City Council Work Session

448 E 1st Street, Room 190 Salida, Colorado 81201
August 4, 2025 at 6:00 PM

Agenda

Please register for City Council Work Session https://zoom.us/webinar/register/WN_AIrC-BsIRNiigokU1E5K4w
After registering, you will receive a confirmation email containing information about joining the webinar. To watch live meetings:
http://www.youtube.com/@cityofsalidacolorado

City Council and Planning Commission Joint Work Session

Discussion Items

1. Short-term Rental Discussion
2. CHA Quarterly Affordable Housing Update
3. Accessory Dwelling Unit (ADU) Regulations Discussion
4. Potable Bulk Water Sales Policy

Adjourn

Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting the City Clerk at 448 E. 1st Street, Ste. 112, Salida, CO 81201, Ph.719-530-2626 at least 48 hours in advance.

City Council Work Session Memo

Department Administration	**Presented By** Poppy Thorpe - Deputy City Clerk	**Date** August 4, 2025

Agenda Item
Short-Term Rental (STR) Discussion

Background
The City of Salida maintains a regulated Short-Term Rental (STR) licensing program. This program is designed to balance economic opportunity with community housing priorities and neighborhood integrity. The city utilizes GovOS/Munirevs to regulate licenses, payment of occupational lodging taxes, etc. Currently, STR licenses are regulated by several policies, including zoning restrictions, annual renewal requirements, and residency rules. A cap system is in place for different zoning areas, and a limit of one STR per block face is enforced in residential zones.

In the residential zones (R-1, R-2, R-3, and R-4) Short-Term Rentals shall be rented no more than one hundred eighty-five (185) calendar days a year. Commercial and industrial rentals can be rented up to 365 days a year, and the one short term rental per block rule does not apply in these zones.

Applications for STR licenses are managed as follows:
- Commercial/Industrial Zones: Applications accepted year-round.
- Residential Zones: New applications accepted May 1 – June 1 annually.
- Renewals: Due by June 1 each year; licenses expire June 30.

The renewal process includes review and approval by the City Clerk's office. Applicants must provide proof of ownership and proof of Chaffee County residency. New applicants must submit interior and exterior photographs of the property, and approvals are processed by both the Clerk and Planning departments. The license fee is $1,000 annually, with an additional one-time $200 administrative fee for new applications.

The following table reflects the number of STR licenses held each year since 2021:

Year	Total STR Licenses
2021	183
2022	185
2023	207
2024	208
2025 (Post-renewal)	163

City Council Work Session Memo

Department	**Presented By**	**Date**
Administration	Poppy Thorpe - Deputy City Clerk	August 4, 2025

Each zoning area has an established cap. The current cap levels and active license numbers for each area are as follows:

Zoning Area	Cap	Active Licenses (Before June)	Active Licenses (After June)
C-2/Historic Downtown	99	72	61
Hwy 291 Corridor	71	55	44
Industrial Corridor	16	7	3
Hwy 50 Corridor	46	6	7
Residential Area	82	68	48

Requested Direction from Council

Staff is requesting feedback and direction from City Council on the following:

1. Community Survey
   Would Council like a community survey conducted on STR policies?
   - If yes, what questions or topics would Council like included?

2. Residency Requirement
   Does the Council wish to consider removing the current residency requirement, which limits license eligibility to owners with Chaffee County residency?

ARTICLE VI. - SHORT-TERM RENTAL BUSINESS LICENSE

Footnotes:

*--- (**3**) ---*

Editor's note— *Ord. No. 2017-06, § 1, adopted May 16, 2017, repealed the former Art. VI, §§ 6-6-10—6-6-60, and enacted a new Art. VI as set out herein. The former Art. VI pertained to short-term rental business license and derived from Ord. No. 2016-11, § 2, adopted May 3, 2016 and Ord. No. 2017-18, § 1, adopted July 18, 2017. Ord. No. 2021-02, § 3, adopted Mar. 2, 2021, changed the title of Art. VI from short-term business license to short-term rental business license.*

Sec. 6-6-10. - Definitions.

For the purpose of this Article the following words and terms have the following meanings, unless the context clearly indicates otherwise. Definitions included in Chapters 1 and 16 of this Code shall apply to this Article unless they are otherwise expressly defined herein.

Applicant means the owner of the property, or the person controlling the corporate owner of the property, used as a short-term rental business, as evidenced on the recorded deed for the property.

Local contact person means the person designated by the owner or the owner's authorized agent or representative who shall be available twenty-four (24) hours per day, seven (7) days per week for the purpose of: (1) Responding within sixty (60) minutes to property code violations and/or complaints regarding the condition, operation, or conduct of occupants of the short-term rental unit and (2) taking remedial action to resolve such violations and/or complaints.

Short-term rental business means the occupation of leasing or renting one (1) or more short-term rental units.

Short-term rental unit means a privately owned residential dwelling unit, such as a single-family detached unit, duplex, condominium, or townhome that is rented for occupancy for the purpose of lodging for any period less than thirty (30) consecutive days, not to include accessory dwelling units, apartment buildings, bed and breakfast inns, hotels, lodges, and hostels.

Occupation lodging tax means the tax levied pursuant to Chapter 4, Article VI.

(Ord. No. 2017-06, § 1, 5-16-2017; Ord. No. 2021-15, § 2, 10-5-2021)

Sec. 6-6-20. - Licensing; limitations; requirements.

(a) It shall be unlawful for any person or entity to engage in the short-term rental business without first applying for and procuring a license from the City Administrator or City Clerk. The initial license fee, renewal license fee and penalty for operating without a license shall be established by resolution of City Council, as may be amended from time to time, and payable annually in advance.

(b) Upon approval of a business license pursuant to this Article, the City Administrator or City Clerk shall issue a business license number to each short-term rental business.

(c) Short-term rental businesses shall include their business license number in the title of the listing for all public advertising, including but not limited to webhosting services such as Airbnb, Home Away, Trip Advisor, VRBO, Kayak, Orbitz, etc.

(d) Applications for a short-term rental license shall be submitted on a completed form provided by the City, and the City shall accept no incomplete applications. Applications shall include all information required on the form.

(e) Each licensee shall submit to the City, on a yearly basis, and upon renewal, an affidavit, signed by the licensee and notarized, attesting, under penalty of perjury, to the duration and frequency of the prior year's short-term rental history, including the specific number of rooms and nights rented in the prior year, as well as confirmation of payment of all applicable sales and occupational lodging taxes.

