

ORDINANCE NO.: 3714
INTRODUCED BY: Sandgren

AN ORDINANCE REPEALING ORDINANCE 3677 AND REENACTING AN ORDINANCE REVISING AND PRESCRIBING WATER RATES AND CHARGES FOR THE OPERATION AND MAINTENANCE OF THE WATER SYSTEM FOR THE CITY OF THORNTON, COLORADO.

WHEREAS, the City owns and operates a municipal water system pursuant to Chapter 74 of the Thornton City Code and establishes rates and charges for the municipal water system pursuant to such ordinance; and

WHEREAS, on February 27, 2024, the City adopted Ordinance 3677 which established water rates and charges; and

WHEREAS, this ordinance repeals Ordinance 3677 and reenacts an ordinance revising and prescribing water rates and charges for the operation and maintenance of the water system for the City of Thornton, Colorado.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF THORNTON, COLORADO, AS FOLLOWS:

1. Ordinance 3677 is hereby repealed in its entirety, effective January 1, 2025.
2. A new ordinance for the water rates and charges for the operation and maintenance of the water system is hereby enacted to read as follows:

Section 1. Definitions.

For purposes of this ordinance, the following definitions shall apply unless the context of the use of the words and phrases clearly require otherwise:

- 1.1 “Average Winter Consumption” or “AWC” means the average of monthly water meter readings for the billing periods representing November through February (the winter period). The AWC is calculated as winter period consumption divided by the winter period number of days multiplied by 30.42. The process of determining the AWC shall be repeated once each year. In the event that an AWC cannot be established or is not representative of actual use, then the class average for the same meter size shall be used until an AWC can be established.
- 1.2 “Accessory Dwelling Unit” or “ADU” means a second dwelling unit that is either located within a single-family detached dwelling or in an attached or detached structure on the same lot as the original dwelling.
- 1.3 “Augmentation Water” means water used for aesthetic purposes only and augmented with other releases within the City’s watercourses.
- 1.4 “Building” means a structure for the support or shelter of any use or occupancy.

- 1.5 “Commercial” service means service other than domestic, irrigation or industrial service, including but not limited to for-profit business and not-for-profit businesses.
- 1.6 “Customer” means the person shown on City records as being responsible for payment on the water and/or sewer and/or solid waste account.
- 1.7 “Domestic” or “residential” service means service to a single-family residence, a multifamily residence, a duplex, and a manufactured home.
- 1.8 “Duplex” means two dwelling units sharing a wall or other interconnections.
- 1.9 “Dwelling unit” means one or more rooms designed to accommodate one family and containing only one kitchen plus living, sanitary, and sleeping facilities.
- 1.10 “Inactive Connection” means a connection through which no measurable flow of water has registered on the assigned water meter in any billing period for 10 consecutive years or more, regardless of whether any payment for water or sewer was made during or after the 10 years. Measurable flow means at least 1,000 gallons of water.
- 1.11 “Industrial” service means any use which introduces water-carried wastes into the sewer system from industrial manufacturing or processing as distinct from or in addition to sanitary sewage, which discharge does, or is likely to, require pre-treatment and/or a substantial increased level of treatment or handling.
- 1.12 “Irrigation” service means any separately metered connections for non-potable or potable water with no discharge into the sanitary sewer system.
- 1.13 “Lot” means a designated area of land established by a plat and to be used, developed or built upon as a unit.
- 1.14 “Manufactured home” means a factory-assembled structure without permanent foundations and designed to be transported on its own wheels, arriving at the site as a complete dwelling unit. Removal of the wheels and placement on a foundation does not change its classification. The term "manufactured home" includes half units that are transported to the site on their own wheels and assembled. It does not include travel trailers, campers, camper buses, motor homes, or modular houses.
- 1.15 “Mixed Use Structure” means a single structure that requires two or more types of water service, for example, Commercial and Domestic development but is served by a single water service connection.
- 1.16 “Monthly Outdoor Allowance” or “MOA” means the amount of water allotted to each customer for outdoor usage. The Monthly Outdoor Allowance may be adjusted

administratively as necessary by the City Manager based on water supply projections to meet the stated water conservation goals of the City.

- 1.17 “Multifamily Residence” means a residential structure having three or more dwelling units within such lot.
- 1.18 “Non-Potable” means water that is not suitable for human consumption.
- 1.19 “Owner” means the fee owner of real property identified in the County property records.
- 1.20 “Potable” means water that is suitable for human consumption.
- 1.21 “Property” means the real property that is served by the City’s water and sewer system.
- 1.22 “Single-Family Residence” means any building situated on one lot with a single dwelling, and sharing no common wall, foundation, or other interconnection with another dwelling unit or other structure or use. An Accessory Dwelling Unit shall be exempt from the requirements for a separate and independent water service connection to the main.
- 1.23 “Single-Family Residential Equivalent” or “SFRE” means the capacity of sewer service or water service required for a single-family residence.
- 1.24 “Tampering” means any unauthorized opening of the meter pit that results in removal or any adjustment of the meter, Encoded Receiver Transmitter (ERT), or ERT wiring, or the turning on or off of any valves; installation of any water by-passing device in lieu of the City water meter; and any damage to the meter, meter pit, meter pit lid, ERT or dome.
- 1.25 “Tap” or “Tapping” means the physical point of connection of a water service line to the City’s potable water distribution system.
- 1.26 “Water Connection” means the point where a water service line attaches to a water main, thereby allowing water to flow from the City’s water system to an individual customer.

Section 2. Domestic, Commercial, Irrigation and Industrial Water Rates and Charges.

- 2.1 Budget Billing. The City Manager shall have the authority to promulgate a budget billing program that operates to equalize the monthly water service charges by averaging seasonal use variations. Any such program will be available to those residential customers who qualify under the guidelines established by the program on an elective basis.

- 2.2 Domestic Water Service Charge. The following monthly charges are established for domestic water service, regardless of the amount of water consumed.

