

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
Water and Wastewater Connection Fees Policy

Effective April 1, 2021

The following Policy has been reviewed and adopted by the District's Board of Directors at a duly-held public meeting after appropriate notice and a hearing. The District's connection fees are based on the following principles:

- It is the District's policy that growth and development within the District's boundaries, or on land proposed to be included within the District's boundaries, must pay for itself (Rules & Regs. §II.1.1); and
- An owner or developer seeking to acquire water and wastewater service from the District shall be responsible for the design, installation, construction, and any other costs and/or fees and charges associated with provision of water and wastewater service to the property. (Rules & Regs. § II.1.1.5).
- The District's Rules and Regulations provide that water and wastewater connection fees will be charged to all owners or developers seeking water and wastewater services from the District by means of a new, additional or increased size of tap, meter or connection to District main lines. The connection fees shall be determined by the Board of Directors (II.3.1.3.); and
- "Water connection fees" may consist of different components such as: water tap fees, tap-in charge, development plan review fees, water resource development charges, system development charges, labor charges, meter charges, and/or rebate fees. South of Sand Creek there are additional charges imposed by Denver Water (Rules & Regs) II.3.1.3.1.1.); and
- "Wastewater connection fees" may consist of different components such as: system development charges, inspection and development plan review fees, per- acreage fees, and/or rebate fees (Rules & Regs. II.3.1.3.1.2.); and
- Section 32-1-1001(1)(j)(I), C.R.S. authorizes the Board of Directors to fix and from time to time to increase or decrease fees, rates, tolls, penalties or charges for services, programs, or facilities furnished by the special district; and
- The District's Rules and Regulations provide that the fees, rates and service charges of the District may be modified from time to time by Board action at a Regular or Special meeting of the Board without amending the Rules and Regulations. Some modifications may also implement additional fees, rates and/or service charges and/or expand existing fees, rates and/or service charges (II.3.1.1); and

- The District participated in and the Board of Directors accepted at its June 10, 2020 Regular Meeting a 2020 Water and Wastewater Systems Master Plan prepared by Muller Engineering Company (“Capital Plan”), which plan provides for the development of District facilities for purposes of serving anticipated growth in the District’s current and future service area; and
- The District participated in and received a Water and Wastewater Connection Fee Study dated December 1, 2020 prepared by Raftelis Financial Consultants, Inc., which Study recommends rates and fees that are reasonably related to the District’s costs of serving new development. This Study, along with the Capital Plan, form the basis of the District’s water and wastewater connection fees.

Water and Wastewater Connection Fees shall be based on and subject to the following principles and practices:

Water Connection Fees.

1. Base Water Connection Fee.

- a. The base water connection fee is intended to cover the District’s water resources and infrastructure costs that are necessary to serve new development and are of general application District-wide. It does not include any other fees related to new or increased water service, including without limitation pressure zone fees, capital development fees, other special fees authorized by other Board action or pursuant to an agreement, meter fee, tap administration and inspection fee.
- b. The base water connection fee shall be \$17,606 per equivalent residential unit (“ERU”) until such time as the Board authorizes a higher amount.
- c. The District will allow as a credit against the base water connection fee the following items:
 - i. a credit for water resources (obtained in kind or by payment in lieu) in an amount as set forth on **Exhibit A** hereto, which exhibit is made a part of this policy by reference. Credits are derived from District Rules and Regulations and Resolutions and water resources agreements.
 1. Water resource credits are not to be escalated, except where required by a water resources agreement.
 2. Although the District no longer separately sets out components of the base water connection fee, where it is necessary to employ a water resources component for fee credit determination purposes, the water resources component shall be \$8,374.
 - ii. a credit for installing a separate non-potable irrigation system in the amount of \$3,429 per ERU.

2. Determination of ERUs

- a. Based on long-term customer usage data, water analysis, and capital planning, an ERU shall continue to be equivalent to .53 acre feet.
- b. The following table sets forth the District’s general assumptions for ERU quantities by size of water tap. Sewer ERUs are determined by the Metropolitan Wastewater Reclamation District, are determined by water tap size unless otherwise noted, and are applicable to connections to the District’s wastewater system pursuant to the District’s intergovernmental Sewage Treatment and Disposal Agreement (Service Contract) with Metro:

TAP SIZE	ERUs - WATER	ERUs - SEWER
<i>Residential</i>		
5/8” residential service with 3,500 sf landscapable area (+/- 10%)	1	1
Multi-unit residential (per unit)	.50 (for indoor usage plus calculated outdoor usage)	Based on water tap size
<i>Multi-unit Commercial</i>		
3/4” service	1.00 (for indoor usage)	2.00
1” service	2.00 (for indoor usage)	4.80
1-1/2” or larger service	See Commercial table below	11.00
<i>Single Commercial Services</i>		
3/4”	1.50	2.00
1”	4.00	4.80
1 1/2”	8.00	11.00
2”	20.00	20.00
3”	43.00	43.00
4”	86.00	86.00
6”	TBD	TBD

The assumptions of this table are subject to further modification as set forth in this Section.

- c. Single Family Residential. The District attributes .5 ERU to indoor residential usage per unit of single family residential. Calculation of ERUs for an application for a single family residential project of two or more single family residential

connections will be based on an entire development unit's (e.g., subdivision, filing, etc.) average potential landscaped (or "landscapable") area per lot. The District attributes .5 ERUs to 3,500 sf of landscapable property. Accordingly, a single family residential unit with 3,500 sf of landscapable area would require 1 ERU (.5 indoor ERUs + .5 irrigation ERUs = 1.0 ERU). If the average landscapable area per single family residential unit differs by more than 10% from 3,500 sf, the irrigation portion of a single family residential ERU will be the quotient of the total amount of average landscapable area per lot over 3,500, multiplied by .5. Landscapable area shall mean all the area of a lot, excluding the building foot print(s) and all driveways and sidewalks.

- i. In the event a development unit is reconfigured (by lot adjustment, building plans, landscaping plans, or otherwise) after water ERU demand has been assessed and connections have been put into service for some portion of the development unit such that the ERU demand for the entire development unit is increased beyond the ERU demand determined for the development unit prior to the reconfiguration, the remaining undeveloped property shall be assessed and responsible for the entirety of the increase even if the amount of ERU demand is greater than the average demand for the reconfigured lots. This obligation shall run with the land and shall constitute a perpetual lien on the property pursuant to Section 32-1-1001(1)(J)(I), C.R.S. In the event of a reconfiguration where changed water demands are not evidenced by a written agreement between the District and the landowner, Staff is authorized to file a Notice of Lien against the re-configured property after consultation with District legal counsel.
- d. Multi-unit Residential. The District attributes .5 ERU to indoor usage per unit of multi-unit residential. Multi-unit residential water ERU demand will be determined by taking .5 ERUs for the indoor usage associated with each unit plus the calculated ERUs for the irrigated area (as shown on approved landscaping plans) associated with the total units.
 - e. Multi-unit Commercial. The number of ERUs required for the indoor water demands of a multi-unit commercial building will be calculated by adding up all of the ERUs needed for all units within the development, or by taking the ERU requirements associated with the main service line serving the development, whichever methodology is determined to be the least amount of ERUs. The ERU requirements for outdoor usage will be calculated based on the acreage being irrigated in the development.
 - f. Commercial properties not in the vicinity of the non-potable irrigation system now have the option to optimize their ERU capacity by allowing the purchase of two taps (one potable and one for irrigation needs), which may lower the total number of water ERUs required to be purchased from the number which would otherwise be the case if one tap for both potable and irrigation needs were to be purchased.

- g. The District retains the right to reassess ERU demand and charge additional water connection fees where the actual demand from a connection exceeds the demand assumptions at the time of original connection to the District's system.
- h. Each connection onto the District's water and wastewater system will be evaluated for total water usage, consumption, and peak demand. If it is determined that the demand associated with a particular connection exceeds the ERUs outlined in the above chart, the District Manager will determine a reasonable methodology to determine ERU demand.

Wastewater Connection Fees

- 3. The wastewater connection fee shall be \$5,400 per ERU. This is based on a charge of \$4,550 (to be passed on to Metro) and \$850 to be retained and used by the District to pay for the costs of development to be borne by the District.

Miscellaneous

- 4. In addition to the base water connection fee and wastewater connection fee, the District charges additional fees related to new or increased service. The additional fees are based on: District policy; unusual additional identifiable costs for specific benefits or services to specific areas or properties; account of unusual and significant costs of particular water developments; or, as otherwise set forth in a water resources agreement. **Exhibit B**, attached hereto and incorporated herein by reference, fixes and sets forth all applicable connection fees assessed in order to receive water and/or wastewater service.
- 5. This Policy is intended to set forth the District's major connection fee practices. In the event a practice has not been referenced herein, the practice continues to be authorized to the extent it does not conflict with the provisions of this Policy.
- 6. Notwithstanding anything in this Policy to the contrary, the District reserves the right to evaluate the water and sewer ERU demand of any application based on any reasonable methodology that reasonably ensures a development will pay for itself.

EXHIBIT A

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EXHIBIT B

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