

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 35

DATE: November 15, 2005

STAFF: Michael B. Smith
Terri Bryant
Bill Bray

SUBJECT

Items Relating to 2006 Water, Sewer, Stormwater Plant Investment Fees and Electric Development Charges.

RECOMMENDATION

Staff recommends adoption of the Ordinances on Second Reading.

EXECUTIVE SUMMARY

- A. Second Reading of Ordinance No. 133, 2005, Amending Chapter 26 of the City Code to Revise Water Plant Investment Fees and Raw Water Requirements.
- B. Second Reading of Ordinance No. 134, 2005, Amending Chapter 26 of the City Code to Revise Sewer Plant Investment Fees. (Phase-In Implementation - 1/3 in 2006)
- C. Second Reading of Ordinance No. 135, 2005, Amending Chapter 26 of the City Code to Revise Electric Development Fees and Charges.
- D. Second Reading of Ordinance No. 136, 2005, Amending Chapter 26 of the City Code to Establish Stormwater Plant Investment Fees.

These Ordinances adopt the water, sewer and stormwater plant investment fees and electric development fees. These fees were presented and discussed at City Council's August 23, 2005 work session. The fees are one-time charges paid by developers or builders for the cost of the utility infrastructure needed to serve a new development.

Ordinance Nos. 133, 135, and 136, 2005, were unanimously adopted on First Reading on November 2, 2005. Ordinance No. 134, 2005 (Option B - to phase-in implementation) was adopted 6-1 (Nays: Manvel) on First Reading on November 2, 2005.

Per Council direction during the First Reading of these Ordinances, a revision has been made to each Ordinance by adding Code language requiring staff to review the fees annually and to present the fees to Council for approval on at least a biennial basis, which appears in Section 1 of each Ordinance. These Code changes are being made to mitigate the impact of adjustments in any one year.

A housekeeping revision has been made to the Wastewater PIF Ordinance No. 134, 2005 (Option B) since the First Reading. The change helps to clarify the calculation of the fees for biochemical

oxygen demand (BOD) and total suspended solids (TSS) for high strength customers and those customers with tap sizes greater than three inches.

A recommendation from the Affordable Housing Board, which was not available at the time of First Reading, is attached.

November 7, 2005

TO: Fort Collins City Council

FROM: Affordable Housing Board

SUBJECT: Plant investment and electric development fees

At the October 6 regular meeting of the Affordable Housing Board, Terry Bryant presented staff's recommendation for adjustments to plant investment fees and electric development fees. As usual, staff research was thorough and convincing for the need of an overall increase to these fees. It is sensible to adjust these fees to reflect increases in utilities development costs, and to keep Fort Collins in line with fees charged by other communities.

What the board finds no longer acceptable is the effect on the cost of affordable housing of the gradual but relentless increase in impact fees. In the past, the board has sought the waiving of impact fees all together for affordable housing projects. Staff always replies that such a waiver would not be economically feasible considering the dollars at stake.

The Affordable Housing Board recommends a compromise approach to the issue of impact fees on affordable housing. We ask that all impact fees, including plant investment and electric development fees, be frozen at their current levels for affordable housing projects, indefinitely. This would have little effect on the revenues generated by impact fee programs, but would mean a lot to affordable housing developers.

Fort Collins has received national recognition for its dedication to affordable housing. Yet the new city budget will all but eliminate affordable housing support. Will the message be that now that we have our award, we need not invest in affordable housing? Within the context of the current budget crisis, Council must find creative ways fulfill its reputation as affordable housing friendly. A freeze on impact fees is one way to accomplish this.

ORDINANCE NO. 133, 2005
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26 OF THE CODE OF THE CITY OF FORT COLLINS
TO REVISE WATER PLANT INVESTMENT FEES
AND RAW WATER REQUIREMENTS

WHEREAS, the City Council is empowered and directed by Article XII, Section 6, of the Charter of the City of Fort Collins, Colorado, to by ordinance from time to time fix, establish, maintain and provide for the collection of such rates, fees or charges for utility services furnished by the City as will produce revenues sufficient to pay the costs, expenses and other obligations of the water utility, as set forth therein; and

WHEREAS, Section 26-120 of the City Code provides that water plant investment fees shall be approved by City Council and reviewed annually for adjustment; and

WHEREAS, the City Council adopted Ordinance No. 134, 1998 on August 18, 1998, which revised plant investment fees payable by water users both inside and outside of the City; and

WHEREAS, improvements have been added to the City's water system resulting in additional equity that existing customers have established in the water capital facilities; and

WHEREAS, the City's capital improvement program contemplates additional improvements to the water system which will result in additional equity that existing customers have established in the such facilities; and

WHEREAS, the City Council has determined that it is appropriate for new development to contribute its proportionate share of providing capital improvements; and

WHEREAS, staff recommends that existing water plant investment fees be adjusted based on the current replacement cost of the capital facilities that will be needed to serve new development and by existing system capacity; and

WHEREAS, the capital and raw water requirements to provide service to a single family residential lot do not measurably increase beyond the lot size of one-half acre; and

WHEREAS, staff recommends that it is appropriate to establish a maximum limit of one-half acre lot size when calculating water plant investment fees and raw water requirements for single family residential lots;

WHEREAS, based on the foregoing, it is the desire of the City Council to amend Chapter 26 of the City Code to revise water plant investment fees and residential raw water requirements.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT

COLLINS as follows:

Section 1. That Section 26-120(b) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-120. Water plant investment fees.

...

(b) The WPIF shall be based on and used for growth related capital expansion costs of water supply, storage, transmission, treatment and distribution facilities and related factors. The fee shall vary with the number of dwelling units and the lot area served for residential users and with the size of the water meter for nonresidential users. The parameters and rates shall be approved by City Council the same as other utility charges and reviewed **by the City Manager annually and fees shall be presented to the City Council for approval no less frequently than biennially for adjustments.**

Section 2. That Section 26-128 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-128. Schedule C, water plant investment fees.

The water plant investment fee prescribed in § 26-120 shall be payable by users both inside and outside of the city, as follows:

- (1) *Single-family residential buildings:* For the first three-fourths ($\frac{3}{4}$) inch water tap or meter, a fee of seven hundred ten dollars (\$710.) for a single-family residence, plus thirty-seven cents (\$0.37) for each square foot of lot area. For a single-family residential lot greater than one-half acre in size, the lot size shall be deemed to be one-half acre for the purpose of this fee calculation. For each additional tap or meters larger than three-fourths ($\frac{3}{4}$) inch, the nonresidential rate shall apply.
- (2) *Residential buildings of two (2) or more dwelling units:* For each residential building unit a fee of four hundred ninety dollars (\$490.), plus twenty-eight cents (\$0.28) for each square foot of lot area. The fee will provide for one (1) tap per residential building and an adequate number of additional taps to serve common irrigable areas, if any. The number and size of taps shall be determined by the General Manager based upon the criteria established in the Uniform Plumbing Code as amended pursuant to Chapter 5 of the Code.