(f) The name of the license applicant must match the name of the owner on the deed for the property, or the person controlling the corporate owner of the property. The applicant shall submit to the City a copy of the recorded deed, showing the recording data with the Chaffee County Clerk and Recorder.

(g) Chaffee County residency. To be eligible to apply for a short-term rental license, the applicant and owner of the property to be rented must be a bona fide resident of Chaffee County, pursuant to the following requirements, restrictions and parameters:

  (1) Bona fide residency in Chaffee County shall be documented and established by two (2) or more of the following:

    a. Valid driver's license or Colorado identification card;

    b. Current voter registration;

    c. Valid motor vehicle registration;

    d. Document(s) designating a primary residence for income tax purposes.

  (2) If there is a corporate owner of the property, the person controlling the corporate owner must establish bona fide residency in Chaffee County, as required above, and must provide proof of operating agreements or documentation filed with the Colorado Secretary of State establishing that person's control of the corporate owner.

  (3) Current and valid documentation required by this Article must be provided to the City on an annual basis, for all new and renewal applications.

  (4)

Each licensee shall submit to the City, on an annual basis, for all new and renewal applications, an affidavit, signed by the applicant and notarized, attesting, under penalty of perjury, to bona fide residency in Chaffee County, as well as confirmation of the validity of all documentation submitted pursuant to this Article.

(5) All short-term rental units already licensed with the City as of December 19, 2021, the effective date of Ordinance 2021-17, may continue to operate and renew annually regardless of the Chaffee County residency eligibility requirements of this subsection (g) until such time that the property changes ownership, or the person(s) controlling the corporate owner of the property changes, or until such time the short-term rental license is revoked or abandoned pursuant to this Article. Furthermore, owners of property purchased, or under valid and executed contract to be purchased, prior to December 19, 2021 may apply for a short-term rental license regardless of the eligibility requirements of this subsection (g), provided such license application is filed on or before June 1, 2022, and provided that the unit existed or had a valid building permit for construction before December 19, 2021. If such a property had a valid building permit for construction before December 19, 2021, and is unable to obtain a Certificate of Occupancy before June 1, 2022, such property owner may apply for an extension, in writing, to the City Administrator, except that if such extension is granted, the short-term rental license shall be filed on or before June 1, 2023.

(6) Exceptions to the residency requirements in this subsection (g) can be granted only upon City Council's sole discretion related to a land use application process, such as an annexation, planned development or subdivision, where the applicant is providing at least double the amount of affordable housing units required by the inclusionary housing requirements in effect at the time of application, and pursuant to the terms and conditions imposed by City Council upon approval of the subject land use application.

(h) The maximum number of short-term rentals in the non-residential zones (e.g., RMU, C-1, C-2 and I) shall not exceed the caps in the following neighborhoods and designated areas, as illustrated in "Exhibit A" to Ordinance 2021-15, a running tally of which shall be kept with the City Clerk's office along with the most recent neighborhood map, and open for public inspection at all times during business hours:

(1) C-2/Historic Downtown: Ninety-nine (99) short-term rental licenses.

(2) Highway 291 Corridor: Seventy-one (71) short-term rental licenses.

(3) Industrial Corridor: Sixteen (16) short-term rental licenses.

(4) Highway 50 corridor: Forty-six (46) short-term rental licenses.

(i) The caps in subsection (h) of this Section 6-6-20 can be exceeded only upon City Council's sole discretion related to a land use application process, such as an annexation, planned development or subdivision, where the applicant is providing at least double the amount of affordable housing units required by the inclusionary housing requirements in effect at the time of application, and pursuant to the terms and conditions imposed by City Council upon approval of the subject land use application.

(Ord. No. 2017-06, § 1, 5-16-2017; Ord. No. 2019-12, § 2, 9-6-2019; Ord. No. 2021-02, §§ 2, 5, 3-2-2021; Ord. No. 2021-15, § 3, 10-5-2021; Ord. No. 2021-17, § 2, 11-16-2021)

Editor's note— Ord. No. 2019-12, § 2, adopted Sept. 6, 2019, changed the title of § 6-6-20 from licensing to licensing; limitations; requirements.

Sec. 6-6-30. - Application, issuance and renewals.

(a) Any person desiring a license to engage in the short-term rental business shall apply to the City Administrator or City Clerk prior to any advertising on forms provided by the City Clerk. New license applications for properties within the RMU, I, C-1, and C-2 zone districts must be submitted at least thirty (30) days prior to the date of the intended use and prior to any advertising of the property as a short-term rental. New license applications for properties within any zone district other than RMU, I, C-1 and C-2, and all renewal applications, shall be submitted by June 1 of every year, and licenses shall be valid from July 1 through June 30. New license application fees for properties within the RMU, I, C-1 and C-2 zone districts shall not be pro-rated or reduced.

(b) The City Administrator or City Clerk may issue a new short-term rental business license upon all the following conditions:

(1) The applicant has submitted a complete application form and provided all required information regarding the short-term rental unit, including, but not limited to a copy of the applicable sales tax license, the total number of bedrooms, and the local contact person.

(2) The applicant has paid the appropriate fee established by the City Council, and has paid all taxes and fees owed to the City, including those related to other properties and purposes within the City.

(3) The property to be used for a short-term rental business has completed and complied with the City short-term rental unit inspection worksheet.

(4) All applicable requirements in Section 6-6-20 are met.

(c) The City Administrator or City Clerk may renew a short-term rental business license upon all the following conditions:

(1) The applicant has submitted a complete renewal form and provided all required information regarding the short-term rental unit, including, but not limited to a copy of the applicable sales tax license, and the local contact person.

(2)

The applicant has paid the appropriate fee established by the City Council, and all applicable taxes throughout the previous year, including sales tax, and has paid all taxes and fees owed to the City, including those related to other properties and purposes within the City.

(3) The property to be used for a short-term rental business has completed and complied with the City short-term unit inspection worksheet and there are no outstanding health and safety violations on the property that are related to the "Short-Term Rental License Renewal Fire Department Checklist," any other application requirements set by the Fire Department, or any violations of Chapter 18 of this Code as it relates to habitability.

(4) The applicant has submitted the appropriate affidavits, as required by Section 6-6-20.

(5) There have been no violations of the provisions of this Article, or of any law, or regulation pertaining to the requirements of the application, or at the property, or of any of the terms pertaining to the license over the past year.

(6) All applicable requirements in Section 6-6-20 are met.

(d) It is the duty of each short-term rental licensee to ensure that all of the information provided in a license application is kept up to date at all times, and it shall be unlawful for a licensee to fail to provide updated information to the City within ten (10) days after the date upon which any information provided is no longer accurate.

