



*To: Craig City Council*

*February 11, 2025*

*Subject: Water and Sewer Base Rate Discount Program*

*From: Peter Brixius*

The “Water and Sewer Monthly Base Rate Discount Program” would replace the existing “Senior Discount Program” in Chapter 13 of the Craig Municipal Code. The program would require that applicants meet at least 1 of 3 criteria as laid out in **Ordinance #1162 (2025)**, which basically establishes whether the applicant is permanently disabled, enrolled in some state or federal assistance program and has maintained a residence in Craig for the past 10 years and is 65 or older.

It's most difficult to extrapolate the number of households that would participate in this program. Roughly 10% of Craig’s population is 65 or older. Roughly 16.4% of our population has some form of disability and roughly 360 households are on some form of public assistance like SSI, cash public assistance, Food Stamps or SNAP. It can likely be assumed that a number within each of these categories would cross over into another category.

For instance, when looking at the number of households on public assistance; We have 120 units at columbine, 88 units at Sunset Meadows and a number of units at Sandrock Nursing Home. These units do not require the occupant to put utilities in their name. When looking at the types of disabilities in our community, it can be assumed that 50-60% are not living independently and are likely living with relatives or in a care facility and do not have utilities in their name. We also know that we currently have 47 participants in the city, participating in our current “Senior Discount Program” as described in Title 13.

Given the data we have pulled, I would project that 340 households would define the upper boundary of what we could expect as an applicant pool for this discount program. The table below provides options for 20% and 30% base fee discounts for qualifying customers. The table also reflects the percentage of revenues generated by each

Enterprise, less their capital costs for 2025 and what percentage could be dedicated to the discount program.

<b>Water Fund</b>				
<b>Percent of Discount</b>	<b>Actual In City Base Rate for Water</b>	<b># of Qualified Households</b>	<b>Total Discount Annually</b>	<b>2025 Projected Revenues minus Grants (Percent of Total Revenue)</b>
100%	\$36.45			\$4,145,190.00
30%	\$10.94	340	\$44,614.80	1.1%
20%	\$7.29	340	\$29,743.20	.7%
<b>Sewer fund</b>				
<b>Percent of Discount</b>	<b>Actual In City Base Rate for Water</b>	<b># of Qualified Households</b>	<b>Total Discount Annually</b>	<b>2025 Projected Revenues minus Grants (Percent of Total Revenue)</b>
100%	\$47.55			\$2,989,106.00
30%	\$14.27	340	\$58,201.20	1.9%
20%	\$9.51	340	\$38,800.80	1.3%

Should the council decide to adopt Ordinance #1-2025, implementation would initiate during the first half of 2025 and applicants would have to complete or renew their application each calendar year thereafter, as the discount program would not automatically renew each year.

It could also be possible to limit enrollment to a target number of applicants each year. The program would be implemented by Ordinance, but could be suspended by Resolution, as necessary. My recommendation would be that suspension of the program would occur at the end of a calendar year, making the transition from supporting the program to suspending the program a bit easier for all involved.

Peter Brixius  
City Manager