- (3) *Mobile home parks:* For each mobile home park, a fee of four hundred ninety dollars (\$490.) for each mobile home space in the park, plus twenty-eight cents (\$0.28) for each square foot of lot area. The fee will provide for one (1) tap per mobile home park. The size of the tap shall be determined by the General Manager based upon the criteria established in the Uniform Plumbing Code as amended pursuant to Chapter 5 of the Code.
- (4) *Hotels, roominghouses, sororities, fraternities and similar uses:* The nonresidential rate shall apply.
- (5) *Nonresidential service:*
 - a. Service to all nonresidential taps, including but not limited to taps for commercial and industrial service, shall be charged according to the size of the meter pursuant to the following schedule:

<i>Meter Size (inches)</i>	<i>Nonresidential Plant Investment Fee</i>
¾	\$ 6,640.
1	19,300.
1½	38,630.
2	61,660.
3	122,660.

- b. The fee for all meters larger than three (3) inches shall be negotiated with the General Manager and shall be based on estimated peak day demand but shall not be less than the charge for a three (3) inch meter.

Section 3. That Section 26-148 (a) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-148. Raw water requirement (RWR); residential service.

(a) Residential service for RWR shall include single-family, duplex, multifamily and mobile home dwelling units. The formula shall be:

$$\text{RWR} = 1.92 \times [(.18 \times \text{Number of Dwelling Units}) + (1.2 \times \text{Net Acres})]$$

Where:

RWR = Raw water requirement in acre-feet.

Net acres = Area of development in acres, excluding public street rights-of-way, city-maintained tracts and rights-of-way, ditches, railways or other areas typically maintained by persons other than the owner of the premises or an agent of the owner. For a single-family residential lot greater than one-half acre in

size, the lot size shall be deemed to be one-half acre for the purpose of this raw water requirement calculation.

Section 4. That the amendments to Chapter 26 of the City Code contained herein shall go into effect on January 1, 2006.

Introduced and considered favorably on first reading and ordered published this 2nd day of November, A.D. 2005, and to be presented for final passage on the 15th day of November, A.D. 2005.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 15th day of November, A.D. 2005.

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 134, 2005
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26 OF THE CODE OF THE CITY OF FORT COLLINS
TO REVISE SEWER PLANT INVESTMENT FEES

WHEREAS, the City Council is empowered and directed by Article XII, Section 6, of the Charter of the City of Fort Collins, Colorado, to by ordinance from time to time fix, establish, maintain and provide for the collection of such rates, fees or charges for utility services furnished by the City as will produce revenues sufficient to pay the costs, expenses and other obligations of the wastewater utility, as set forth therein; and

WHEREAS, Section 26-283 of the City Code provides that sewer plant investment fees shall be approved by City Council and reviewed annually for adjustment; and

WHEREAS, the City Council adopted Ordinance No. 134, 1998 on August 18, 1998, which revised plant investment fees payable by wastewater users both inside and outside of the City; and

WHEREAS, improvements have been made to the City's wastewater system resulting in additional equity that existing customers have established in the water capital facilities; and

WHEREAS, the City's capital improvement program contemplates significant additional improvements to the wastewater system which will result in additional equity that existing customers have established in the such facilities; and

WHEREAS, the City Council has determined that it is appropriate for new development to contribute its proportionate share of providing capital improvements; and

WHEREAS, staff recommends that existing sewer plant investment fees be adjusted based on the current replacement cost of existing capital facilities together with the new facilities that will be needed to serve new development; and

WHEREAS, as recommended the sewer plant investment fees will increase up to 174%; and

WHEREAS, in light of the magnitude of these increases, City Council desires to buffer the impacts of the fee increases by phasing them in over a three-year period beginning in 2006; and

WHEREAS, based on the foregoing, it is the desire of the City Council to amend Chapter 26 of the City Code to revise sewer plant investment fees, as set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That Section 26-283(b) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-283. Sewer plant investment fees (SPIF); basis.

...
(b) The SPIF shall be based on and used for growth related capital expansion costs of wastewater collection, transmission and treatment facilities. The fee shall vary with the number of dwelling units for residential users and the size of the water meter for nonresidential users. The parameters and rates shall be ~~approved by the City Council in the same manner as other utility charges and~~ reviewed **by the City Manager annually and fees shall be presented to the City Council for approval no less frequently than biennially** ~~for for~~ adjustments.

Section 2. That Section 26-284 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-284. Sewer plant investment fees and surcharges established.

(a) The schedule of sewer plant investment fees, subject to the exceptions and additional requirements provided in this Section, is as follows:

<i>Category</i>	<i>SPIF</i>	
A	\$1,626.	
B and C	\$1,207 for each dwelling unit or mobile home space	
<i>Category</i>	<i>Water meter size (inches)</i>	<i>Fee</i>
D, E, F	¾	\$ 3,627.
	1	\$ 9,347.
	1½	\$17,660.
	2	\$28,633.
	3	\$59,850.
	4 and above	Calculated on an individual basis based on peak wastewater flow (determined in the manner set forth hereinafter) but not less than the charge for a three (3) inch meter
G	Same as equivalent category, plus any special sanitation district fees.	
H	Determined pursuant to paragraph (d) of this Section.	

(b) Industrial and intermediate nonresidential users in categories E, F, G, and H which are subject to a monthly surcharge as set forth in § 26-281 of this Article shall also be subject to a plant investment fee surcharge for any average concentrations of BOD and/or TSS in their discharged wastewater which exceed those average concentrations set forth in § 26-282(b) under Category E-34.

(c) Various surcharge categories based on customary commercial and industrial activities and the average concentration of BOD and TSS found in wastewater from each such category are established in § 26-282 of this Article. Unless the user's wastewater is sampled and tested by a qualified laboratory in accordance with the techniques prescribed in 40 CFR Part 136 as amended, calculation of the user's plant investment fee shall be based on the average concentration values established for the applicable surcharge category. If sufficient information is submitted by the user to support a change from the average concentration values established for the applicable surcharge category, the General Manager shall thereupon effect such change.

(d) The amount of the plant investment fee and surcharge for each nonresidential surcharged user, users in category H and any user that is expected to generate greater than its proportionate share of peak day flow at the treatment plant for the applicable category (including both contributed wastewater volume and volume related to infiltration and inflow), shall be calculated utilizing the following formula:

$$\text{SPIF} = \text{Flow} \times [\text{Flow}_s + (\text{BOD} \times \text{BOD}_s) + (\text{TSS} \times \text{TSS}_s)]$$

Where:

SPIF = Plant investment fee for category H users and users discharging wastewater with average concentrations of BOD and/or TSS which exceed those average concentrations which are set forth in § 26-282(b) under Category E-34.

Flow = The user's proportionate share of peak day flow at the treatment plant including both contributed wastewater volume and volume related to infiltration and inflow.

Flow_s = \$3.54 per gallon (unit cost of facilities attributable to treating wastewater flow).

BOD = Average BOD concentration for user category or measured BOD concentration for the user as determined in accordance with subparagraph (c) of this Section, **but not less than 200 mg/l.**

BOD_s = \$0.0063 per mg/l (unit cost of facilities attributable to treating BOD).

