

**SECTION 5.00
PLANT WATER INVESTMENT FEE**

- 5.01 Plant Water Investment Fee:** A plant water investment fee (PWIF) will be charged to all customers seeking water service from the Board by means of a new, additional, or increased size of metered connection to a Board water main or private main and/or service line that is not master metered. In addition, a change in type of service, i.e. single family residential to multifamily residential or commercial, or vice versa, may require the customer to pay an additional PWIF.
- 5.02 Amount of Fee:** The PWIF will be reviewed periodically and approved by the Board. Fees adopted by the Board will become a part of these rules and regulations. See Appendix C.
- 5.03 When Fee Due:** The PWIF will be due and payable when application is made to the Board for the new, additional, or increased size of water meter and prior to the installation of the water meter. In establishing the date for determining the applicable PWIF, the applicant, at the time of making application, must: 1) have a structure in place which is ready for water service, or 2) have a valid building permit issued by the Pueblo Regional Building Department, or 3) be required by City ordinances to install landscaping upon a parcel of ground for which no structure is planned, i.e., parking lot, storage lot, etc. If the PWIF is increased by the Board and a building permit is not issued prior to the effective date of the increase, the increased fee will apply. Likewise, if a building permit is issued prior to the effective date of the increase, but an application for service is not completed prior to the effective date of the increase, the increased fee will apply. A building permit is considered expired from non-use if the building or work authorized by the building permit has not begun within sixty (60) days from the date of issuance of the original permit, or if the building or work authorized has been suspended or abandoned for a period of one hundred twenty (120) days. In case of a change in type of service, the additional PWIF shall be due and payable when the building permit is issued or, if no building permit is issued, when the Board determines the change has taken place.
- 5.04 Application for Service:** The Board will accept an application for water service to an existing property, subject to the following:
- A. There is an existing water main fronting the property to be served, or
 - B. There is a contract with accompanying deposit for water main extension so as to provide a frontage main as required by the *Rules and Regulations*, or
 - C. The City of Pueblo, or other public body, has on file a valid petition initiating action to form a Special Improvement District which includes the installation of water mains.

Application for water service will be canceled under the following conditions:

- A. Where there is an existing frontage water main and the PWIF is not paid or the applicant's water meter is not installed within one hundred twenty (120) days of the application for water service.
- B. Where there is a contract and deposit for water main extension and the PWIF is not paid or the applicant's water meter is not installed within one hundred twenty (120) days from the completion of the water main installation.
- C. Where there is a petition for water system improvement:
 - 1. And the contract for installation of the water system improvement is not authorized within six (6) months from the date of issuance of the improvement district number, or
 - 2. If the PWIF is not paid and the applicant's water meter is not installed within one hundred twenty (120) days of completion of water system project.

5.05 Exemptions from Fee: The following water services are exempt from the payment of a PWIF:

- A. Connections used exclusively for fire protection either public or private.
- B. Connections for the City of Pueblo. This exemption applies only to city-owned and managed property. This exemption does not apply to parks smaller than five (5) acres, open spaces, utility/pedestrian ways, drainage easements, and city-owned and managed property to be transferred to private ownership or leased to other parties.
- C. Connections for raw water service for which the Board might determine rates and/or fees on a cost of service basis.
- D. Connections for areas located within the city limits which are maintained by the Colorado Department of Transportation for the purpose of highway beautification.
- E. Connections for properties previously served either by a water meter or flat rate billing. Proof of this water service must be presented at time of application. An exemption or credit will only be given for size of the previous water meter or service line.
- F. Connections for properties upon which a new project is being built by a nonprofit entity for the purpose of providing below market-cost housing for low-income or elderly residents. For purposes of this Section F, "nonprofit entity" includes only those entities which:

- 1) are publicly owned and
- 2) receive fifty percent (50%) or more of their funding from the City of Pueblo or whose governing body is at least fifty percent (50%) appointed by the City of Pueblo, and
- 3) qualify as a nonprofit and tax-exempt organization under *Section 5.01(c)3 of the Federal Internal Revenue Code of 1986, 26 U.S.C. 501*, as amended, or be exempt from tax as a government or municipality.

For purposes of this Section F, "elderly" is defined as 62 years of age or older. "Low income" is as provided in the *United States Department of Housing and Urban Development (HUD) Low Income Limits*. "Below market cost" is defined by the Pueblo rental market. This exemption will only be granted as an in-kind donation to assist in obtaining a matching grant for the nonprofit entity applying for this exemption. The Board retains full discretion to grant or deny this exemption, based on its review of the merits of the project.

The entity to which the Board grants an exemption from fee must enter into an agreement with the Board that if the property is subsequently transferred to a non-publicly owned entity that the exempt entity will, at the time of such transference, pay to the Board the full PWIF to which the Board would have been entitled but for the exemption.

5.06 Increase or Change in Type of Water Service: A customer request for an increase in water meter size will be granted upon payment of the difference in PWIF for the water meter size requested and the water meter size existing at the time of request.

If a single meter serves multiple dwelling units and the number of units is increased, a payment of a PWIF will be required whether or not an increase in water meter size is requested. The fee must be paid prior to occupancy of the additional unit(s). The customer must pay a fee for each additional unit or the difference between the fee for the new water meter size and the fee for the existing water meter size at time of the increase, whichever amount is greater. See Appendix C.

In the case of a change from residential to commercial or vice versa, the difference in PWIF shall be calculated based on the total fee for the existing units or meter size, whichever is greater, then subtracting the total fee for the new units or meter size, whichever is greater. If the calculation requires an additional payment, the payment shall be due and payable as soon as the change is made. If the calculation produces a credit, said credit shall run with the property and may be utilized to offset payment of future PWIF on the original property only.

No refund will be made to any customer for a decrease in size of water meter, reduction in number of units, or abandonment of water service.

5.07 Large Water Demand Requirement In order to meet the future demands of the Board's customers, the Board has evaluated the impact that a large water demand customer places on the Board's water rights and source of supply system. In order for the Board to meet the water demands of the Pueblo community over the long term, any customer that places a new water demand on the Board's system, after March 20, 2012, in excess of the Large Water Demand Allowance (LWDA) shall be required to satisfy the Large Water Demand Requirement (LWDR) as described below. The Board shall set the LWDA annually with the initial LWDA set at 520 acre-feet per year.

A. Potable Water Customers

For potable water customers that have demands in excess of the LWDA, the LWDR shall be satisfied under one of the following methods:

- Water rights acceptable to the Board based on the Board's evaluation of the water rights – customer may be required to provide a comprehensive water rights evaluation so the Board can make its evaluation. Water rights shall be provided to the Board free and clear of all encumbrances and customer shall be responsible for all costs, including but not limited to legal and engineering costs, to transfer the water rights to the Board for use in its system.
- At the Board's option, cash at the rate of \$16,200 (subject to periodic review and adjustment by the Board) per acre-foot of water delivered to satisfy the LWDR.
- The Board reserves the right to limit the quantity of water that would be eligible for the cash option payment.

The LWDR shall apply to all potable water customers whose total water demand at a property exceeds the LWDA regardless of the number or size of meters serving the property. The LWDR for potable water customers is the difference between the customer's estimated maximum annual quantity of water and the LWDA. The LWDR shall be subject to review and adjustment if the customer's actual usage exceeds the customer's initial projected maximum annual quantity of water requested by the customer at the time service is initiated by more than 10 percent or 100 acre feet, whichever is less. For example, if a customer needs 5,000 acre-feet of water per year, the customer shall provide an LWDR of 4,480 acre-feet, i.e. 5,000 acre-feet minus 520 acre-feet. If in year two the Board delivers 5,100 acre-feet of water to the customer, the customer shall be required to provide an additional LWDR of 100 acre-feet. If a customer uses less than the LWDA, no credit, i.e. refund, will be allowed or paid by the Board.

The LWDA shall be adjusted for each customer based on the maximum day demand used in calculating the PWIF under the formula contained in Appendix C of these Rules and Regulations. The adjusted LWDA shall be calculated by multiplying the maximum day demand by 0.00112. For example, the adjusted LWDA for a customer that has a maximum day demand of 1,560,000 gallons would be 1,560,000 x 0.00112

or 1,747 acre-feet. The customer shall provide engineering documentation for the maximum day demand.