Effective January 1, 2025

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 9.88	\$ 14.82
3/4	11.61	17.42
1	17.62	26.43
1-1/2	23.40	35.10
2	66.68	100.02
3	132.08	198.12
4	205.68	308.52
6 and larger	410.10	615.15

- 2.3 Domestic Water Quantity Charge. The following monthly charges per 1,000 gallons are established for domestic service:

Effective January 1, 2025

Tier	Allowed Monthly Usage	Inside City	Outside City
1	0 - Average Winter Consumption (AWC)	\$ 6.99	\$ 10.49
2	Monthly Outdoor Allowance (MOA)	6.99	10.49
3	SFR (20,000), all other 2X MOA	10.49	15.74
4	All Usage Above Tier 3	20.98	31.47

- 2.4 Commercial Water Service Charge. The following monthly charges are established for commercial water service, regardless of the amount of water consumed:

Effective January 1, 2025

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 9.88	\$ 14.82
3/4	11.61	17.42
1	17.62	26.43
1-1/2	23.40	35.10
2	66.68	100.02
3	132.08	198.12
4	205.68	308.52
6 and larger	410.10	615.15

- 2.5 Commercial Water Quantity Charge. The following monthly charges per 1,000 gallons are established for commercial service:

Effective January 1, 2025

Tier	Allowed Monthly Usage	Inside City	Outside City
1	0 - AWC	\$ 6.99	\$ 10.49
2	> AWC up to AWC + MOA	6.99	10.49
3	> AWC + MOA up to AWC + 2x MOA	9.00	13.50
4	All Usage Above Tier 3	17.99	26.99

- Irrigation Water Service Charge. The following monthly charges are established for irrigation service, regardless of the amount of water consumed:

Effective January 1, 2025

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 9.88	\$ 14.82
3/4	11.61	17.42
1	17.62	26.43
1-1/2	23.40	35.10
2	66.68	100.02
3	132.08	198.12
4	205.68	308.52
6 and larger	410.10	615.15

- 2.6 Irrigation Water Quantity Charge. The following monthly charges per 1,000 gallons are established for irrigation service:

Effective January 1, 2025

Tier	Allowed Monthly Usage	Non-Potable	Potable Inside City	Potable Outside City
1	Augmentation Water	\$ 0.79	N/A	N/A
2	Monthly Outdoor Allowance (MOA)	2.78	9.29	13.94
3	> MOA up to 2x MOA	N/A	13.93	20.90
4	All Usage Above Tier 3	N/A	27.86	41.79

- 2.7 Industrial Charges. Monthly charges to industrial customers shall be the subject of a contract reflecting any additional burden on the City that is caused by the volume, time of demand and delivery of water to the industrial customer.

Section 3. Miscellaneous Billing Charges.

3.1 Temporary Water Service from Fire Hydrant Meter. Temporary connection to the City's water system is permissible in accordance with Section 74-225 of the Thornton City Code.

- A. Charges. A \$2,500 refundable deposit shall be paid to the City upon application for a temporary connection to the City water system. The City shall charge a monthly service fee and a quantity charge per 1,000 gallons of water for metered connection to a fire hydrant. The charge and the quantity charge shall apply based on the rates defined in the Ordinance when the hydrant meter is returned or presented to, and read by, City staff. The charge for the monthly rental fee is \$40. The charge per 1,000 gallons of water is \$9.29.

The renter shall be charged for loss of, or failure to return a fire hydrant meter at current replacement cost for the type of hydrant meter rented. Such charges, as well as charges for damages to the meter, actual or estimated quantity charges, and rental charges, will be deducted from the deposit. When the charges exceed the deposit, the renter will be billed for the balance due. If the charges are less than the deposit, the renter will receive a refund for the difference.

- B. Transportation Prohibited. Water drawn pursuant to this Section 3.1 shall only be used on City approved projects. Transporting water drawn pursuant to this Section 3.1 for use not approved by the City is prohibited and violation of this Section 3.1 is subject to the provisions of Section 1-8 of the Code.

3.2 Late Charge. A late charge of \$10.00 shall be added each month to any account on which all charges are not paid by the due date as stated on the monthly bill.

3.3 Master Meter and Meter Accuracy Testing Charge. The Utilities Operations Division performs master meter testing and meter accuracy testing at the customer's request. If the test results prove that the meter is functioning properly, then the customer shall be charged for the accuracy test based on the size of meter being tested. For meters 1" or smaller the charge is established as \$50.00. For meters 1-1/2" and larger the charge is established as \$145.00. If the meter is found to be operating outside acceptable American Water Works Association (AWWA) tolerances, then there shall be no charge to the customer.

3.4 New Account Charge. When a request is made by a customer to have water service provided, or to change a name on any water account, a new account charge of \$20.00 will be added. Exceptions to this charge include: 1) name changes on an account due to marriage, dissolution of marriage, and inheritance; and 2) changes to the forwarding address of the owner.

3.5 Nonpayment (Turn-off/Turn-on) Charge and Water Restoration.

- A. Turn-off/Turn-on Charge. When water is turned off due to delinquency, a charge of \$40.00 will be imposed and added to the customer's account. Water shall be turned off at the meter box; provided, however, if water is turned on, caused to be turned on, or is being used by the customer without authorization by the City; or if the meter pit and valve controlling the service are not readily accessible, the service may be turned off at the main by the City.
- B. Water Restoration. Before water service is restored, all Nonpayment Charges, Late Charges, Tampering Charges, and all delinquent charges must be paid.

3.6 Reinspection Charge for Meter and/or Vault Installation. A reinspection charge of \$35.00 shall apply for each inspection after initial installation inspection. The fee shall be paid prior to any additional inspection being performed by the City.

3.7 Returned Check Charge. An \$18.00 service charge shall apply for returned and dishonored checks received by the City.

3.8 Tampering Charges. When tampering has occurred, as defined in Section 1.18, the following charges will be added to the account where the meter is located, plus an additional cost incurred in identifying and correcting the tampering problem. Water will not be restored until all delinquent and tampering charges have been paid.