TSS = Average TSS concentration for user category or measured TSS concentration for the user as determined in accordance with subparagraph (c) of this Section, **but not less than 250 mg/l.**

TSS_s = \$0.0057 per mg/l (unit cost of facilities attributable to treating TSS).

(e) The plant investment fee and surcharge for users in categories D, E, F and G shall be the greater of that calculated utilizing the formula set forth in subparagraph (d) of this Section or the plant investment fee for the applicable water meter size set forth in subparagraph (a) of this Section.

(f) For purposes of this § 26-284, proportionate share of peak day flow at the treatment plant for users in categories D, E and F shall be deemed to be:

<i>Water meter size (inches)</i>	<i>Peak flow (gallons per day)</i>
¾	709
1	1,814
1½	3,279
2	5,802
3	12,105
4 and above	Calculated on an individual basis based on user's proportionate share of peak day flow at the treatment plant (including both contributed wastewater volume and volume related to infiltration and inflow) but not less than the peak day flow for a three (3) inch meter

Section 3. That the amendments to Chapter 26 of the City Code contained herein shall go into effect on January 1, 2006.

Introduced and considered favorably on first reading and ordered published this 2nd day of November, A.D. 2005, and to be presented for final passage on the 15th day of November, A.D. 2005.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 15th day of November, A.D. 2005.

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 135, 2005
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26 OF THE CODE OF THE CITY OF FORT COLLINS
TO REVISE ELECTRIC DEVELOPMENT FEES AND CHARGES

WHEREAS, the City Council is empowered and directed by Article XII, Section 6, of the Charter of the City of Fort Collins, Colorado, to by ordinance from time to time fix, establish, maintain and provide for the collection of such rates, fees or charges for utility services furnished by the City as will produce revenues sufficient to pay the costs, expenses and other obligations of the electric utility, as set forth therein; and

WHEREAS, the City Council has determined that it is appropriate for new development to contribute its proportionate share of providing capital improvements; and

WHEREAS, the City Council adopted Ordinance No. 154, 2003 on November 18, 2003, which revised electric development fees and charges payable by electric users of the City; and

WHEREAS, the City Manager and staff has recommended to the City Council the following adjustments to the electric development fees and charges for all billings issued on or after January 1, 2006; and

WHEREAS, based on the foregoing, it is the desire of the City Council to amend Chapter 26 of the City Code to revise electric development fees and charges; and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That Section 26-471(b) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-471. Electric development fees and charges.

...

(b) The ECF shall be based upon and used to defray growth-related capital expansion costs of substations and distribution infrastructure and related facilities, and actual costs that have been or will be incurred by the utility to plan and provide service loads to new development, as more specifically described in this Division. These costs shall include the cost of labor and materials to install substation transformers, distribution transformers, primary cable, vaults, conduit, connections, switches, fuses, circuit breakers and other infrastructure. The ECF shall vary with the electrical capacity requirements, lot size and lineal feet of dedicated roadway, and shall be based on the actual cost of construction of any required off-site improvements. The parameters and rates shall be ~~codified and periodically adjusted by the City Council to reflect actual costs~~ **reviewed annually by the City Manager and the fees shall be presented to the City Council for approval no less frequently than**

biennially.

Section 2. That Section 26-472 (b) and (c) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-472. Residential electric development fees and charges.

...

(b) The ECF shall be the total of the site footage charge, dwelling charge and systems modification charge, to be determined as follows:

- (1) The site footage charge shall be the combined total of:
 - a. Three and six hundred twenty-five one-thousandths cents (\$0.03625) per square foot of developed site square footage, including all applicable tracts but excluding the area dedicated public rights-of-way; and
 - b. Seven dollars and thirty-six cents (\$7.36) per lineal foot of the developed site abutting a dedicated street or roadway.
- (2) The dwelling unit charge shall be as follows:
 - a. For single-family panel size with one-hundred-fifty-amp service (nonelectric heat), nine hundred fifty-two dollars (\$952.) per dwelling unit;
 - b. For single-family panel size with two-hundred-amp service (nonelectric heat or electric heat), one thousand five hundred eighty-four dollars (\$1584.) per dwelling unit;
 - c. For multi-family panel size with one-hundred-fifty-amp service (nonelectric heat), six hundred thirty-five dollars (\$635.) per dwelling unit;
 - d. For multi-family panel size with two-hundred-amp service (nonelectric heat or electric heat), one thousand one hundred eleven dollars (\$1,111.) per dwelling unit.

- (3) A system modifications charge will apply when a new or modified service will require infrastructure in addition to or different from the standard base electrical system model. The differential costs associated with such system modifications will be included in the calculated ECF.

(c) A Building Site Charge ("BSC") for any new or modified residential service shall be paid prior to issuance of a building permit for the related construction or modification. The BSC shall be based upon the current rates as of the time of issuance of the building permit. The BSC shall be the total of the secondary service charges, and any additional charges, determined as follow:

- (1) The secondary service charge shall be as follows:

<i>Secondary Service Size</i>	<i>Charge (up to 65 feet)</i>	<i>Plus Per Foot Charge For Each Foot Over 65</i>
1/0 service	\$436.00	\$3.65/Foot
4/0 service	\$573.00	\$4.16/Foot
350 kCM Service	\$639.00	\$5.21/Foot
1/0 Mobile Home Service	\$326.00	N/A
4/0 Mobile Home Service	\$448.00	N/A

- (2) Actual special costs to the utility of installation of secondary service resulting from site conditions shall be included in the BSC as additional charges. Such conditions may include, but are not limited to, frozen or rocky soil, concrete cutting and asphalt replacement.

Section 3. That Section 26-473 (b) and (c) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-473. Nonresidential electric development fee and charges.

...

- (b) The ECF shall be the total of the site footage charge, service entrance charge and systems modification charge, to be determined as follow:

- (1) The site footage charge shall be the combined total of:
 - a. Three and six hundred twenty-five one-thousandths cents (\$0.03625) per square foot of developed site square footage, including all applicable tracts but excluding the area of dedicated public rights-of-way; and

- b. Twenty-six dollars and eighty-seven cents (\$26.87) per lineal foot of the developed site abutting a dedicated street or roadway.

(2) The service entrance charge shall be as follows:

- a. For single-phase service at two hundred eight (208) volts, eight hundred thirty dollars (\$830.) per one hundred (100) amps;
- b. For single-phase service at two hundred forty (240) volts, nine hundred fifty-seven dollars (\$957.) per one hundred (100) amps.
- c. For three-phase service at two hundred eight (208) volts, one thousand four hundred thirty-seven dollars (\$1,437.) per one hundred (100) amps;
- d. For three-phase service at two hundred forty (240) volts, one thousand six hundred fifty-eight dollars (\$1,658.) per one hundred (100) amps;
- e. For three-phase service at four hundred eighty (480) volts, three thousand three hundred sixteen dollars (\$3,316) per one hundred (100) amps.

(3) A system modifications charge will apply when a new or modified service will require infrastructure in addition to or different from the standard base electrical system model. The differential costs associated with such system modifications will be included in the calculated ECF.