(e) No license issued under this Article shall be transferable and no license is valid as to any person or entity other than the person or entity named thereon.

(Ord. No. 2017-06, § 1, 5-16-2017; Ord. No. 2019-12, § 3, 9-6-2019; Ord. No. 2020-07, § 2, 4-21-2020; Ord. No. 2021-02, § 5, 3-2-2021; Ord. No. 2021-15, § 4, 10-5-2021)

Sec. 6-6-40. - Local management required.

Short-term rental businesses must have a local contact person who shall be responsible for ensuring compliance with provisions of this Code including, but not limited to, reports for the occupation lodging tax, maintaining a current business license, maintenance of parkways, removal of snow and ice, and other property maintenance requirements. The local contact person must be available twenty-four (24) hours per day, seven (7) days per week for the purpose of: (1) responding within sixty (60) minutes to property code violations and/or complaints regarding the condition, operation, or conduct of occupants of the short-term rental unit and (2) taking remedial action to resolve such violations and/or complaints.

Each short-term rental business shall have a clearly visible notice posted within the unit in compliance with Section 16-4-190q.(1)a.4. of the Salida Land Use and Development Code.

(Ord. No. 2017-06, § 1, 5-16-2017)

Sec. 6-6-50. - Revocation and suspension.

Any license issued pursuant to this Article may be suspended or revoked by the City Council, upon ten (10) days' written notice, to a licensee stating the contemplated action and, in general, the grounds therefor, and after a reasonable opportunity for the licensee to be heard, for any of the following reasons:

(a) Failure to pay the Occupational Lodging Tax pursuant to this Code, Chapter 4, Article VI, or any other tax, such as sales tax, or the annual license fee established by Council;

(b) False statement of material fact contained in the application;

(c) Failure to file any report or furnish any other information that may be required by the provisions relating to this Article;

(d) If any fact or condition exists which, if it had existed or had been known to exist at the time of the application for such license, would have warranted the refusal of the issuance of such license; or

(e) Violation of any provisions of this Article, or of any law or regulation pertaining to the requirements of the application, or at the property, or of any of the terms pertaining to the license.

(Ord. No. 2017-06, § 1, 5-16-2017; Ord. No. 2019-12, § 4, 9-6-2019)

Editor's note— Ord. No. 2019-12, § 4, adopted Sept. 6, 2019, changed the title of § 6-6-50 from revocation to revocation and suspension.

Sec. 6-6-60. - Penalties.

In addition to any other remedies available at law or equity, engaging in the short-term rental business within the City without a license shall subject the licensee to a fine in an amount to be established by resolution of the City Council, as may be amended from time to time, to be collected in the manner provided for penalty assessments as provided in Chapter 1, Article VII of this Code.

(Ord. No. 2017-06, § 1, 5-16-2017)

SALIDA TOURISM ALLIANCE

Date: August 2025

Presenter: Salida Tourism Alliance

AGENDA

INTRODUCTION

01 This group gatherd data from Pricelabs, STR Owners, and the City of Salida to look at trends

02 Salida is seeing a decline in tourism and sales tax revenue

03 A comparison of Salida and BV rentals reveals an affordability delta between the two communities

04 The higher average nightly rate in Salida is causing a decline in occupancy & tourism

DATA OVERVIEW AND SUMMARY

Owners Survey

190 STR owners were provided with a survey link. 95 owners responded. **The majority of owners say they are passing nightly occupancy taxes through to the traveler**, thus increasing their nightly rates. An analysis of the responses are included in the STR Owners Survey section.

Pricelabs Data

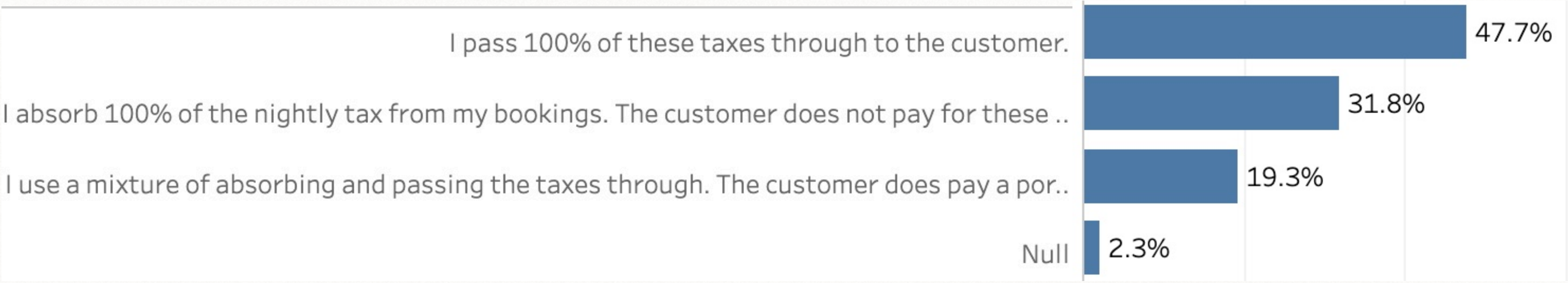
Pricelabs is a data aggregate company, similar to AirDNA, that receives detailed data from both Airbnb and VRBO. The owners group received a complete dataset from Pricelabs for 2021-2025. Data includes nightly pricing, nightly occupancy and bookings per property.

Summary

The data show that as occupancy taxes increased in 2023, bookings decreased. The owners survey results show that most STR owners are passing the taxes through to the travelers, thus increasing nightly rates and decreasing bookings (and tourism)

STR OWNERS SURVEY

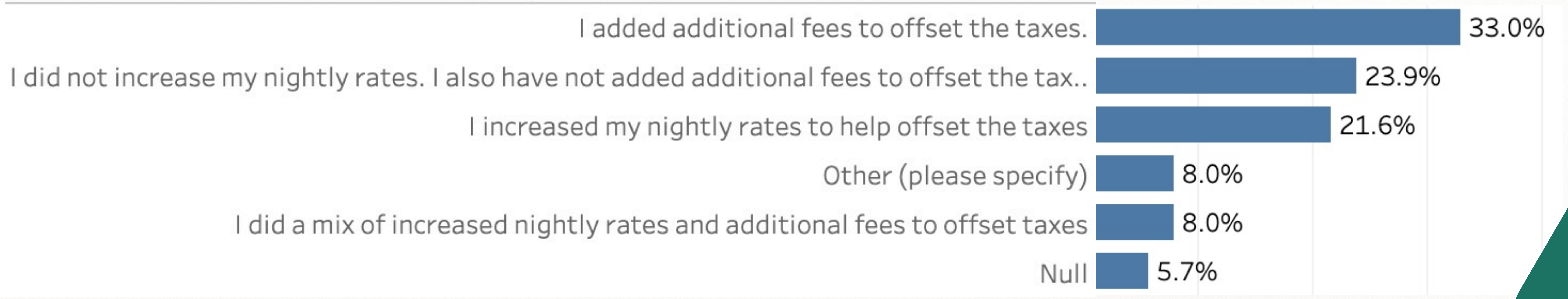
Question: Regarding the nightly occupancy taxes of $15/bedroom/night, how are you collecting that tax?



The majority of owners, 67%, are either passing 100% of the nightly occupancy taxes along to travelers, or passing a portion along. This has resulted in an overall increase in nightly cost to rent an STR in Salida.

STR OWNERS SURVEY

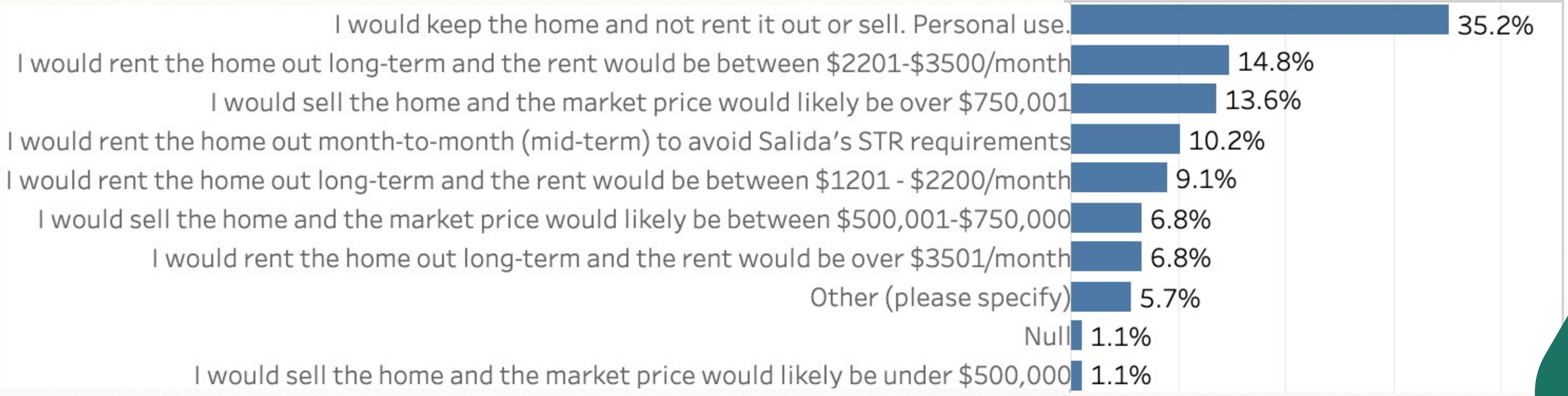
Question: In regards to passing the nightly occupancy taxes onto the customer, how are you achieving this?



Owners are either increasing nightly rates (21.6%), adding aditional nightly fees (33%), or doing a mix of rate increases and fees (8%) to pass the nightly occupancy taxes through to the traveler

STR OWNERS SURVEY

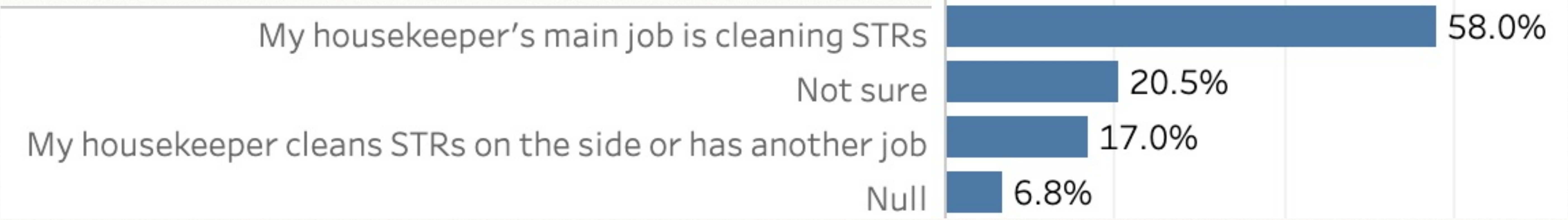
Question: If you were to lose or surrender your STR license, what would you do with your property?



The results of the survey show that if an owner stopped operating their property as an STR, it would not add to Salida's affordable housing inventory.