1st Occurrence	\$	100.00
2nd Occurrence		200.00
3rd Occurrence		300.00

Section 4. Fire Protection.

4.1 Private Fire Line Charge. The following monthly charges shall apply for each private fire line:

Effective January 1, 2025

Meter (inches)		Inside City
2	\$	30.16
4		75.01
6		150.03
8 and larger		292.55

4.2 Public Fire Protection for Outside City. The following monthly charges are established for public fire protection connections outside the City limits:

Effective January 1, 2025

Meter (inches)	Charge
5/8 by 3/4	\$ 8.01
3/4	12.83
1	19.15
1-1/2	34.21
2	49.54
3	121.32
4	206.68
6 and larger	413.43

Section 5. Water Tapping.

All taps to water mains shall be performed by a licensed City contractor at the expense of the applicant.

Section 6. Water Service Connection Fees.

The following categories of fees are water service fees and are referred to herein as connection fees. Connection fees shall be paid in addition to any other applicable fees otherwise established herein. The City is exempt from payment of connection fees for city buildings, irrigation sprinkler systems, restrooms, drinking fountains, or artwork utilizing water as part of the artwork installed to serve any public parks, rights-of-way, open space, or medians, or for irrigation of landscaping for any City-owned facility so long as a separate irrigation connection for landscaping is established. The City shall not be exempt from payment of the meter fee for water meters.

6.1 Time of Payment:

- a. Connection fees for buildings, other than individually metered mobile homes shall be paid at time of permit issuance. If the permit expires, additional fees shall apply upon renewal, and subject to the current fee schedule.
- b. Connection fees for buildings, other than individually metered mobile homes, outside the City limits cannot be paid until after the City has received the certification from a Professional Engineer licensed in the State of Colorado that the yard sewer is installed in accordance with the current version of the City's "Standards and Specifications for the Design and Construction of Public Improvements" or as approved by a City designee.

- c. Connection fees for individually metered mobile homes cannot be paid until any time after the date of the building permit approving the set-up of the mobile home from the City or Adams County.
- d. Connection fees for irrigation connections shall be paid at the time of permit issuance and prior to initial acceptance of improvement by City. If the permit expires, additional fees shall apply upon renewal, and subject to the current fee schedule. Such fees shall be calculated in accordance with the fees in effect at the time the City receives full payment of the fees. For irrigation connections that are to serve lands owned by, or to be dedicated to, the City, the owner or developer shall pay the connection fees for any irrigation connections required at the time designated in this ordinance or as established in a Developer's Agreement, Annexation Agreement, or other agreement, but in no event later than when the meter is requested to be set and prior to initial acceptance of the improvement by the City.

6.2 General Fees:

a. Domestic Connection (Individually Metered Unit).

Effective January 1, 2025

Each Individual Living Unit	Water Meter	Water Connection	Water Resource	Constr. Water
Single-Family (up to 5,000 sq. ft.)	\$ 104	\$ 7,410	\$ 25,403	\$ 83
Single-Family (5,001 - 6,999 sq. ft.)	104	10,812	33,502	83
Single-Family (7,001 - 8,999 sq. ft.)(1)	104	12,148	36,816	83
Duplex	104	5,600	20,194	83
Manufactured Home	104	5,126	20,469	83
Multifamily	104	3,446	14,974	83

(1) Incremental fee of \$954 per 1,000 sq. ft. proposed for lot sizes greater than 8,999 sq. ft.

b. Multifamily (Master Meter) Connection.

Effective January 1, 2025

Meter (inches)	Water Meter	Per Unit Water Connection	Per Unit Water Resource	Constr. Water
5/8 by 3/4	\$ 104	\$ 5,751	\$ 21,842	\$ 83
3/4	122	5,751	21,842	83
1	187	5,751	21,842	211
1-1/2	373	5,751	21,842	211
2	1,790	5,751	21,842	211
3	2,224	5,751	21,842	524
4	3,462	5,751	21,842	524

Fees for Larger Meter sizes are available upon request

c. Commercial Connection.

Effective January 1, 2025

Meter (inches)	Water Meter	Water Connection	Water Resource	Constr. Water
5/8 by 3/4	\$ 104	\$ 12,148	\$ 36,816	\$ 76
3/4	122	20,246	61,360	76
1	187	32,394	98,176	192
1-1/2	373	40,493	122,720	192
2	1,790	127,577	392,703	192
3	2,224	259,154	785,406	477
4	3,462	404,929	1,227,197	477

Fees for Larger Meter sizes are available upon request

- d. Irrigation Connection – Potable Water. The irrigation meter shall be sized based upon the irrigation construction drawings approved by the City and as described in the City's Standards and Specifications, Section 809: Irrigation Systems. In no circumstance shall the demand on the downstream side of the meter be greater than the maximum continuous flow limitations of the approved irrigation meter.

Effective January 1, 2025

Meter (inches)	Water Meter	Water Connection	Water Resource
5/8 by 3/4	\$ 104	\$ 12,148	\$ 36,816
3/4	122	20,246	61,360
1	187	32,394	98,176
1-1/2	373	40,493	122,720
2	645	129,577	392,703
3	842	259,154	785,406
4	1,092	404,929	1,227,197

- e. Irrigation Connection – Non-Potable Water. Fees available upon request and will be based on cost to install service.
- f. Mixed Use Connection. The connection fees for Mixed Use Structures shall be determined on a case-by-case basis and will equal the connection fee charged for the predominant use within the Mixed Use Structure, as determined by the City. The predominant use of the Mixed Use Structure shall be determined by whichever service type has most of the flow rate based upon water fixture units, as calculated per the International Plumbing Code.
- g. Industrial Use Connection. Water service for industrial use shall be provided on an individual contract basis reflecting any additional burden on the City that is caused by the volume, time of demand and delivery of water to the industrial customer.