The LWDR shall be required at the time of the customer's application and any additional LWDR shall be required within 60 calendar days of notification by the Board. The cash option amount per acre foot noted above, i.e. \$16,200, shall be subject to periodic review and adjustment by the Board.

The customer shall be required to satisfy the LWDR in addition to paying any Plant Water Investment Fee required by these rules & regulations.

B. Raw (Non-Potable) Water Customers For raw (non-potable) water customers that have demands in excess of the LWDA, the LWDR shall be satisfied under one of the following methods:

- Water rights acceptable to the Board based on the Board's evaluation of the water rights – customer may be required to provide a comprehensive water rights evaluation so the Board can make its evaluation. Water rights shall be provided to the Board free and clear of all encumbrances and customer shall be responsible for all costs, including but not limited to legal and engineering costs, to transfer the water rights to the Board for use in its system.
- At the Board's option, cash at the rate of \$16,200 (subject to periodic review and adjustment by the Board) per acre-foot of water delivered to satisfy the LWDR.
- The Board reserves the right to limit the quantity of water that would be eligible for the cash option payment.

The LWDR shall apply to all raw (non-potable) water customers locating within the Pueblo City limits whose LWDR exceeds the LWDA. Raw (non-potable) water service to customers located outside the Pueblo City limits shall be governed by a separate and specific contract that details the terms and conditions for said service. The LWDR shall be subject to review and adjustment if the customer's actual usage at the property exceeds the customer's initial projected maximum annual quantity of water requested by the customer at the time service is initiated by more than 10 percent or 100 acre feet, whichever is less. For example, if a customer expects to need 5,000 acre feet of water per year, the customer shall provide the LWDR of 4,480 acre feet, i.e. 5,000 acre feet minus the basic allowance of 520 acre feet. If in year two the customer is provided 5,100 acre feet of water, the customer shall be required to provide an additional LWDR of 100 acre feet. If a customer uses less than the LWDA, no credit, i.e. refund, will be allowed or paid by the Board.

The LWDR shall be required at the time of the customer's application and any additional LWDR shall be required within 60 calendar days of notification by the Board. The cash option amount per acre foot noted above, i.e. \$16,200, shall be subject to periodic review and revision by the Board.

The customer shall pay the LWDR to the Board in addition to a Source of Supply Fee (SOSF) for the LWDA. Said SOSF shall be calculated as follows:

Multiply the initial LWDA times the raw water plant water investment fee (RWPWIF). The RWPWIF shall be \$1,233 per acre-foot as of January 1, 2012 and shall be subject to annual review and adjustment by the Board. Customers who require less than the LWDA of raw (non-potable) water per year shall pay only the SOSF based on the actual demand for raw (non-potable) water. If the customer's future annual use exceeds the customer's initial projected maximum annual quantity of water requested by the customer at the time service is initiated by more than 10 percent or 50 acre feet, whichever is less but is still less than 520 acre-feet, the customer shall pay an additional SOSF. Said additional SOSF shall be calculated by multiplying the additional quantity of water times the RWPWIF in effect at the time. For example, if a customer expects to need 400 acre-feet per year, but in the future actually uses 450 acre-feet, the customer shall pay an additional SOSF of 50 acre-feet times the RWPWIF in effect at that time. Only if the customer's demand exceeds the LWDA will the LWDR be triggered.

- C. Potable and Raw Water Customers** For any existing water customer (potable and/or raw water) who does not have a specific contract or water agreement in place as of March 20, 2012, the provisions of this section shall apply for any new or expanded water demand in excess of the LWDA or the customer's maximum historic annual use, whichever is greater. For example, if the LWDA is 520 acre-feet and the customer's maximum historical annual water use was 1,000 acre-feet prior to March 20, 2012 but their current annual water use is only 800 acre-feet, then 1,000 acre-feet shall be used as the basis to determine what actions are required under this policy.

The provisions of this section shall not alter the express terms of any contract or water agreement in place as of March 20, 2012 regarding the amount of water (potable and/or raw water) to be supplied or consideration to be paid to the Board.