(c) A Building Site Charge ("BSC") for extending primary circuitry to the transformer for any new or modified nonresidential service shall be invoiced and paid in the same manner and at the same time as the ECF is invoiced and paid pursuant to § 26-473(a). The BSC shall be the total of the primary circuit charge, transformer installation charge and any additional charges, determined as follows:

- (1) The primary circuit charge for service from the utility source to the transformer shall be as follows:
 - a. For single-phase service, a charge of six dollars and fifty-one cents (\$6.51) per foot of primary circuit;
 - b. For three-phase service, a charge of eleven dollars and thirteen cents (\$11.13) per foot of primary circuit.

- (2) The transformer installation charge shall be as follows:
 - a. For single-phase service, a charge of one thousand one hundred forty-six (\$1,146.) per transformer;
 - b. For three-phase service, a charge of one thousand eight hundred thirty-six dollars (\$1836.) per transformer.
- (3) Actual special costs to the utility of installation of service resulting from site conditions shall be included in the BSC as additional charges. Such conditions may include, but are not limited to, frozen or rocky soil, concrete cutting and asphalt replacement.

...

Section 4. That the amendments to Chapter 26 of the City Code contained herein shall go into effect for all bills issued on or after January 1, 2006.

Introduced and considered favorably on first reading and ordered published this 2nd day of November, A.D. 2005, and to be presented for final passage on the 15th day of November, A.D. 2005.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 15th day of November, A.D. 2005.

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 136, 2005
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26 OF THE CODE OF THE CITY OF FORT COLLINS
TO ESTABLISH STORMWATER PLANT INVESTMENT FEES

WHEREAS, Article XII Municipal Public Utilities, Section 6 Municipal Utility Rates and Finances, requires all net operating revenues of the city's utilities to be held within the respective utility's fund; and

WHEREAS, the City Council is empowered and directed by Article XII, Section 6, of the Charter of the City of Fort Collins, Colorado, to by ordinance from time to time fix, establish, maintain and provide for the collection of such rates, fees or charges for utility services furnished by the City as will produce revenues sufficient to pay the costs, expenses and other obligations of the storm water utility, as set forth therein; and

WHEREAS, Section 26-511(a) of the code requires that the City Manager analyze the financial and operating records of the stormwater utility and recommend to the City Council the stormwater basin fees to be in effect the following year; and

WHEREAS, the Council has adopted stormwater basin master plans recommending stormwater facilities that are necessary to provide for the proper drainage and control of flood and surface waters within the City; and

WHEREAS, the Council adopted Ordinance No. 168, 1998 determining that all developed lands within the City benefit by the installation of such stormwater facilities; and

WHEREAS, existing stormwater rate payers have paid for the design, right-of-way and construction of stormwater facilities identified in the drainage basin master plans that will benefit and be utilized by new development; and

WHEREAS, the Council has determined that new development should pay its proportionate share of the costs of the stormwater infrastructure as it exists at the time of development; and

WHEREAS, staff presented the proposed changes to the stormwater basin fees to the Council for review at its work session on August 23, 2005 and at that time received direction to present the same to Council for approval; and

WHEREAS, staff has proposed to revise the stormwater basin fees established in Section 26-512 of the City Code so as to be uniform city-wide, instead of on a basin-by-basin basis; and

WHEREAS, staff has also proposed that the stormwater basin fees be re-named stormwater plant investment fees to provide consistency with the terminology used for water and wastewater plant investment fees; and

WHEREAS, for the foregoing reasons, the City Council wishes to amend the City Code in order to reflect the approval of the recommended changes to the stormwater basin fees and rename them stormwater plant investment fees.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That Section 26-511 (a) and (c) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-511. Stormwater fees.

(a) The City Manager shall analyze the operating and financial records of the utility during each calendar year of operation and recommend to the City Council the ~~stormwater plant investment fees and stormwater utility fees~~ to be in effect for the following calendar year. **The parameters and rates for the stormwater plant investment fees shall be reviewed by the City Manager annually, and the fees shall be presented to the City Council for approval no less frequently than biennially.** The recommended fees shall be determined in accordance with Section 6 of Article XII of the Charter.

...

(c) The stormwater plant investment fee may be paid at any time after the approval of the plat of a subdivision or, in the case of unplatted property, upon the issuance of a building permit and not before; provided, however, that such fee shall be paid prior to the issuance of a full building permit, or if no building permit is required, upon commencement of construction except to the extent that the deferral of all or any portion of such payment has been approved by the City Council by resolution. If there is an increase in said fees between the issuance of a full building permit or, if no building permit is required, the time of commencement of construction and the actual payment of fees, the fee rates in effect at the time of payment shall apply.

...

Section 2. That Section 26-512 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-512. Stormwater plant investment fees established.

There is hereby imposed on each and every lot or parcel of land within the city with respect to which any improvement creates an impervious surface covering more than three hundred fifty (350) square feet of the lot or parcel, and the owners thereof, a stormwater plant investment fee. The fee is deemed reasonable and necessary to pay for a new development's share of the existing equity in the capital stormwater

facilities that have been installed for the protection of the health, safety and welfare of the inhabitants of the city. The stormwater plant investment fee established herein shall be determined using the base rate, the area of each parcel of land, and the runoff coefficient of the parcel. The General Manager shall determine the stormwater plant investment fee that applies to each parcel of land as follows:

- (1) *Runoff coefficient.* The runoff coefficient of each parcel of land shall be that used in the engineering formula known as the rational method. The General Manager shall determine the runoff coefficient for each parcel of land based on the following formula:

$$C = \text{Percent Impervious Area} \times 0.95 + \text{Percent Pervious Area} \times 0.20 + \text{Percent Semipervious Area} \times 0.50.$$

Impervious shall mean roof, asphalt, cement, etc.

Pervious shall mean lawn, open space, etc.

Semipervious shall mean gravel, etc.

- (2) *Plant investment fee base rate.* The stormwater plant investment fee base rate is three thousand seventy dollars (\$3,070) per gross acre of area.
- (3) *Area.* The stormwater plant investment fee calculation for each parcel of land shall be predicated upon the gross area in acres of the parcel.
- (4) *Calculation.*

- a. *Initial improvements.* The stormwater plant investment fee for each parcel of land shall be calculated in accordance with the following formula:

$$\text{Plant investment fee} = (\text{runoff coefficient}) \times (\text{Plant investment fee base rate}) \times (\text{area}).$$

- b. *Additions, expansions, increased impervious area.* The stormwater plant investment fee calculation for each developed parcel of land upon which an addition or expansion is proposed, whether attached to an existing structure or not, shall be calculated in accordance with the following formula:

Plant investment fee shall equal the difference between the fee as calculated in accordance with the formula set forth in subparagraph a. of this Subsection for the parcel with all existing and proposed improvements and the same parcel with only the existing improvements.

Section 3. That Section 26-515 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-515. Changing stormwater - plant investment fees.

