

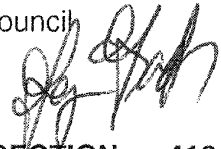


Colorado Springs Utilities  
It's how we're all connected

# Interoffice Memorandum

**DATE:** October 28, 2009

**TO:** Honorable Mayor and Members of City Council

**FROM:** Jerry Forte, P.E., Chief Executive Officer 

**RE:** AN ORDINANCE AMENDING SECTION 416 (CONSTRUCTION; REQUIREMENTS FOR COMMENCEMENT AND COMPLETION) OF PART 4 (CONNECTION AND INSTALLATION OF SYSTEM) OF ARTICLE 4 (WATER CODE) AND SECTION 412 (CONSTRUCTION; REQUIREMENTS FOR COMMENCEMENT AND COMPLETION) OF PART 4 (CONNECTION AND INSTALLATION) OF ARTICLE 5 (WASTEWATER TREATMENT CODE) OF CHAPTER 12 (UTILITIES) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, RELATING TO CONNECTIONS TO THE WATER AND WASTEWATER SYSTEMS

**CITY STRATEGIC GOAL(S) THIS ITEM SUPPORTS:**



**UTILITIES' STRATEGIC GOAL(S) THIS ITEM SUPPORTS:** C1 – Be easy to do business with, S2 – Deliver reliable utility services, and S4 – Demonstrate corporate responsibility

**SUMMARY:** Colorado Springs Utilities (CSU) proposes an ordinance to request changes to two sections of the City Code to address a conflicting policy with the Utilities Rules and Regulations. The proposed ordinance includes the following housekeeping items:

- Modifies the language related to connection fees in the water and wastewater codes so that the two sections of the City Code are alike,
- Clarifies how a 120 day window from the time the permit is approved for commencement of construction is calculated,,
- Adds a reference to Utilities' tariffs and service standards and specifications to clarify how construction not subject to the City's Building Code shall be pursued to completion, and
- Aligns city code with CSU's tariff language and current business practices.

**PREVIOUS COUNCIL ACTION:** City Council adopted the current version of section 416 of part 4 of article 4 of chapter 12 of the City Code in 2001, Ordinance Nos. 98-173, and Ordinance No. 01-42. Additionally, City Council adopted the current version of section 412 of part 4 of article 5 of chapter 12 of the City Code in 2001, Ordinance Nos. 98-173, Ordinance No. 99-162, Ordinance No. 01-42, and Ordinance No. 05-135.

**BACKGROUND:** Both § 12.4.416 and § 12.5.412 of the City Code contains the following last sentence: "Failure to comply with the above requirements shall result in cancellation of the connection permit and the return of the connection charge less expenses incurred by Utilities to

determine the noncompliance.” The Utilities Rules and Regulations in CSU’s tariff as adopted by City Council provide that:

“Requests for a refund of development charges for connections not constructed must be made in writing to CSU within two years of payment of the development charges. No refunds of any such charges will be made unless a request is received by Utilities within two years of payment and no service has been connected. Any charges which are not refunded are retained by CSU as a contribution-in-aid of construction. Payments for development charges may be applied within nine years as a credit towards the payment of the development charges for connection of the same land parcel, which may become due thereafter. In any event, no credit will be given after nine years or more from the date of discontinuance of use of the existing connection or payment of the unused development charges.”

With regard to connection charges for connection to the water and wastewater systems, CSU current and past business practice has followed the tariff. Therefore, CSU requests these housekeeping changes to the City Code to align it with the tariff and the organizations procedures.

Additionally, the current code sections provide that the construction shall be commenced within 120 days of the date of payment of the charges. In order to clarify how the 120-day window for commencement of construction is calculated, CSU proposes the addition of “or the date of issuance of a permit (whichever is later in time).” This additional language aligns with business practices and provides the customer with 120 days to commence construction once the customer has a permit and has paid the connection charges.

Finally, CSU proposes the addition of the reference to Utilities’ tariffs and service standards and specifications to clarify how construction not subject to the City’s Building Code shall be pursued to completion. Some of the facilities constructed to be served by a connection to the water or wastewater systems (i.e. an irrigation system or a sewer tap) to not fall under the provisions of the City’s Building Code, but must meet the criteria set out in Utilities’ tariff and/or service standards and specifications adopted by City Council.