6.3 Water Connection fees for redeveloped property.

When a lot, tract or subdivided or unplatted real property (hereafter, "Property") currently served by water connections, is to be redeveloped for any purpose which requires enlargement, relocation or replacement of the existing connections, connection fees will be as follows:

When redevelopment of any type occurs on Property that is, at the time of Development to be served by the City's Utility System (hereafter "Utility System" which shall mean for purposes of this Section, connections to the City's Sewer system and/or Water system, as said systems are defined in Section 74-87 of the Code) connection fees shall be imposed as follows:

Connection fees for redevelopment will be calculated based upon the difference between the size of any pre-existing connections to the Utility System for a particular type of use and the applicable fees for the size of any new connections. Consequently, the value of any pre-existing connection may be used as a credit for payment of the new connection fee to serve any Property associated with redevelopment.

The difference between connection charges shall be calculated using the fees established in the City Rate Ordinance in effect at the time payment for the redevelopment is paid to the City. The City will not refund money for connection fees paid and will not allow a credit for a future connection fees to be paid, except as specifically stated in a development or redevelopment agreement.

- 6.4 Decreased Connection or Connections. The City will not refund any money or allow a future credit for a connection decreased in size or for connections decreased in total number when the property currently served by such connections is redeveloped.
- 6.5 Inactive Connection. Upon reactivation, an inactive connection shall be considered a new connection and connection fees in effect shall apply for the Water Connection, Water Resource, Water Meter, Construction Water. The City will not refund any money or allow a future credit.
- 6.6 Eastlake Customer Service Charge. In addition to charges paid for water consumption, each individual customer within the Eastlake Service Area (as defined in Exhibit A of that certain intergovernmental agreement ("IGA") between the Eastlake Water and Sanitation District and the City of Thornton, dated April 27, 2004) that has elected to pay the Connection Cost for connection to the City's water system in installments, pursuant to the IGA, shall pay an additional monthly charge of \$49.78 until such time as the entire balance of such customer's individual total Connection Cost of \$7,543 has been paid in full.

Section 7. Adjustments by City Manager.

The City Manager shall have the authority to determine that the public interest is best served by:

- 7.1 Water Service Connection Fee and Rate Classification Determination. Making determinations regarding the most appropriate category of connection fee and placement of customers within the most appropriate rate classification (domestic, commercial, irrigation or industrial) in keeping with the intent of this Ordinance.
- 7.2 Adjustment to AWC or Monthly Outdoor Allowance. Adjusting the AWC or Monthly Outdoor Allowance for specific accounts where the prescribed calculations provide amounts that are significantly different than the customer's actual and reasonable usage.
- 7.3 Adjustment to Water Quantity Charge. Adjusting the water quantity charge to a Tier 2 rate due to a specific non-recurring failure of a customer's water line or other loss where the evidence indicates the loss was neither intentional nor due to negligence and corrected within a reasonable period of time.
- 7.4 Waiver of Charges. Waiving charges contained in Section 3 when deemed appropriate.

Section 8. Adjustment for Drought Declaration.

City Council shall be required to review and change as necessary all rates and Monthly Outdoor Allowances at such time that the City Council or City Manager revises the declared drought stage.

Section 9. Thornton Water Assistance Program.

The Thornton Water Assistance Program (Program) is intended to provide short-term assistance to Thornton Water Utility customers meeting qualifying criteria during difficult economic times. The Program is not intended to be permanent nor supersede any other programs or payment arrangements for customers currently offered to Thornton utility customers.

- 9.1 Qualification Criteria. To qualify for this Program, the Customer must provide evidence that the Customer's household income does not exceed 60% of the state median income level (as determined annually by the U.S. Department of Health and Human Services) OR provide evidence that the Customer qualifies for any other assistance program for which the criteria is equal to or more restrictive than 60% of the state median income level for the year in which the Customer seeks assistance. Examples of such other programs include: Low Income Energy Assistance Program and Temporary Assistance for Needy Families. The City may utilize a third-party entity to determine qualification of applicants. The customer will need to reapply each year to receive assistance.

- 9.2 Program Funding. Funding is established by City Council through the annual budget appropriation process.
- 9.3 Assistance. Qualifying Customers will be eligible for a one-time credit against their water utility bill, or in the case where the customer resides in a multifamily master meter community, a one-time payment made payable to the property management company or leasing agent.
- 9.4 Ineligible Customers. Thornton Water utility customers who have been assessed a fee for tampering associated with their water meter within the last three years are not eligible for this Program. Customers who provide false information or tamper with the meter shall be removed from the Program.
- 9.5 Other. Customers receiving assistance under this Program will still be subject to all provisions of this Ordinance including late fees and service disconnection fees and policies.

Section 10. Severability of Invalid Provision.

If any portion of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the constitutionality or validity of the remaining portions of this Ordinance. City Council hereby declares that it would have passed this Ordinance and each part hereof irrespective of the fact that any one part be declared unconstitutional or invalid.

Section 11. Saving Clause.

The repeal or amendment of any provision of the Code by this Ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

Section 12. Effective Date.

12.1 Effective Date. This Ordinance shall take effect on January 1, 2025.

12.2 Prior Special Merit Designation. Any developer of a multifamily residential project where Special Merit Designation was approved by the City Council on or before October 17, 2002 shall be allowed to pay the 2002 City water development fees set forth in Ordinance 2698 for that project until the Special Merit Designation expires, except for the Water Meter fees set forth above.

INTRODUCED, READ, PASSED on first reading, ordered posted in full, and title ordered published by the City Council of the City of Thornton, Colorado, on October 22, 2024.

PASSED AND ADOPTED on second and final reading on November 19, 2024.

CITY OF THORNTON, COLORADO

DocuSigned by:

Jan Kulmann

442A426A356B495...

Jan Kulmann, Mayor

ATTEST:

Signed by:

Kristen N. Rosenbaum

D57962BD4ECE4A2...

Kristen N. Rosenbaum, City Clerk

THIS ORDINANCE IS ON FILE IN THE CITY CLERK'S OFFICE FOR PUBLIC INSPECTION.

APPROVED AS TO LEGAL FORM:

DocuSigned by:

Tami Yellico

68AB059BB4624C8

Tami Yellico, City Attorney

PUBLICATION:

Posted at City Hall, Margaret W. Carpenter Recreation Center, Thornton Active Adult Center, and Trail Winds Recreation Center after first and second readings.

Published on the City's official website after first reading on October 23, 2024, and after second and final reading on November 20, 2024.

COUNCIL COMMUNICATION

Meeting Date: November 19, 2024	Agenda Item: 10F	Agenda Location: CONSENT CALENDAR	<div>1st Reading</div> <div><input checked="" type="checkbox"/> 2nd Reading</div>
Subject: An ordinance repealing Ordinance 3677 and reenacting an ordinance revising and prescribing water rates and charges for the operation and maintenance of the water system for the City of Thornton, Colorado.			
Department Head Review: Kimberly Newhart, Finance Director		Approved by: Brett Henry, Interim City Manager	Ordinance previously introduced by: <div>Sandgren</div>
Presenter(s): Kimberly Newhart, Finance Director			

SYNOPSIS:

The purpose of this item is to repeal Ordinance 3631 and reenact an ordinance prescribing water rates and charges for the operation and maintenance of the water system.

RECOMMENDATION:

Staff recommends Alternative No. 1, adopt the proposed water rate and charges ordinance.

BUDGET/STAFF IMPLICATIONS:

The proposed ordinance change will increase water rate revenue by approximately \$6.3M in 2025.

ALTERNATIVES:

1. Approve the resolution as recommended.
2. Do not approve the resolution.

BACKGROUND (ANALYSIS/NEXT STEPS/HISTORY): (includes previous City Council action)

The proposed ordinance reflects an 11% rate increase in water rates, effective January 1, 2025. The water rate increase will result in an estimated average residential winter bill of \$39.59, or an average increase of approximately \$3.91 per month, and an estimated average residential summer bill of \$79.78, or an average increase of approximately \$7.88 per month.

The proposed ordinance reflects an average fee increase of 19% in water connection fees, effective January 1, 2025.

City Council adopted Ordinance 3677 on February 27, 2024, prescribing the water rates and charges for 2024.

ATTACHMENTS:

Attachment A: Summary of Changes

ATTACHMENT A

SUMMARY OF CHANGES

Domestic Water Service Charge. The following monthly charges are established for domestic water service, regardless of the amount of water consumed.

~~Effective April 1, 2024~~

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 8.90	\$ 13.35
3/4	10.46	15.69
1	15.87	23.81
1-1/2	21.08	31.62
2	60.07	90.11
3	118.99	178.49
4	185.30	277.95
6 and larger	369.46	554.19

Effective January 1, 2025

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 9.88	\$ 14.82
3/4	11.61	17.42
1	17.62	26.43
1-1/2	23.40	35.10
2	66.68	100.02
3	132.08	198.12
4	205.68	308.52
6 and larger	410.10	615.15

Domestic Water Quantity Charge. The following monthly charges per 1,000 gallons are established for domestic service:

~~Effective April 1, 2024~~

Tier	Allowed Monthly Usage	Inside City	Outside City
1	Average Winter Consumption (AWC)	\$ 6.30	\$ 9.45
2	Monthly Outdoor Allowance (MOA)	6.30	9.45
3	SFR (20,000), all other 2X MOA	9.45	14.18
4	All Usage Above Tier 3	18.90	28.35

Effective January 1, 2025

Tier	Allowed Monthly Usage	Inside City	Outside City
1	0 - Average Winter Consumption (AWC)	\$ 6.99	\$ 10.49
2	Monthly Outdoor Allowance (MOA)	6.99	10.49

3	SFR (20,000), all other 2X MOA	10.49	15.74
4	All Usage Above Tier 3	20.98	31.47

Commercial Water Service Charge. The following monthly charges are established for commercial water service, regardless of the amount of water consumed:

~~Effective April 1, 2024~~

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 8.90	\$ 13.35
3/4	10.46	15.69
1	15.87	23.81
1-1/2	21.08	31.62
2	60.07	90.11
3	118.99	178.49
4	185.30	277.95
6 and larger	369.46	554.19

Effective January 1, 2025

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 9.88	\$ 14.82
3/4	11.61	17.42
1	17.62	26.43
1-1/2	23.40	35.10
2	66.68	100.02
3	132.08	198.12
4	205.68	308.52
6 and larger	410.10	615.15

Commercial Water Quantity Charge. The following monthly charges per 1,000 gallons are established for commercial service:

~~Effective April 1, 2024~~

Tier	Allowed Monthly Usage	Inside City	Outside City
1	0 – AWC	\$6.30	\$9.45
2	> AWC up to AWC + MOA	6.3	9.45
3	> AWC + MOA up to AWC + 2x MOA	8.11	12.17
4	All Usage Above Tier 3	16.21	24.32

Effective January 1, 2025

Tier	Allowed Monthly Usage	Inside City	Outside City
1	0 - AWC	\$ 6.99	\$ 10.49
2	> AWC up to AWC + MOA	6.99	10.49
3	> AWC + MOA up to AWC + 2x MOA	9.00	13.50
4	All Usage Above Tier 3	17.99	26.99

Irrigation Water Service Charge. The following monthly charges are established for irrigation service, regardless of the amount of water consumed:

~~Effective April 1, 2024~~

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 8.90	\$ 13.35
3/4	10.46	15.69
1	15.87	23.81
1-1/2	21.08	31.62
2	60.07	90.11
3	118.99	178.49
4	185.30	277.95
6 and larger	369.46	554.19

Effective January 1, 2025

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 9.88	\$ 14.82
3/4	11.61	17.42
1	17.62	26.43
1-1/2	23.40	35.10
2	66.68	100.02
3	132.08	198.12
4	205.68	308.52
6 and larger	410.10	615.15

Irrigation Water Quantity Charge. The following monthly charges per 1,000 gallons are established for irrigation service:

Effective April 1, 2024

Tier	Allowed Monthly Usage	Non-Potable	Potable Inside City	Potable Outside City
1	Augmentation Water	\$ 0.71	N/A	N/A
2	Monthly Outdoor Allowance (MOA)	2.50	8.37	12.56
3	> MOA up to 2x MOA	N/A	12.55	18.83
4	All Usage Above Tier 3	N/A	25.10	37.65

Effective January 1, 2025

Tier	Allowed Monthly Usage	Non-Potable	Potable Inside City	Potable Outside City
1	Augmentation Water	\$ 0.79	N/A	N/A
2	Monthly Outdoor Allowance (MOA)	2.78	9.29	13.94
3	> MOA up to 2x MOA	N/A	13.93	20.90
4	All Usage Above Tier 3	N/A	27.86	41.79

Miscellaneous Billing Charges: Temporary Water Service from Fire Hydrant Meter. Temporary connection to the City's water system is permissible in accordance with Section 74-225 increased from \$1,400 to a \$2,500 refundable deposit, and the charge per 1,000 gallons increased from \$8.37 to \$9.29.

Private Fire Line Charge. The following monthly charges shall apply for each private fire line:

Effective April 1, 2024

Meter (inches)	Inside City
2	\$ 27.17
4	67.58
6	135.16
8 and larger	263.56

Effective January 1, 2025

Meter (inches)	Inside City
2	\$ 30.16
4	75.01
6	150.03
8 and larger	292.55

Public Fire Protection for Outside City. The following monthly charges are established for public fire protection connections outside the City limits:

~~Effective April 1, 2024~~

<u>Meter (inches)</u>	<u>Charge</u>
5/8 by 3/4	\$ 7.22
3/4	11.56
1	17.25
1-1/2	30.82
2	44.63
3	109.30
4	186.20
6 and larger	372.46

Effective January 1, 2025

<u>Meter (inches)</u>	<u>Charge</u>
5/8 by 3/4	\$ 8.01
3/4	12.83
1	19.15
1-1/2	34.21
2	49.54
3	121.32
4	206.68
6 and larger	413.43

Domestic Connection (Individually Metered Unit).

~~Effective 1/1/2024~~

<u>Each Individual Living Unit</u>	<u>Water Meter</u>	<u>Water Connection</u>	<u>Water Resource</u>	<u>Constr. Water</u>
Single Family (lot size up to 7,000 sq. ft.)	\$181	\$ 7,430	\$ 24,660	\$ 39
Single Family (lot size 7,001 – 8,999 sq. ft.)(1)	181	9,650	30,444	39
Duplex	181	5,478	19,677	39
Manufactured Home	181	4,046	17,940	39
Multifamily	181	2,620	13,356	39
(1) Incremental fee of \$783 per 1,000 sq. ft. proposed for lot sizes greater than 8,999 sq. ft.				

Effective January 1, 2025

Each Individual Living Unit	Water Meter	Water Connection	Water Resource	Constr. Water
Single-Family (up to 5,000 sq. ft.)	\$ 104	\$ 7,410	\$ 25,403	\$ 83
Single-Family (5,001 - 6,999 sq. ft.)	104	10,812	33,502	83
Single-Family (7,001 - 8,999 sq. ft.)(1)	104	12,148	36,816	83
Duplex	104	5,600	20,194	83
Manufactured Home	104	5,126	20,469	83
Multifamily	104	3,446	14,974	83

(1) Incremental fee of \$954 per 1,000 sq. ft. proposed for lot sizes greater than 8,999 sq. ft.

Multifamily (Master Meter) Connection.

Effective January 1, 2024

Meter (inches)	Water Meter	Per Unit Water Connection	Per Unit Water Resource	Constr. Water
5/8 by 3/4	\$ 181	\$ 4,804	\$ 18,993	\$ 39
3/4	242	4,804	18,993	39
1	297	4,804	18,993	99
1-1/2	408	4,804	18,993	99
2	1,838	4,804	18,993	99
3	2,059	4,804	18,993	246
4	2,841	4,804	18,993	246

Effective January 1, 2025

Meter (inches)	Water Meter	Per Unit Water Connection	Per Unit Water Resource	Constr. Water
5/8 by 3/4	\$ 104	\$ 5,751	\$ 21,842	\$ 83
3/4	122	5,751	21,842	83
1	187	5,751	21,842	211
1-1/2	373	5,751	21,842	211
2	1,790	5,751	21,842	211
3	2,224	5,751	21,842	524
4	3,462	5,751	21,842	524

Commercial Connection.

Effective January 1, 2024

Meter (inches)	Water Meter	Water Connection	Water Resource	Constr. Water
5/8 by 3/4	\$ 181	\$ 9,650	\$ 30,444	\$ 39
3/4	242	16,083	50,740	39
1	297	25,733	81,184	99
1-1/2	408	32,166	101,480	99
2	1,838	102,931	324,737	99
3	2,059	205,862	649,474	246
4	2,841	321,659	1,014,803	246

Effective January 1, 2025

Meter (inches)	Water Meter	Water Connection	Water Resource	Constr. Water
5/8 by 3/4	\$ 104	\$ 12,148	\$ 36,816	\$ 76
3/4	122	20,246	61,360	76
1	187	32,394	98,176	192
1-1/2	373	40,493	122,720	192
2	1,790	127,577	392,703	192
3	2,224	259,154	785,406	477
4	3,462	404,929	1,227,197	477

Irrigation Connection – Potable Water.