The City Council may by ordinance change the amount of the stormwater plant investment fee based upon revised estimates of the cost of the stormwater facilities in the basin. Any change in the amount of the stormwater plant investment fee shall be effective only as to properties for which the stormwater plant investment fee has not previously been fully paid. After the stormwater plant investment fee applicable to a particular property has been paid in full, no additional stormwater plant investment fee shall be imposed upon said property unless modifications to the property alter the calculation of the stormwater plant investment fee as determined in Section 26-512, and in such event only the additional fees resulting from the modification to the property shall be due.

Section 4. That Section 26-520 (a) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-520. Appeals.

(a) Any owner who disputes the amount of the stormwater utility fee or the stormwater plant investment fee made against such owner's property or who disputes any determination made by or on behalf of the city pursuant to and by the authority of this Article may petition the General Manager for a hearing on a revision or modification of such charge or determination. The General Manager may hold such hearings or may designate an officer or employee as a hearing officer with authority to hold such hearings.

...

Section 5. That Section 26-522 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-522. Disposition of fees and charges.

The fees and charges paid and collected by virtue of this Article shall not be used for general or other governmental or proprietary purposes of the city, except to pay for the costs incurred by the city in rendering services to the utility and for any payment in lieu of taxes that may be authorized by the City Council as provided by the City Charter. Other than as described above, the fees and charges shall be used solely to pay for the costs of operation, repair, maintenance, improvements, renewal, replacement, reconstruction, design, right-of-way acquisition and construction of public stormwater facilities and costs incidental thereto.

Section 6. That Section 26-523 of the Code of the City of Fort Collins is hereby deleted.

Section 7. That Section 26-545(a) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-545. Credit for construction of major basin improvements.

(a) If the stormwater utility requires a developer to construct major stormwater system improvements that serve more than that development and are identified in a basin master plan, a portion of the actual costs incurred may be eligible for basin reimbursement from the storm drainage fund. To be eligible for basin reimbursement, prior to final approval of the development agreement the developer must submit to the stormwater utility a report detailing the proposed basin improvements and obtain the city's approval of the report. The report must identify all elements of the project eligible for reimbursement and include a detailed project description, a project bid form with estimated quantities, unit prices, engineering design and construction management costs. The report must also provide an accurate quantity and cost delineation between the proposed basin improvements and the stormwater improvements necessary to meet the standard requirements of the development. The stormwater basin reimbursement shall be paid in cash subject to the provisions of this Section, or at the option of the developer, may be taken as credit toward the total stormwater plant investment fees due for the developed property with regard to which the basin improvements are being constructed. If more than two (2) years elapse from the approval date of the development agreement without substantial progress toward the construction of all improvements eligible for basin reimbursement, the reimbursement obligation shall terminate. The developer may request and the General Manager may approve extensions of the obligation for additional one-year periods.

...

Section 8. That Section 26-632 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-632. Deferral of fees.

With respect to any dwelling unit which is contained within or which constitutes an *affordable housing project* as defined in § 26-631, the Water Plant Investment Fee ("WPIF"), Sewer Plant Investment Fee ("SPIF"), Stormwater Plant Investment Fee, the Raw Water Requirement In-lieu Cash Payment and the Electric Development Fees and Charges, as established in this Chapter, shall, upon the request of the applicant, be deferred until the date of issuance of a certificate of occupancy (whether temporary or permanent) for such unit(s) or until the first day of December of the year in which the deferral was obtained, whichever first occurs. Notwithstanding any provision in this Chapter to the contrary, in the event that, during the period of deferral, the amount of the deferred fee is increased by ordinance of the City Council, the fee rate in effect at the time of the issuance of the building permit shall apply. At the time of application for any such deferral, the

applicant shall pay to the city a fee in the amount of fifty dollars (\$50.) to partially defray the cost of administration. No person shall knowingly make any false or misleading statement of fact in order to obtain any deferral of fees under this Section.

Section 9. That the amendments to Chapter 26 of the City Code contained herein shall go into effect January 1, 2006.

Introduced and considered favorably on first reading and ordered published this 2nd day of November, A.D. 2005, and to be presented for final passage on the 15th day of November, A.D. 2005.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 15th day of November, A.D. 2005.

Mayor

ATTEST:

City Clerk

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 14 A-D

DATE: November 2, 2005

STAFF: Michael B. Smith
Terri Bryant
Bill Bray

SUBJECT

Items Relating to 2006 Water, Sewer, Stormwater Plant Investment Fees and Electric Development Charges.

RECOMMENDATION

Staff recommends adoption of the Ordinances on First Reading.

FINANCIAL IMPACT

The financial impacts vary by the size and nature of the development. If adopted, the proposed water and sewer plant investment fees and electric development charges will increase. Fees in seven of the twelve storm drainage basins will decrease. The stormwater plant investment fees will increase in the remaining five basins. The combined utility fees for a typical single family residence (exclusive of raw water requirements which are not changing) will increase from \$7,483 to \$9,678 or 29.3%.

EXECUTIVE SUMMARY

- A. First Reading of Ordinance No. 133, 2005, Amending Chapter 26 of the City Code to Revise Water Plant Investment Fees and Raw Water Requirements.
- B. First Reading of Ordinance No. 134, 2005, Amending Chapter 26 of the City Code to Revise Sewer Plant Investment Fees. (Option A - Full Implementation in 2006)

OR

First Reading of Ordinance No. 134, 2005, Amending Chapter 26 of the City Code to Revise Sewer Plant Investment Fees. (Option B - Phase-In Implementation - 1/3 in 2006)

- C. First Reading of Ordinance No. 135, 2005, Amending Chapter 26 of the City Code to Revise Electric Development Fees and Charges.
- D. First Reading of Ordinance No. 136, 2005, Amending Chapter 26 of the City Code to Establish Stormwater Plant Investment Fees.

These Ordinances adopt the water, sewer and stormwater plant investment fees and electric development fees. These fees were presented and discussed at City Council's August 23, 2005 work session. The fees are one-time charges paid by developers or builders for the cost of the utility infrastructure needed to serve a new development.

Two options are presented for the implementation of the sewer plant investment fees. Option A is 100% of the proposed increases as presented at the August 23 work session. Those fees result in increases from 111% to 174%. Because of the large increases in Option A, Councilmembers requested a phased-in approach to implement the increases over three years. Option B implements one-third of the increases proposed in Option A for 2006.

The fee adjustments fluctuate by the size and nature of the development. The proposed increases vary from 3% to 44% for water. Depending on the drainage basin, the proposed stormwater plant investment fees vary from a 56% decrease to a 41% increase. Proposed electric development fee increases vary from 1% to 33%.

Plant investment fees (PIFs) for water and wastewater have historically been adjusted about once every five years. These PIFs were last adopted in 1998. Stormwater fees have been adopted as individual basin master plans were approved. With the exception of 2005, electric development fees have been revised annually. In the future, all utility PIFs/development fees will be reviewed annually and presented for Council consideration at least biennially in order to mitigate the impact of the adjustments in any one year.

The utilities contracted with Red Oak Consulting to provide a broad area of expertise to the development of the 2006 water, wastewater, and stormwater methodologies and costs.

The Water Board discussed the water, sewer and stormwater plant investment fees at the July 28, 2005 Board meeting. The Board unanimously approved a motion supporting the proposed methodology of using equity in the system and future growth related capital costs as a basis for determining the plant investment fees.

The Electric Board reviewed proposed increases to the electric development fees at its meeting on September 15, 2004. The Board unanimously approved a motion supporting the proposed fee changes.

BACKGROUND

WATER

The service area of the City of Fort Collins water utility is approaching build out. The utility can now predict capital needs to the build out of the service area. The plant has the capacity to serve future customers and capital projects will include a nominal amount of growth-related projects that do not add capacity. Based on these considerations, the equity buy-in method was selected. Under this methodology, new customers are required to "buy-in" to the existing facilities at the same equity position as existing customers.

The equity buy-in method includes calculating net water system equity, capacity units, and determining the net system equity per unit. Water system assets were valued at replacement costs, or the cost of duplicating existing facilities at current prices. Replacement costs were based on the construction cost index as published by *Engineering News Record*. To determine net system equity, any outstanding principal on debt was subtracted from the total replacement cost asset valuation. The net system equity is then divided by total current capacity used in the system. This unit cost is applied to a fee schedule designated by customer classes and their representative usage characteristics.

The following schedule details PIFs for the various customer classes.

WATER PLANT INVESTMENT FEES BY CUSTOMER CLASS					
Customer Class/ Meter Size	1998 PIF Study		Proposed 2006		Change
	Peak Day Usage(gpd)	Current Charge	Peak Day Usage(gpd)	Proposed Charge	
Unit Fee (\$ per gallon)		\$3.39		\$3.69	9%
Residential:					
Single Family					
Inside Use	180	\$ 610	191	\$ 710	16%
Irrigation	805	\$2,752	864	\$3,180	16%
Total	985	\$3,362	1,055	\$3,890	16%
Multi-Family (per unit)					
Indoor Use	145	\$ 490	133	\$ 490	0%
\$/Sq. Ft.	268	\$ 928	263	\$ 970	4%
Total per Dwelling Unit	413	\$1,418	396	\$1,460	3%
Non-Residential (meter size)					
¾ inch	1,357	\$ 4,600	1,800	\$ 6,640	44%
1 inch	4,513	\$ 15,300	5,230	\$ 19,300	26%
1 ½ inch	9,204	\$ 31,200	10,470	\$ 38,630	24%
2 inch	15,811	\$ 53,600	16,710	\$ 61,660	15%
3 inch	30,413	\$103,100	33,240	\$122,660	19%
>3 inches					

Based on specific customer requirements

The impact to a typical single family residence (8600 sq ft lot) is a 15.7% increase of \$528 from \$3,362 to \$3,890.

The methodology proposed for the water PIFs results in PIFs that are equitable to both new and existing customers. The PIFs are directly related to the new customer's impact on the system, are stable, predictable, and easy to update, while still flexible.

The Ordinance also includes a housekeeping change related to single family residential fees for PIFs and raw water requirements. Since the capital and raw water requirements to provide service to a single family residential lot do not measurably increase beyond the lot size of one-half acre, staff recommends that Code include a maximum limit of one-half acre when calculating plant investment fees and raw water requirements for single family residential lots.

WASTEWATER (SEWER)

The City's wastewater utility will need to consider available treatment capacity to serve future connections. The utility anticipates a significant amount of growth-related treatment plant projects on the planning horizon. A hybrid method was selected to assess PIFs for new wastewater customers. The hybrid method allocates the costs of the existing facilities and the projected growth-related improvements.

The proposed 2006 sewer PIF includes a flow component to recognize peak flows to the treatment plant as a result of infiltration and inflow (I/I). Infiltration is ground water that enters a wastewater collection system through leaking joints, cracked pipes, the walls of manholes, leaks in private service lines, and illegally connected sump pumps. Inflow is surface and subsurface water entering the collection system at some of the same points as infiltration, as well as through pick holes in manhole covers, illegally connected roof downspouts, exterior foundation drains, areaway drains, and sump pumps. High groundwater levels in Fort Collins also contribute to the high amount of I/I.

Despite ongoing efforts to minimize and reduce the amount of I/I in the wastewater collection system, it remains a consideration when sizing capital facilities. The older portions of the collection system, constructed before the mid 1970's, contribute the majority of I/I. A recently completed year long monitoring effort, however, indicates that new wastewater collection systems also contribute to the problem, and therefore impact future capital improvements. Data from treatment plant flow records were used in determining an appropriate I/I allowance. I/I was allocated based on each customer classes' proportionate share of total flow to the treatment plant.

This methodology results in PIFs that are equitable to both new and existing customers. The PIFs are directly related to the new customer's impact on the system, are stable, predictable, and easy to update, while still flexible.

Two options are presented for Council consideration. Option A implements 100% of the proposed changes in 2006. Option B implements one-third of the proposed increase.

The proposed fees are shown in the following tables.

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OPTION A					
SEWER PLANT INVESTMENT FEES BY CUSTOMER CLASS					
Customer Class/ Meter Size	Existing 1998-2005		Proposed 2006		Change
Single Family:	Winter Qtr Usage (gpd)	Current Charge	Volume Gpd	Unit Cost	
Domestic	180	\$1,030	180	\$1,490	
Peak flow / I & I	0	\$ 0	160	\$1,330	
Total	180	\$1,030	340	\$2,820	174%
Multi-Family					
Domestic per Unit	145	\$ 830	125	\$1,040	
Peak Flow / I & I per Unit	0	\$ 0	111	\$ 920	
Total per Unit	145	\$ 830	236	\$1,960	136%
Non-Residential (Meter Size)					
¾ inch	440	\$ 2,500	709	\$ 5,880	135%
1 inch	1,110	\$ 6,500	1,814	\$ 15,040	131%
1 ½ inch	2,260	\$12,900	3,279	\$ 27,180	111%
2 inch	3,240	\$18,900	5,802	\$ 48,100	154%
3 inch	6,900	\$39,600	12,105	\$100,350	153%
4 inch and above assessed on individual basis					

With Option A, the sewer plant investment fee for a typical single family residence would increase \$1,790 from the current amount of \$1,030 to the proposed fee of \$2,820 or 174%.

OPTION B					
SEWER PLANT INVESTMENT FEES BY CUSTOMER CLASS					
Customer Class/ Meter Size	Existing 1998-2005		Proposed 2006		Change
Single Family:	Winter Qtr Usage (gpd)	Current Charge	Volume Gpd	Unit Cost	
Domestic	180	\$1,030	180	\$860	
Peak flow / I & I	0	\$0	160	\$767	
Total	180	\$1,030	340	\$1,627	58%
Multi-Family					
Domestic per Unit	145	\$830	125	\$640	
Peak Flow / I & I per Unit	0	\$0	111	\$567	
Total per Unit	145	\$830	236	\$1,207	45%
Non-Residential (Meter Size)					
¾ inch	440	\$2,500	709	\$3,627	45%
1 inch	1,110	\$6,500	1,814	\$9,347	44%
1 ½ inch	2,260	\$12,900	3,279	\$17,660	37%
2 inch	3,240	\$18,900	5,802	\$28,633	51%
3 inch	6,900	\$39,600	12,105	\$59,850	51%
4 inch and above assessed on individual basis					

With Option B, sewer plant investment fees for a typical single-family residence in 2006 would increase \$597 from \$1,030 to \$1,627, or 58%.

