13.08.050 and Subsection 13.08.080A, on and after January 1, 2026, each group user, including but not necessarily limited to the Brookside and Orchard Park water districts, shall pay on a monthly basis for water service as provided for in Part I of this schedule and for water consumption according to the rates set forth in Part II of this schedule.

PART I

| <u>Meter Charge (Monthly)</u> | <u>Amount</u> |
|--|---------------|
| For a 5/8-inch connection (meter size) | \$29.85 |
| For a 3/4-inch connection | \$29.85 |
| For a 1-inch connection | \$39.45 |
| For a 1-1/2-inch connection | \$71.42 |
| For a 2-inch connection | \$112.43 |
| For a 3-inch connection | \$214.86 |
| For a 4-inch connection | \$300.95 |
| For a 6-inch connection | \$555.70 |
| For a 8-inch connection | \$1,484.67 |
| For a 10-inch connection | \$2,202.78 |

PART II

| <u>Water Consumption (rounded to the nearest 1000)</u> | <u>Rate Per 1000 Gallons</u> |
|--|------------------------------|
| 1,000 gallons or more | \$ 5.16 |

This table replaces and supersedes Schedule J to Appendix 13.08, as adopted through Ordinance No. #, Series of 2025, with respect to water consumed on and after January 1, 2026.

Schedule K: Golf Course Rate

Effective January 1, 2026, unless otherwise agreed in writing or required pursuant to contract, all public golf courses shall pay a monthly Meter Charge as provided for in Part I of this schedule and for water consumption according to the rates set forth in Part II of this schedule.

PART I

| <u>Meter Charge (Monthly)</u> | <u>Amount</u> |
|--|---------------|
| For a 5/8-inch connection (meter size) | \$29.85 |
| For a 3/4-inch connection | \$29.85 |
| For a 1-inch connection | \$39.45 |
| For a 1-1/2-inch connection | \$71.42 |
| For a 2-inch connection | \$112.43 |
| For a 3-inch connection | \$214.86 |
| For a 4-inch connection | \$300.95 |
| For a 6-inch connection | \$555.70 |
| For a 8-inch connection | \$1,484.67 |
| For a 10-inch connection | \$2,202.78 |

PART II

| <u>Water Consumption (rounded to the nearest 1000)</u> | <u>Rate Per 1000 Gallons</u> |
|--|------------------------------|
| 1,000 gallons or more | \$ 3.68 |

Note: In addition to water consumption charges billed and payable in accordance with the foregoing base rate, all public golf courses shall be billed for and pay zone surcharges respecting such consumption calculated in accordance with the applicable zone surcharge rate set forth in Schedule P.

This table replaces and supersedes Schedule K to Appendix 13.08, as adopted through Ordinance No. #, Series of 2025, with respect to water consumed on and after January 1, 2026.

Schedule L: City Rate

Effective January 1, 2026 and as contemplated in Section 13.08.080C of the Cañon City Municipal Code, this water rate shall apply to all water delivered by the Water Department to any park, cemetery, or green space owned, operated and maintained by the City of Cañon City for the benefit of the inhabitants of the City and surrounding community without regard to its location within or outside the corporate limits of the City. The City shall pay on a monthly basis the Meter Charge as provided for in Part I of this schedule and for water consumption according to the rates set forth in Part II of this schedule.

PART I

| <u>Meter Charge (Monthly)</u> | <u>Amount</u> |
|--|---------------|
| For a 5/8-inch connection (meter size) | \$29.85 |
| For a 3/4-inch connection | \$29.85 |
| For a 1-inch connection | \$39.45 |
| For a 1-1/2-inch connection | \$71.42 |
| For a 2-inch connection | \$112.43 |
| For a 3-inch connection | \$214.86 |
| For a 4-inch connection | \$300.95 |
| For a 6-inch connection | \$555.70 |
| For a 8-inch connection | \$1,484.67 |
| For a 10-inch connection | \$2,202.78 |

PART II

| <u>Water Consumption (rounded to the nearest 1000)</u> | <u>Rate Per 1000 Gallons</u> |
|--|------------------------------|
| 1,000 gallons or more | \$ 3.64 |

This table replaces and supersedes Schedule L to Appendix 13.08, as adopted through Ordinance No. #, Series of 2025, with respect to water consumed on and after January 1, 2026.

Schedule N: Bulk Water

As provided in Section 13.08.090, on and after January 1, 2026, each bulk water user shall pay the following rate and additional charges, when applicable, for the purchase of water at the City's bulk water dispensing station.

Water Rate:

Per 1,000 Gallons \$ 11.98

Additional Charges:

New User Fee/Application Fee \$10.00

Administration Fee \$2.00

This table replaces and supersedes Schedule N to Appendix 13.08, as adopted through Ordinance No. #, Series of 2025, with respect to water consumed on and after January 1, 2026.

Schedule O: Temporary Service

As provided in Section 13.04.100, on and after January 1, 2026, each temporary tap user shall pay the following rate and additional charges, when applicable, for the use of water.

Water Rate:

| | |
|-------------------|----------|
| Per 1,000 Gallons | \$ 11.98 |
|-------------------|----------|

Additional Charges:

| | |
|----------------------|---------|
| Meter Rental per day | \$10.00 |
| Set Up Fee | \$50.00 |

Deposit may be required

This table replaces and supersedes Schedule O to Appendix 13.08, as adopted through Ordinance No. #, Series of 2025, with respect to water consumed on and after January 1, 2026.

Schedule P: Zone Surcharge Rates

As provided in Section 13.08.130, on or after January 1, 2026, zone surcharge fees for each surcharge zone shall be as follows:

| Applicable Zone | Rate |
|-----------------|----------------------|
| Zone I(A) | \$0.98/1,000 gallons |
| Zone I(B) | \$1.07/1,000 gallons |
| Zone I(C) | \$0.72/1,000 gallons |
| Zone II | \$1.23/1,000 gallons |
| Zone III | \$2.25/1,000 gallons |

This table replaces and supersedes Schedule P to Appendix 13.08, as adopted through Ordinance No. 23, Series of 2025, with respect to water consumed on and after January 1, 2026.