**FINANCIAL IMPLICATIONS:** Not applicable

**BOARD/COMMISSION RECOMMENDATION:** N/A

**STAKEHOLDER PROCESS:** This should be transparent to customers as it consistent with past practice.

**ALTERNATIVES:** Modify the tariffs to conform to the current City Code. This is not recommended as it would increase the administrative requirements for Utilities to monitor every permit to identify when construction has been suspended or abandoned and identify when refunds are to be made.

**RECOMMENDATION:** Move approval of proposed ordinance as presented.

**PROPOSED MOTION:** Approval of proposed ordinance as presented.

c: Utilities’ Officer Team  
Brent Schubloom

ORDINANCE NO. 09- \_\_\_\_\_

AN ORDINANCE AMENDING SECTION 416 (CONSTRUCTION; REQUIREMENTS FOR COMMENCEMENT AND COMPLETION) OF PART 4 (CONNECTION AND INSTALLATION) OF ARTICLE 4 (WATER CODE) AND SECTION 412 (CONSTRUCTION; REQUIREMENTS FOR COMMENCEMENT AND COMPLETION) OF PART 4 (CONNECTION AND INSTALLATION) OF ARTICLE 5 (WASTEWATER TREATMENT CODE) OF CHAPTER 12 (UTILITIES) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, RELATING TO CONNECTIONS TO THE WATER AND WASTEWATER SYSTEMS

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1: That Section 416 (Construction; Requirements for Commencement and Completion) of Part 4 (Connection and Installation) of Article 4 (Water Code) of Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended, is hereby amended to read as follows:

**12.4.416: CONSTRUCTION; REQUIREMENTS FOR COMMENCEMENT AND COMPLETION:**

**Approval of a building permit or a Utility Service Plan (when a building permit is not required) for any premises** Construction of any building or facility to be served by a connection with to the water supply system of the City, **including connections to all private water systems, shall be commenced obtained** within one hundred twenty (120) days from the date of approval **payment** of the charges set out in the water Utilities' tariffs. **and the Construction of the premises or facility to be served by the connection must begin within one hundred eighty (180) days from building permit issuance or Utility Service Plan approval** and the construction shall be pursued to completion without suspension or abandonment, as provided in the City's Building Code **or as provided in Utilities' tariffs or service standards and specifications.** Failure to comply with the above requirements shall result in cancellation of the connection ~~Utilities' approval of the permit. and The return refund or the application of credit~~ of the connection charges **shall be as provided in less expenses incurred by Utilities' tariffs to determine the noncompliance.**

Section 2: That Section 412 (Construction; Requirements for Commencement and Completion) of Part 4 (Connection and Installation) of Article 5 (Wastewater Treatment Code) of

Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended, is hereby amended to read as follows:

**12.5.412: CONSTRUCTION; REQUIREMENTS FOR COMMENCEMENT AND COMPLETION:**

**Approval of a building permit or a Utility Service Plan (when a building permit is not required) for any premises** ~~Construction of a building or facility to be served by a wastewater connection to the wastewater system of the City shall be~~ **obtained** ~~commenced~~ within one hundred twenty (120) days from the date of payment of ~~the connection charges or issuance of a permit, set out in Utilities' tariffs.~~ **Construction of the premises or facility to be served by the connection must begin within one hundred eighty (180) days from building permit issuance or Utility Service Plan approval** and the construction shall be pursued to completion without suspension or abandonment, as ~~set-out in~~ **provided in the City's Building Code under building permits or as provided in Utilities' tariffs or service standards and specifications.** Failure to comply with the above ~~regulations will~~ **requirements shall** result in cancellation of **Utilities' approval of the connection permit.** ~~The refund of or application of credit and return of the connection charges paid less the cost to~~ **shall be as provided in Utilities' incurred to determine the noncompliance tariffs.**

Section 3: This ordinance shall be in full force and effect from and after its passage and publication as provided by the Charter.

Section 4: Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and be available for inspection and acquisition in the Office of the City Clerk.

Introduced, read, passed on first reading and ordered published this \_\_\_\_\_ day of

\_\_\_\_\_, 2009.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk