

AGENDA ITEM SUMMARY

City Council



STAFF

Jen Dial, Utilities Water Resources Manager

SUBJECT

First Reading of Ordinance No. 151, 2025, Amending Sections 26-148 and 26-149 of the Code of the City of Fort Collins Regarding Water Supply Requirement Credits for Water Services.

EXECUTIVE SUMMARY

The purpose of this item is to ensure that City Code (Code) more comprehensively addresses how Fort Collins Utilities (Utilities) credits existing water services when they are changed, typically during redevelopment. Code currently addresses how Utilities credits nonresidential services when they are redeveloped and replaced with a new nonresidential service. However, Code does not currently address how Utilities should credit residential services that are redeveloped into nonresidential services, or when nonresidential services are redeveloped into residential services. This item would fill those gaps.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND

In order to receive a new water service or to replace an existing service with a larger size, Utilities' customers must meet a Water Supply Requirement (WSR). The WSR accounts for the additional water demand a new development or redevelopment brings into the water service area. Currently the WSR can be met with cash and/or City certificates/credits.

In the case of the replacement of an existing service with a larger size or other change to an existing service for *nonresidential* services, Utilities will give a credit towards the nonresidential service permit in the amount of the annual allotment for the existing service. If the credit is greater than the WSR or annual allotment that would otherwise be required or assigned for the new service permit, the credit establishes the WSR or annual allotment for the new service permit and no cash refund or water certificates issued by the City shall be provided to the applicant.

However, there is currently no analogous provision to credit a nonresidential service changed to a residential service, or a residential service changed to nonresidential service. While these are rare occurrences, staff recommend addressing this scenario in code to provide fair and equitable credits for existing residential and nonresidential services. Thus, staff is proposing a new Code Section 26-148(d) regarding the credit Utilities gives for residential services along with certain analogous modifications to Code Section 26-149(h).

WSR credits for residential services

The proposed new Code Section 26-148(d) under 'Water supply requirement (WSR); residential service' states that in the case of the replacement of an existing service with a larger size, conversion of a residential service to a nonresidential service, or other change to an existing service, Utilities will give credit towards the service permit for the amount of the WSR that would be required for that existing service under Code Section 26-148. If the credit is greater than the WSR or the nonresidential annual allotment that would otherwise be required or assigned for the new service permit, the credit establishes the WSR or nonresidential annual allotment for the new service and no cash refund or water certificates issued by the City shall be provided to the applicant. The credit authorized under this subsection is not transferrable to other properties or services.

WSR credits for nonresidential services

The proposed modified Code Section 26-149(h) under 'Water supply requirement (WSR); nonresidential service' clarifies that in the case of the conversion of a nonresidential service to a residential service Utilities will give a credit towards the new service permit for the amount of the annual allotment for the existing service. If the credit is greater than the WSR or annual allotment that would otherwise be required or assigned for the new service permit, the credit shall establish the WSR or annual allotment for the new service permit and no cash refund or water certificates issued by the City shall be provided to the applicant. The credit authorized under this subsection is not transferrable to other properties or services.

CITY FINANCIAL IMPACTS

None.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance No. 151, 2025