Effective January 1, 2024

Meter (inches)	Water Meter	Water Connection	Water Resource
5/8 by 3/4	\$ 181	\$ 9,650	\$ 30,444
3/4	242	16,083	50,740
1	297	25,733	81,184
1-1/2	716	32,166	101,480
2	786	102,931	324,737
3	894	205,862	649,474
4	1,131	321,659	1,014,803

Effective January 1, 2025

Meter (inches)	Water Meter	Water Connection	Water Resource
5/8 by 3/4	\$ 104	\$ 12,148	\$ 36,816
3/4	122	20,246	61,360
1	187	32,394	98,176
1-1/2	373	40,493	122,720
2	645	129,577	392,703
3	842	259,154	785,406
4	1,092	404,929	1,227,197

COUNCIL COMMUNICATION

Meeting Date: October 22, 2024	Agenda Item: 12C	Agenda Location: ACTION ITEMS	<input checked="" type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading
Subject: An ordinance repealing Ordinance 3677 and reenacting an ordinance revising and prescribing water rates and charges for the operation and maintenance of the water system for the City of Thornton, Colorado.			
Department Head Review: Kimberly Newhart, Finance Director		Approved by: Brett Henry, Interim City Manager	Ordinance previously introduced by:
Presenter(s): Kimberly Newhart, Finance Director			

SYNOPSIS:

The purpose of this item is to repeal Ordinance 3631 and reenact an ordinance prescribing water rates and charges for the operation and maintenance of the water system.

RECOMMENDATION:

Staff recommends Alternative No. 1, adopt the proposed water rate and charges ordinance.

BUDGET/STAFF IMPLICATIONS:

The proposed ordinance change will increase water rate revenue by approximately \$6.3M in 2025.

ALTERNATIVES:

- 1. Approve the resolution as recommended.
- 2. Do not approve the resolution.

BACKGROUND (ANALYSIS/NEXT STEPS/HISTORY): (includes previous City Council action)

The proposed ordinance reflects an 11% rate increase in water rates, effective January 1, 2025. The water rate increase will result in an estimated average residential winter bill of \$39.59, or an average increase of approximately \$3.91 per month, and an estimated average residential summer bill of \$79.78, or an average increase of approximately \$7.88 per month.

The proposed ordinance reflects an average fee increase of 19% in water connection fees, effective January 1, 2025.

City Council adopted Ordinance 3677 on February 27, 2024, prescribing the water rates and charges for 2024.

ATTACHMENTS:

Attachment A: Summary of Changes

ATTACHMENT A

SUMMARY OF CHANGES

Domestic Water Service Charge. The following monthly charges are established for domestic water service, regardless of the amount of water consumed.

~~Effective April 1, 2024~~

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 8.90	\$ 13.35
3/4	10.46	15.69
1	15.87	23.81
1-1/2	21.08	31.62
2	60.07	90.11
3	118.99	178.49
4	185.30	277.95
6 and larger	369.46	554.19

Effective January 1, 2025

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 9.88	\$ 14.82
3/4	11.61	17.42
1	17.62	26.43
1-1/2	23.40	35.10
2	66.68	100.02
3	132.08	198.12
4	205.68	308.52
6 and larger	410.10	615.15

Domestic Water Quantity Charge. The following monthly charges per 1,000 gallons are established for domestic service:

~~Effective April 1, 2024~~

Tier	Allowed Monthly Usage	Inside City	Outside City
1	Average Winter Consumption (AWC)	\$ 6.30	\$ 9.45
2	Monthly Outdoor Allowance (MOA)	6.30	9.45
3	SFR (20,000), all other 2X MOA	9.45	14.18
4	All Usage Above Tier 3	18.90	28.35

Effective January 1, 2025

Tier	Allowed Monthly Usage	Inside City	Outside City
1	0 - Average Winter Consumption (AWC)	\$ 6.99	\$ 10.49
2	Monthly Outdoor Allowance (MOA)	6.99	10.49

3	SFR (20,000), all other 2X MOA	10.49	15.74
4	All Usage Above Tier 3	20.98	31.47

Commercial Water Service Charge. The following monthly charges are established for commercial water service, regardless of the amount of water consumed:

~~Effective April 1, 2024~~

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 8.90	\$ 13.35
3/4	10.46	15.69
1	15.87	23.81
1-1/2	21.08	31.62
2	60.07	90.11
3	118.99	178.49
4	185.30	277.95
6 and larger	369.46	554.19

Effective January 1, 2025

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 9.88	\$ 14.82
3/4	11.61	17.42
1	17.62	26.43
1-1/2	23.40	35.10
2	66.68	100.02
3	132.08	198.12
4	205.68	308.52
6 and larger	410.10	615.15

Commercial Water Quantity Charge. The following monthly charges per 1,000 gallons are established for commercial service:

~~Effective April 1, 2024~~

Tier	Allowed Monthly Usage	Inside City	Outside City
1	0 – AWC	\$6.30	\$9.45
2	> AWC up to AWC + MOA	6.3	9.45
3	> AWC + MOA up to AWC + 2x MOA	8.11	12.17
4	All Usage Above Tier 3	16.21	24.32

Effective January 1, 2025

Tier	Allowed Monthly Usage	Inside City	Outside City
1	0 - AWC	\$ 6.99	\$ 10.49
2	> AWC up to AWC + MOA	6.99	10.49
3	> AWC + MOA up to AWC + 2x MOA	9.00	13.50
4	All Usage Above Tier 3	17.99	26.99

Irrigation Water Service Charge. The following monthly charges are established for irrigation service, regardless of the amount of water consumed:

~~Effective April 1, 2024~~

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 8.90	\$ 13.35
3/4	10.46	15.69
1	15.87	23.81
1-1/2	21.08	31.62
2	60.07	90.11
3	118.99	178.49
4	185.30	277.95
6 and larger	369.46	554.19

Effective January 1, 2025

Meter (inches)	Inside City	Outside City
5/8 or Single Family	\$ 9.88	\$ 14.82
3/4	11.61	17.42
1	17.62	26.43
1-1/2	23.40	35.10
2	66.68	100.02
3	132.08	198.12
4	205.68	308.52
6 and larger	410.10	615.15

Irrigation Water Quantity Charge. The following monthly charges per 1,000 gallons are established for irrigation service:

~~Effective April 1, 2024~~

Tier	Allowed Monthly Usage	Non-Potable	Potable Inside City	Potable Outside City
1	Augmentation Water	\$ 0.71	N/A	N/A
2	Monthly Outdoor Allowance (MOA)	2.50	8.37	12.56
3	> MOA up to 2x MOA	N/A	12.55	18.83
4	All Usage Above Tier 3	N/A	25.10	37.65

Effective January 1, 2025

Tier	Allowed Monthly Usage	Non-Potable	Potable Inside City	Potable Outside City
1	Augmentation Water	\$ 0.79	N/A	N/A
2	Monthly Outdoor Allowance (MOA)	2.78	9.29	13.94
3	> MOA up to 2x MOA	N/A	13.93	20.90
4	All Usage Above Tier 3	N/A	27.86	41.79

Miscellaneous Billing Charges: Temporary Water Service from Fire Hydrant Meter. Temporary connection to the City's water system is permissible in accordance with Section 74-225 increased from \$1,400 to a \$2,500 refundable deposit, and the charge per 1,000 gallons increased from \$8.37 to \$9.29.