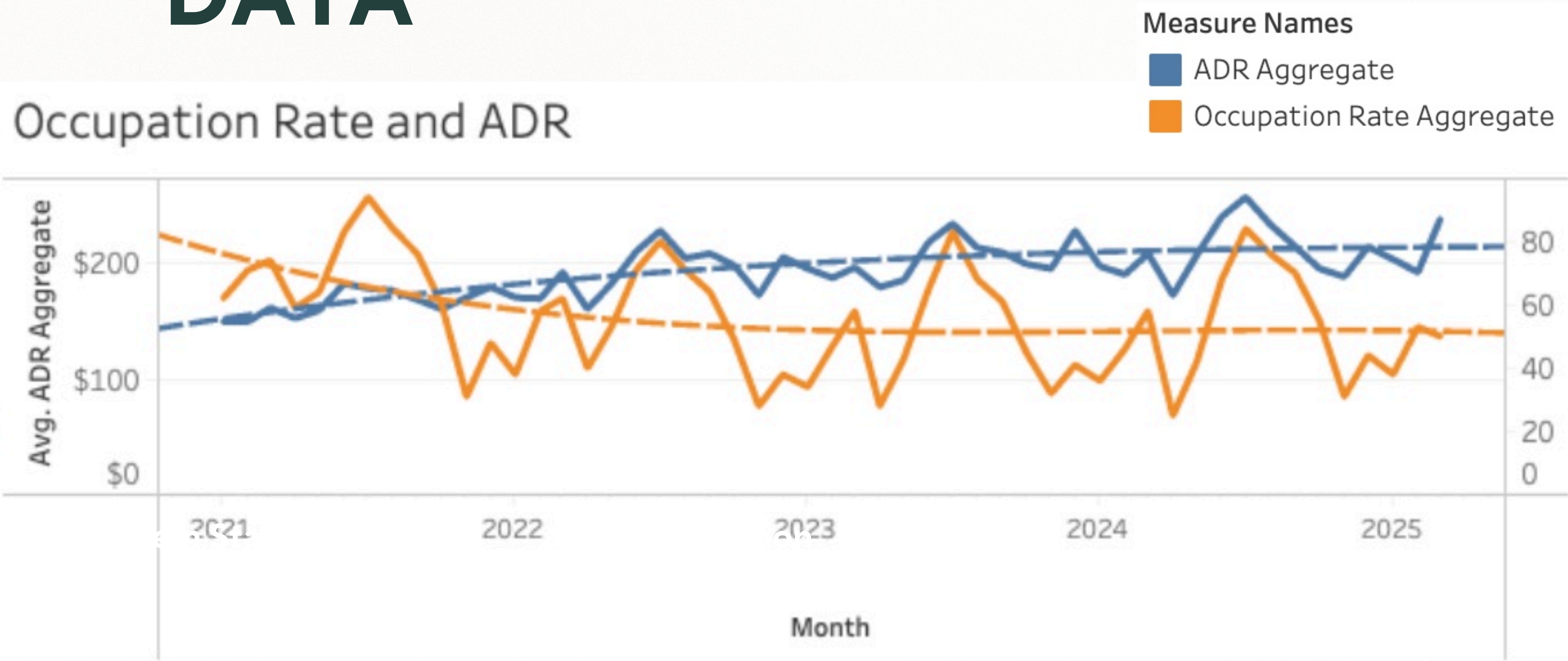
STR OWNERS SURVEY

Question: To the best of your knowledge, does the person providing housekeeping for your STR get his or her sole income from cleaning STRs?



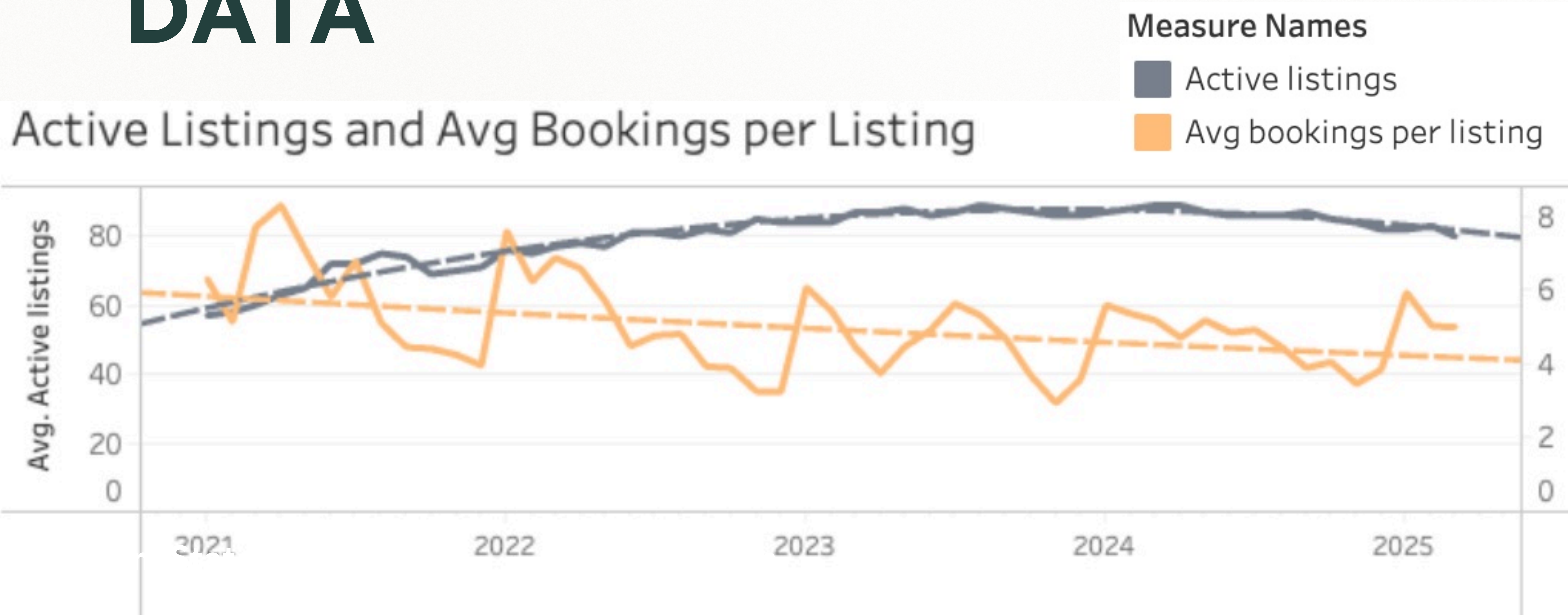
The above shows how STRs contribute to employment in the community. Housekeepers have recently experienced difficulty in making ends meet due to lower bookings.

PRICELABS DATA



As ADR (Average Daily Rate) increases, the number of tourists (occupancy) decreases. We can see that ADR started to increase after the increase in nightly occupancy taxes. Occupancy has continued to decline from about 80% to just above 50%.