ELECTRIC

Electric development charges include the allocated and actual costs to the utility for each commercial or residential development. The two components of these charges are the Electric Capacity Fee for the off-site electric system, and Building Site Charge for the on-site electric costs. The electric development charges are typically increased annually to adjust for inflation and cost increases, however, no adjustment was made in 2005. The proposed 2006 changes include a two-year inflation adjustment, a new standard for larger residential service wire, the final 25% capital costs for substation transformer allocation and the final 25% capital costs for distribution transformers.

The following tables compare current fees with proposed fees for residential and commercial development:

ELECTRIC DEVELOPMENT FEES & CHARGES					
RESIDENTIAL					
Category	Charge	2004/2005	2006	% diff.	
Electric Capacity Fee	Per square foot	\$0.03395	\$0.03625	7%	
	Per lineal front foot	\$7.24	\$7.36	2%	
	Dwelling Unit	150A Single	\$891	\$952	7%
		200A Single	\$1,572	\$1584	1%
		150A Multi	\$625	\$635	2%
		200A Multi	\$1,049	\$1111	6%
Building Site Charges	Secondary Service	1/0	\$413	\$436	6%
		4/0	\$556	\$573	3%
		350	\$606	\$639	5%
		1/0 mobile	\$310	\$326	5%
		4/0 mobile	\$435	\$448	3%

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ELECTRIC DEVELOPMENT FEES & CHARGES COMMERCIAL					
Category	Charge	2004/2005	2006	% diff.	
Electric Capacity Fee	Per square foot	\$0.03395	\$0.03625	7%	
	Per lineal front foot	\$26.27	\$26.87	2%	
	Service Entrance (per 100 amps)	208V 1-ph	\$625	\$830	33%
		240V 1-Ph	\$721	\$957	33%
		208V 3-Ph	\$1,082	\$1,437	33%
		240V 3-Ph	\$1,249	\$1,658	33%
480V 3-Ph		\$2,498	\$3,316	33%	
Building Site Charges	Primary Circuit (1-ph)	\$6.32	\$6.51	3%	
	Primary Circuit (3-ph)	\$10.91	\$11.13	2%	
	Transformer Installation	\$1,789	\$1,806	1%	

The impact to a typical single family residence (8600 sq ft lot, 150 amp service) is an increase of \$108 from \$2,340 to \$2,448 or 4.6%.

STORMWATER

PIFs for stormwater (currently called basin fees) were previously adopted upon the completion of the stormwater master plan for each basin. In response to the flood of 1997, City Council changed the rainfall standard, which required a total rework of the stormwater master plans. The old master plans often included regional elements sized to handle additional runoff from development. The recently approved City-wide master plan includes a change in philosophy. All new development must now provide on site detention as specified in the master plan. Regional elements are sized to handle existing flows and to work in coordination with on site detention in new developments. City Council has adopted a city-wide, pay-as-you-go financing plan, funded from rates, for projects designed to solve existing problems. In recognition of these changes, the proposed stormwater PIFs are uniform throughout the city.

Although there is no "extra capacity" built into capital projects specifically for undetained new development, detained runoff from new development uses the existing system already paid for by existing rate payers. Developers should pay for a proportionate share of the system infrastructure as it exists at the time they develop. After paying for their share of the stormwater system in place at the time of development, new customers will pay their share of the future improvements through monthly rates.

The unit of measure used to allocate the value of the existing system between new customers and existing customers is acres of developed land, adjusted with a runoff coefficient (a measure of how water runs off various surfaces).

Proposed stormwater development fees are calculated by dividing the value of the current system, less outstanding debt, by the total acres of land (existing developed and developable) in the service area. This number is then adjusted by the average runoff coefficient for the system. The result is the unit value of the existing system per acre of developed land.

PROPOSED STORMWATER PLANT INVESTMENT FEE Single Family		
Component	Unit	Unit Cost
Unit Charge, \$ per acre		\$ 3,070
Runoff Coefficient	0.40	
Gross Developed Area, sq ft	18,330	
Gross Developed Area, acres (18,330/43,643)	0.42	
Total (\$3,070 x .40 x .42)		\$ 520*

*rounded

A stormwater PIF of \$3,070 per acre is recommended for 2006. This methodology results in stormwater PIFs that are fair to new and existing customers and are practical to administer.

Due to the changes in stormwater master planning philosophy and the change to a City-wide pay as you go program, funded from rates, direct meaningful comparisons to the previous stormwater basin fees are difficult. None the less, the following table shows the proposed 2006 stormwater PIF as compared to the previous basin fees.

Proposed 2006 Stormwater PIF Comparison				
Basin	Current Basin Fee (per acre)	Proposed PIF (per acre)	\$ Change	Change
Canal Importation	\$ 6,181	\$3,070	\$ -3,111	-50%
CooperSlough/ Boxelder**	\$ -	\$3,070	\$ 3,070	NA
Dry Creek	\$ 5,000	\$3,070	\$ -1,930	-39%
Evergreen/ Greenbriar*	\$10,000	NA	NA	NA
Foothills	\$ 6,525	\$3,070	\$ -3,455	-53%
Fossil Creek	\$ 2,274	\$3,070	\$ 796	35%
Fox Meadows	\$ 6,468	\$3,070	\$ -3,398	-53%
McClelland/ Mail Creek	\$ 3,717	\$3,070	\$ -647	-17%
Old Town	\$ 4,150	\$3,070	\$ -1,080	-26%
Poudre River**	\$ -	\$3,070	\$ 3,070	NA
Spring Creek	\$ 2,175	\$3,070	\$ 895	41%
West Vine	\$ 7,004	\$3,070	\$ -3,934	-56%
City Wide Avg	\$ 4,458	\$3,070	\$ -1,388	-31%

* Incorporated into the Dry Creek Basin

** No basin fee collected at this time

The stormwater PIF ordinance also includes two housekeeping changes:

- (1) The following sentence in Sec. 26-522. Disposition of fees and charges has been deleted: "If there are amounts in the fund in excess of the amount required to satisfy the purpose of the fund, the City Council may by ordinance authorize the transfer of such excess amount to any other fund of the city." This change is necessary to be consistent with the Charter provision in Article XII Municipal Public Utilities, Section 6 Municipal Utility Rates and Finances, which states "All net operating revenues of the city's utilities shall be held within the respective utility's fund and may be expended only for renewals, replacements, extraordinary repairs, extensions, improvements, enlargements and betterments to such utility, or other specific utility purpose determined by the Council to be beneficial to the ratepayers of said utilities."
- (2) All references to "basin fees" have been changed to "stormwater plant investment fees".

SUMMARY OF CHANGES AND COMPARISONS

The following table shows the overall impact of the proposed Plant Investment fees and Electric Development Charges on a typical single family residence. Single family customers represent 85% of our customer base.

OPTION A				
Impact on Single Family				
	Current	Proposed	Change	
Water*	\$3,362	\$3,890	15.7%	\$ 528
Wastewater	\$1,030	\$2,820	173.8%	\$1,790
Stormwater*	\$ 751	\$ 520	-30.8%	(\$ 231)
Electric*	\$2,340	\$2,448	4.6%	\$ 108
Total	\$7,483	\$9,678	29.3%	\$2,195

* Typical, based on lot size

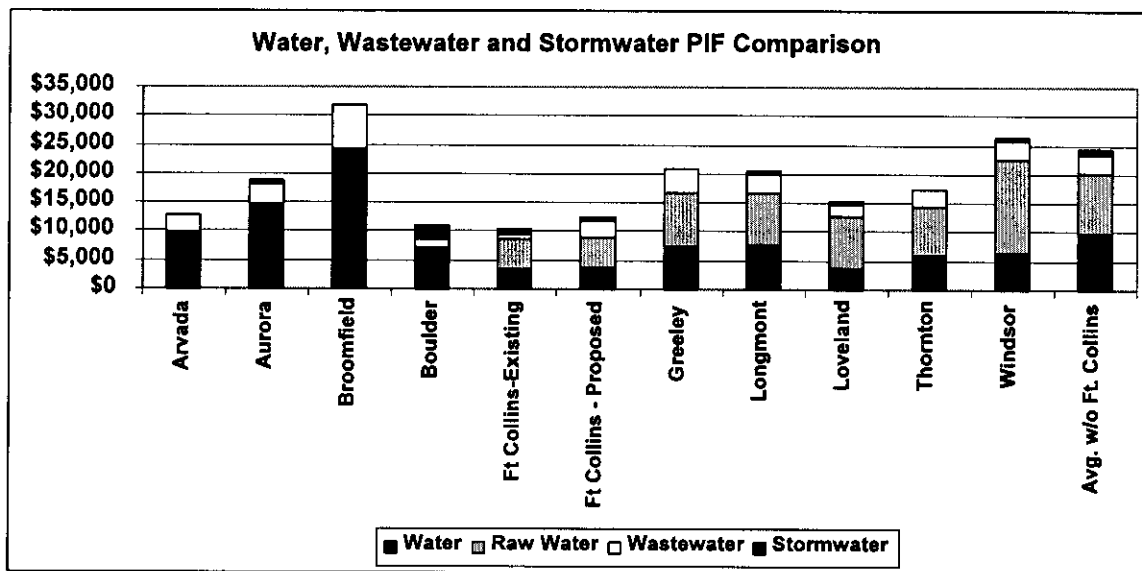
OPTION B				
	Current	Proposed	Change	
Water*	\$3,362	\$3,890	15.7%	\$528
Wastewater	\$1,030	\$1,627	58.0%	\$597
Stormwater*	\$751	\$520	-30.8%	(\$231)
Electric*	\$2,340	\$2,448	4.6%	\$108
Total	\$7,483	\$8,485	13.4%	\$1,002

Comparison to other utilities is difficult due to differences in customer use patterns, the unique capital needs of each utility, and different policy direction from governing bodies. The question of how we compare to other area utilities often arises. The table and graph below compare the impact of total development fees for a single family residence linked to the building permit process with some neighboring communities.

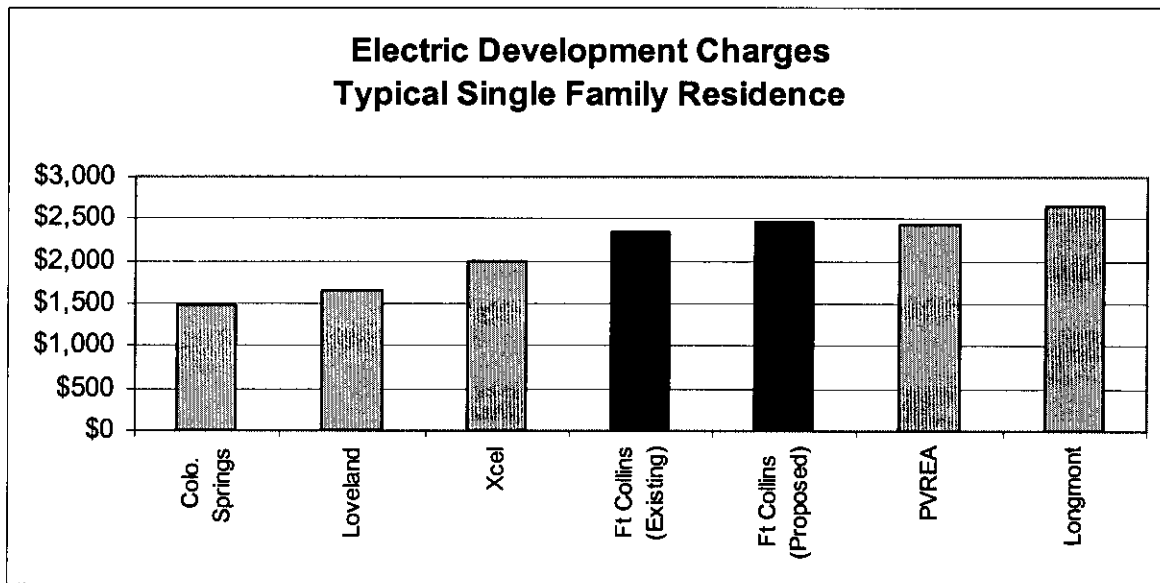
All comparisons are based on sewer PIF Option A.

Utility	Water	Raw Water	Wastewater	Stormwater (2)	Total
Arvada	\$ 9,885	\$0	\$2,860	\$0	\$12,745
Aurora	14,858	0	3,502	320	18,680
Broomfield	24,424	0	7,253	0	31,677
Boulder	7,345	0	1,405	2,110	10,860
Fort Collins-Existing	3,360	5,200	1,030	750 (3)	10,340
Fort Collins-2006 Proposed	3,890	5,200	2,820	520 (3)	12,430
Greeley	7,400	9,500(1)	3,900	0	20,800
Longmont	7,856	9,000(1)	3,000	650	20,506
Loveland	3,650	9,200(1)	1,940	490	15,280
Thornton	5,930	8,610	2,940	0	17,480
Windsor	6,300	16,400	3,000	630	26,330
Avg. w/o Ft. Collins	9,700	10,500	3,300	840	24,340

1. Water dedication fees requirements are 3 acre-ft/acre minimum. Calculation based on 8,600 sq ft residential lot.
2. Residential customer with 8,600 square foot lot and 0.4 impervious factor.
3. Typical residential customer based on gross developed acres. Gross developed acres can include open space and right-of-way.



The following is a similar graph for the electric development fees.



PUBLIC OUTREACH

Staff sent a letter explaining the proposed fee changes and an invitation to attend an informational open house to local builders and developers. Approximately five attended the open house and talked with staff. In addition, staff met with the Affordable Housing Board, the Home Builders Association and the Chamber of Commerce to discuss the proposed changes. The majority of the reaction from these groups to the proposed increases was negative.

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