Private Fire Line Charge. The following monthly charges shall apply for each private fire line:

~~Effective April 1, 2024~~

Meter (inches)	Inside City
2	\$ 27.17
4	67.58
6	135.16
8 and larger	263.56

Effective January 1, 2025

Meter (inches)	Inside City
2	\$ 30.16
4	75.01
6	150.03
8 and larger	292.55

Public Fire Protection for Outside City. The following monthly charges are established for public fire protection connections outside the City limits:

~~Effective April 1, 2024~~

<u>Meter (inches)</u>	<u>Charge</u>
5/8 by 3/4	\$ 7.22
3/4	11.56
1	17.25
1-1/2	30.82
2	44.63
3	109.30
4	186.20
6 and larger	372.46

Effective January 1, 2025

<u>Meter (inches)</u>	<u>Charge</u>
5/8 by 3/4	\$ 8.01
3/4	12.83
1	19.15
1-1/2	34.21
2	49.54
3	121.32
4	206.68
6 and larger	413.43

Domestic Connection (Individually Metered Unit).

~~Effective 1/1/2024~~

<u>Each Individual Living Unit</u>	<u>Water Meter</u>	<u>Water Connection</u>	<u>Water Resource</u>	<u>Constr. Water</u>
Single Family (lot size up to 7,000 sq. ft.)	\$181	\$ 7,430	\$ 24,660	\$ 39
Single Family (lot size 7,001 – 8,999 sq. ft.)(1)	181	9,650	30,444	39
Duplex	181	5,478	19,677	39
Manufactured Home	181	4,046	17,940	39
Multifamily	181	2,620	13,356	39
(1) Incremental fee of \$783 per 1,000 sq. ft. proposed for lot sizes greater than 8,999 sq. ft.				

Effective January 1, 2025

Each Individual Living Unit	Water Meter	Water Connection	Water Resource	Constr. Water
Single-Family (up to 5,000 sq. ft.)	\$ 104	\$ 7,410	\$ 25,403	\$ 83
Single-Family (5,001 - 6,999 sq. ft.)	104	10,812	33,502	83
Single-Family (7,001 - 8,999 sq. ft.)(1)	104	12,148	36,816	83
Duplex	104	5,600	20,194	83
Manufactured Home	104	5,126	20,469	83
Multifamily	104	3,446	14,974	83

(1) Incremental fee of \$954 per 1,000 sq. ft. proposed for lot sizes greater than 8,999 sq. ft.

Multifamily (Master Meter) Connection.

Effective January 1, 2024

Meter (inches)	Water Meter	Per Unit Water Connection	Per Unit Water Resource	Constr. Water
5/8 by 3/4	\$ 181	\$ 4,804	\$ 18,993	\$ 39
3/4	242	4,804	18,993	39
1	297	4,804	18,993	99
1-1/2	408	4,804	18,993	99
2	1,838	4,804	18,993	99
3	2,059	4,804	18,993	246
4	2,841	4,804	18,993	246

Effective January 1, 2025

Meter (inches)	Water Meter	Per Unit Water Connection	Per Unit Water Resource	Constr. Water
5/8 by 3/4	\$ 104	\$ 5,751	\$ 21,842	\$ 83
3/4	122	5,751	21,842	83
1	187	5,751	21,842	211
1-1/2	373	5,751	21,842	211
2	1,790	5,751	21,842	211
3	2,224	5,751	21,842	524
4	3,462	5,751	21,842	524

Commercial Connection.

Effective January 1, 2024

Meter (inches)	Water Meter	Water Connection	Water Resource	Constr. Water
5/8 by 3/4	\$ 181	\$ 9,650	\$ 30,444	\$ 39
3/4	242	16,083	50,740	39
1	297	25,733	81,184	99
1-1/2	408	32,166	101,480	99
2	1,838	102,931	324,737	99
3	2,059	205,862	649,474	246
4	2,841	321,659	1,014,803	246

Effective January 1, 2025

Meter (inches)	Water Meter	Water Connection	Water Resource	Constr. Water
5/8 by 3/4	\$ 104	\$ 12,148	\$ 36,816	\$ 76
3/4	122	20,246	61,360	76
1	187	32,394	98,176	192
1-1/2	373	40,493	122,720	192
2	1,790	127,577	392,703	192
3	2,224	259,154	785,406	477
4	3,462	404,929	1,227,197	477

Irrigation Connection – Potable Water.

Effective January 1, 2024

Meter (inches)	Water Meter	Water Connection	Water Resource
5/8 by 3/4	\$ 181	\$ 9,650	\$ 30,444
3/4	242	16,083	50,740
1	297	25,733	81,184
1-1/2	716	32,166	101,480
2	786	102,931	324,737
3	894	205,862	649,474
4	1,131	321,659	1,014,803

Effective January 1, 2025

Meter (inches)	Water Meter	Water Connection	Water Resource
5/8 by 3/4	\$ 104	\$ 12,148	\$ 36,816
3/4	122	20,246	61,360
1	187	32,394	98,176
1-1/2	373	40,493	122,720
2	645	129,577	392,703
3	842	259,154	785,406
4	1,092	404,929	1,227,197