PRICELABS DATA

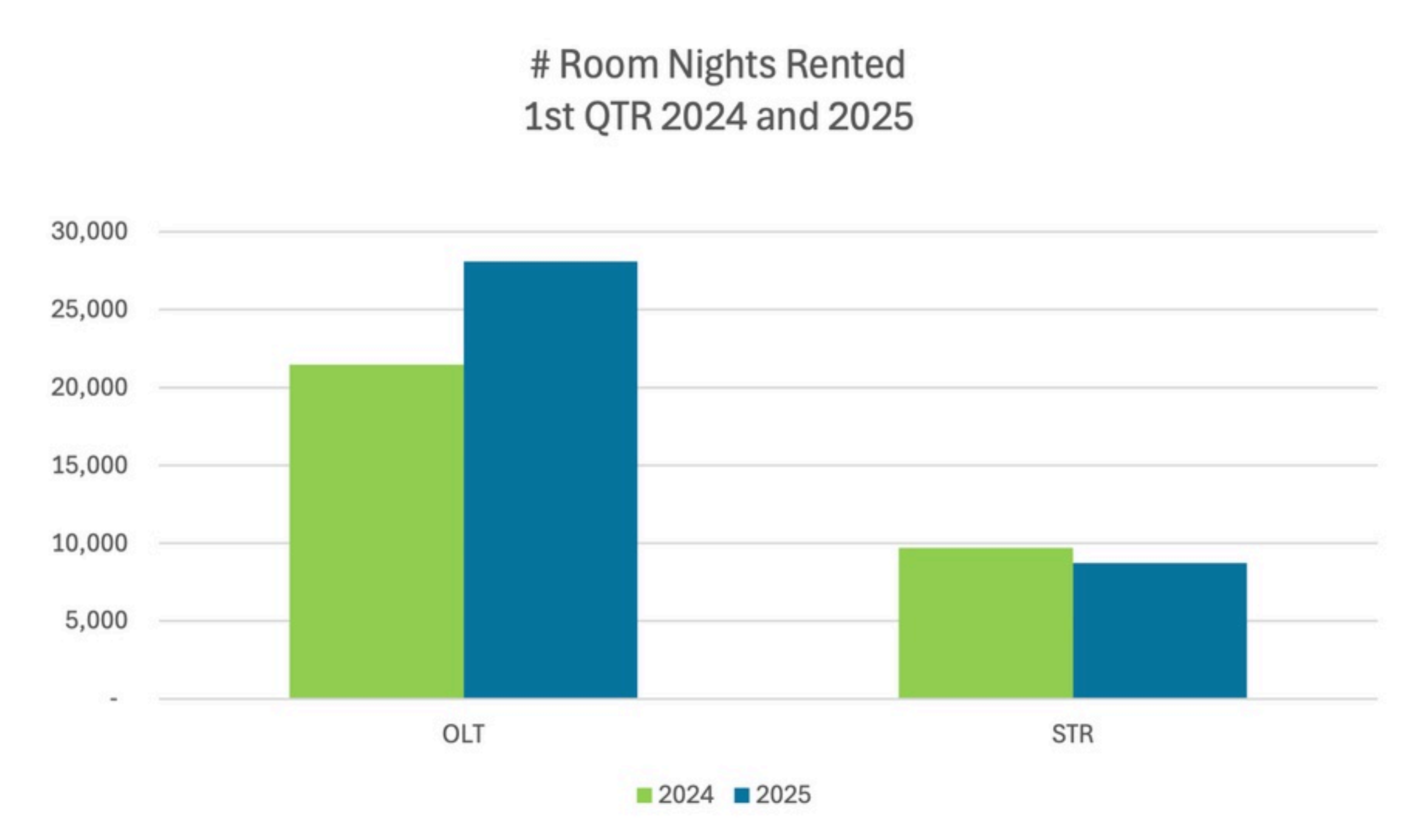


The above shows that bookings are decreasing, not due to listings decreasing, but due to higher nightly rates and fees (ADR). We can see a slight decrease in active listings in mid-2024. This may be due to STRs being forced out of business, due to lower bookings.

CITY OF SALIDA DATA

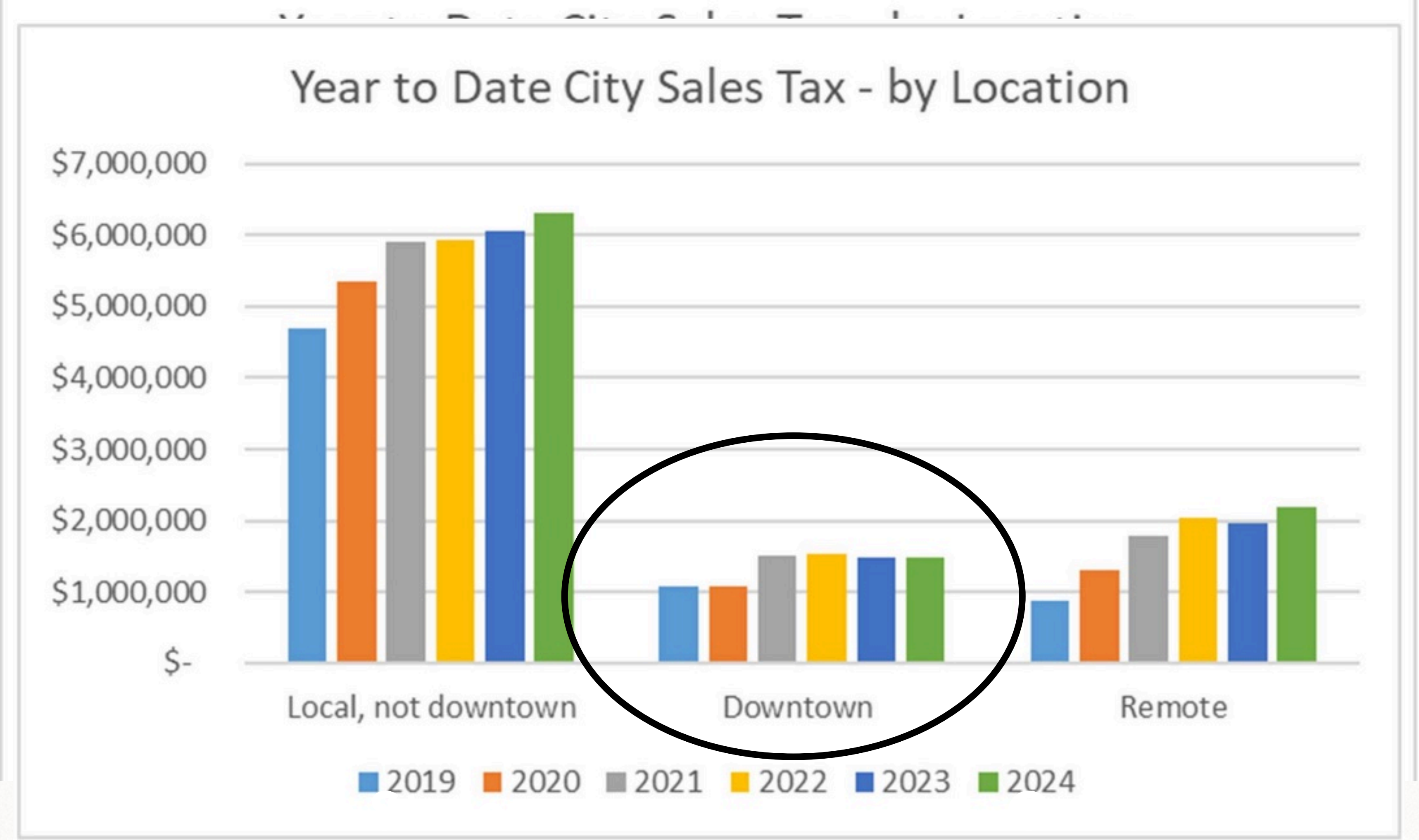
Current Quarter

	Dollars Collected			Calculated Room Nights			
	QTR 1 2025	QTR 1 2024	2025-2024 $ Change	QTR 1 2025	QTR 1 2024	2025-2024 Change	2025-2024 % Change
OLT	$ 135,447	$ 103,476	$ 31,971	28,101	21,468	6,633	30.9%
STR	$ 130,860	$ 145,500	$ (14,640)	8,724	9,700	(976)	-10.1%
Total	$ 266,307	$ 248,976	$ 17,331	36,825	31,168	5,657	18.2%

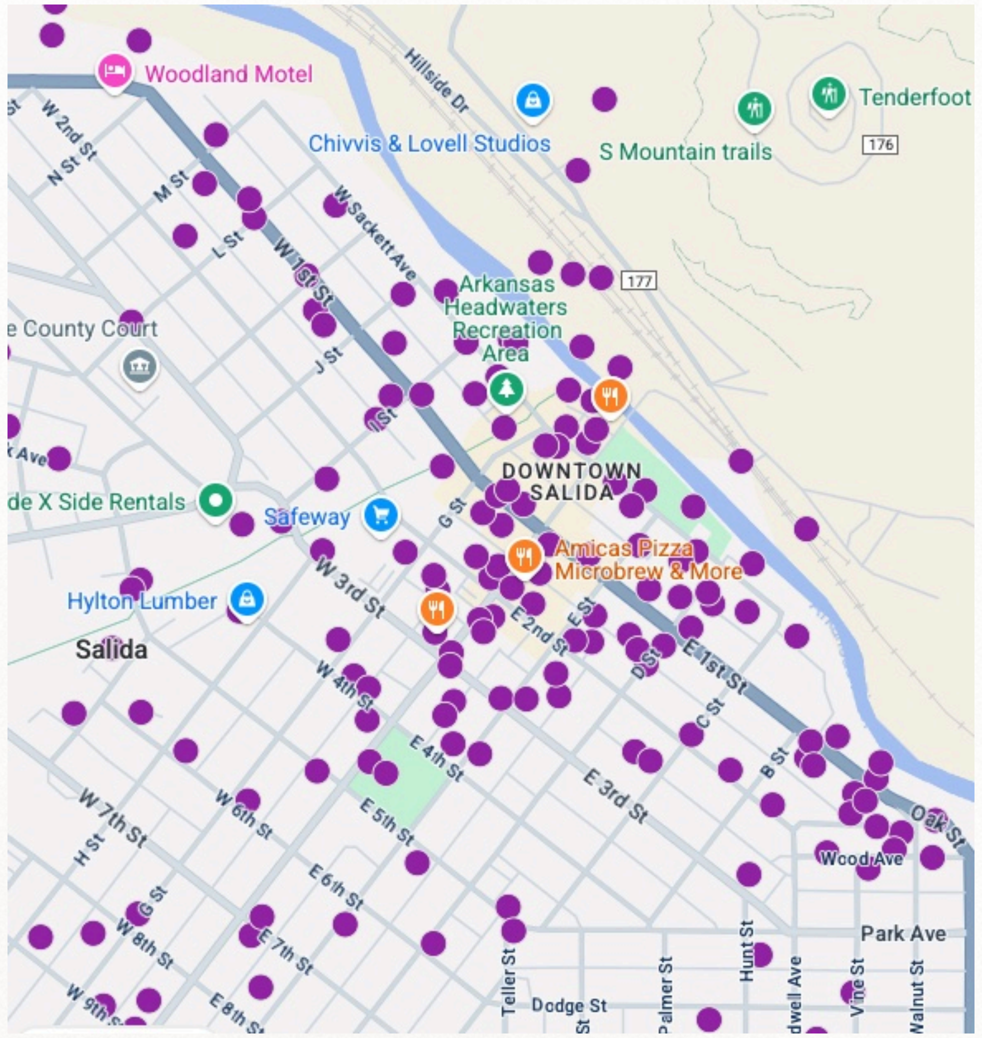


Data provided by the City of Salida shows a decline in STR occupancy and revenue from Q1 2024 to Q1 2025. However, hotels continue to grow with their low $4.82/occupied br/night tax.

DOWNTOWN SALIDA TOURISM



Source: Sales Tax Report Dec 2024 (Salida)



Source: AirDNA - Map of Salida STRs

Beginning in 2022, downtown sale tax revenue from Salida began to plateau, then decreased. Tourists who stay in Salida Short Term Rentals contribute to downtown businesses by walking or biking to town.

SALIDA VS BUENA VISTA

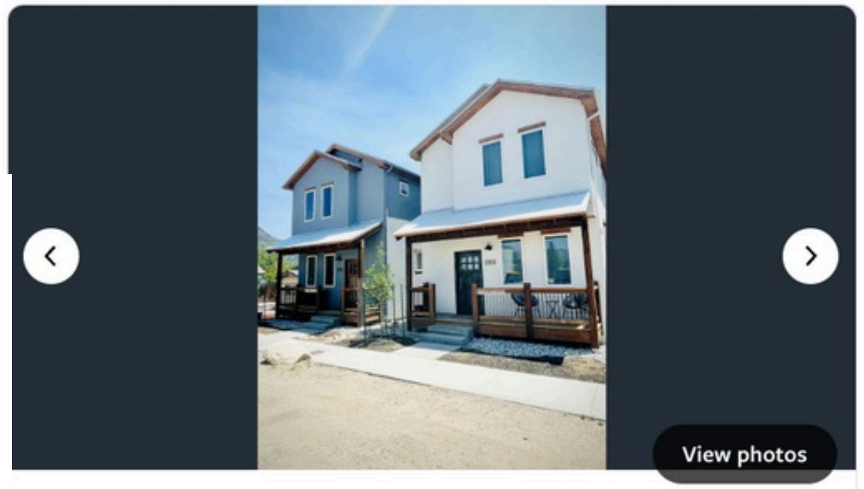
(PRICE BREAKDOWN ON NEXT SLIDE)

Book NOW for Summer Events! Located in do...
Salida, CO, US

10/10 Exceptional (10 reviews)

$348.00 x 4 nights	$1,392.00
Host Fees	$355.00
Property Fees	$180.00
Cleaning Fee	$175.00
Service Fee	$225.00
Damage Protection (Price calculated when you book)	—
Tax	$208.05
County - Chaffee	
General Sales and Use Tax	$54.23
Accommodations Tax	$37.47
State - Colorado	
General Sales and Use Tax	$57.19
City - Salida	
General Sales and Use Tax	$59.16
Total	**$2,180.05**

$345.00 x 4 nights	$1,380.00
Cleaning Fee	$175.00
Service Fee	$206.00
Tax	$176.99
State - Colorado	
General Sales and Use Tax	$51.07
County - Chaffee	
Accommodations Tax	$33.46
General Sales and Use Tax	$48.43
City - Buena vista	
General Sales and Use Tax	$44.03
Total	**$1,937.99**



Downtown BV Main St_311_Private Home
Buena Vista, CO, US

These two rentals are the same nightly rate with same cleaning fee and same size home. One is downtown Salida and one in downtown BV. The Salida rental will cost $242 (13%) more per to rent. The next slide breaks the pricing down.

SALIDA VS BUENA VISTA PRICING COMPARISON

(continued from previous slide)

Charge	Salida Property	BV Property	Delta
Nightly Rate	$1,392.00	$1,380.00	$12.00
Cleaning Fee	$175.00	$175.00	$0.00
*Host Fee (Occupancy Tax)	$180.00	$0.00	$180.00
**Service Fee (to VRBO)	$225.00	$206.00	$19.00
***State Tax	$57.19	$51.07	$6.12
***Chaffee Accommodations Tax	$37.47	$33.46	$4.01
***Chaffee Sales Use Tax	$54.23	$48.43	$5.80
*** City Tax	$59.16	$44.03	$15.13
TOTALS	**$2,180.05**	**$1,937.99**	**$242.06**

*** Host is pushing occupancy taxes through as "host fee". 3 BR x $15/BR = $45/night. 4 nights = $180 total**

**** Goes to VRBO, calculated off of nightly rate + cleaning fees + host fees (12% - 13%)**

*****these taxes calculated off of nightly fee+ cleaning fee + host fee + service fee**

SUMMARY AND DISCUSSION

Topics for Discussion

The data show that there is a correlation between the high nightly occupancy taxes and decline in tourism

There has never been a proven nexus between the small number of STRs in Salida and lack of affordable housing. Why are STRs being burdened with paying for the City's affordable housing?

Short Term Rentals offer a different type of lodging for tourists. Travelers seek out houses where multiple families can stay and enjoy time together. Hotels and hostels are also a vital part of the tourist community, but offer a different experience.

Buena Vista is a very similar tourist desination with access to skiing, rafting, and local culture. Travelers can choose to stay in Buena Vista and avoid the high cost of renting an STR in Salida.

ATTACHMENTS

Complete Data Set from Pricelabs

Salida_Active_Listings.csv

Market_History_Salida.csv

Prices_Salida.csv

STR Owners Survey

Salida Owners Survey Results . csv

Other Analysis

Detailed Analysis: Salida Short-Term Rental Costs for a $300/Night Three-Bedroom Property

CITY COUNCIL WORK SESSION MEMO

DEPARTMENT	PRESENTED BY	DATE
Community Development	Kristen Hodges - Associate Planner	August 4, 2025

AGENDA ITEM

Joint Work Session with Planning Commission to Discuss Accessory Dwelling Unit (ADU) Regulations in Light of State Funding Opportunities for Promotion of ADUs

BACKGROUND

On June 30, 2025 Staff reviewed House Bill 24-1152 and DOLA's "ADU Supportive Jurisdiction" grant program, offering $1.6 million in the pilot round. A 25% required local match is required. Financial assistance includes but is not limited to developing pre-approved ADU plans; technical assistance, and. ADU-associated fees and other required costs. Salida's land use code (current and proposed) meets all the criteria except for parking requirements and side-yard setbacks. Other criteria for the House Bill and DOLA toolkit strategies are met. The combined direction from Council and Planning Commission from this meeting was to gather additional information, particularly on the CHFA Funding program that was mentioned by Marjo Curgus at Chaffee Housing Authority.

The CHFA webinars held so far in July have been stakeholder meetings to gather information from municipalities on how the grant program would best fit the needs of the communities. CHFA has $8 million to distribute to ADU Supportive Jurisdictions that meet the House Bill requirements and is considering financing programs such as:

- Credit enhancements that support lenders offering ADU loans to eligible buyers
- Interest Rate buydowns on ADU loans made to eligible buyers
- Down payment assistance/principal reduction on loans for eligible borrowers for ADU's
- Loans, revolving lines of credit, or grants to nonprofits to support ADU's for eligible borrowers

CHFA did not offer any information on timing for the grant program.

REQUESTED DIRECTION FROM COUNCIL AND PLANNING COMMISSION

Staff requests any feedback that City Council and Planning Commission may have regarding the amendments to ADU restrictions in order to qualify for available grant funds to promote the construction of ADUs, and any other comments about such a City program.

CITY COUNCIL WORK SESSION MEMO

DEPARTMENT	PRESENTED BY	DATE
Public Works	David Lady - Public Works Director	August 4, 2025

ITEM

Potable Bulk Water Sales

BACKGROUND

The City of Salida's Fees and Charges for Water and Wastewater establishes rates for:

- Monthly rates and charges (metered bill for customers)
- Bulk Water - Non-potable (bulk water station for contractor use)
- Bulk Water – Treated (bulk water taken from a hydrant location for contractor/other use)
  - City supplies meter (at a cost) and processes billing

The City has received recent requests from outside users requesting the ability to purchase treated water from the City. In general, this is due to properties that have inadequate water supplies to support their needs. It is anticipated that these needs will only increase in the future.

In 2016, a bulk water station existed adjacent to the NFS building adjacent to Vandaveer Ranch Road. This station cost over $100k to install at the time but offered treated water to outside users and could be dispensed with a credit card and remote capabilities. However, shortly thereafter, direction between the elected officials and NRCDC led to the removal of this facility. Since that time, treated water sales have only occurred via delivery through a metered hydrant location which is demanding on staff and inefficient to operate and bill. These sales have been manageable when it involves a large construction project but dealing with individual outside users poses concerns with staff availability and water equipment operation.

REQUESTED DIRECTION FROM COUNCIL

Staff are requesting feedback from the Council regarding the current process of providing bulk water sales with current practices. Does Council desire that treated water is available for all outside users if they pay the required fees and conform to the policy or does availability get limited to existing construction water needs?

Secondly, does the Council want to pursue a new treated bulk water facility? If so, that facility would be incorporated into the budget. However, it should be noted that locations have been contemplated but firming up the best location has not been established at this time. Many of the potential locations are at public sites that have had discussions of other improvements that could limit space, functionality, and long-term viability.