

**SUBJECT: RESOLUTION NO. 17, SERIES 2025 – A RESOLUTION
SETTING SEWER TAP FEES FOR THE CITY OF LOUISVILLE,
COLORADO**

DATE: MARCH 18, 2025

PRESENTED BY: KURT KOWAR, P.E., PUBLIC WORKS DIRECTOR

SUMMARY:

Staff recommends approval of the attached resolution to increase sewer tap fees effective May 1, 2025. An additional 60-day grace period (until June 30, 2025) will be available to projects that have submitted for a City's building permit prior to the effective date.

Sewer tap fees are one-time charges assessed on new construction or developments connecting to the sewer system. These fees are designed to offset the costs of infrastructure capacity within sewer mains, lift stations and the wastewater treatment plant and the integration of new users into the utility sewer system.

Sewer tap fees are reviewed periodically to ensure proper cost allocation. The last adjustment in tap fees was in 2020. As part of the 2024 review process, it was determined that sewer tap fee were lagging current costs and needed to be adjusted to match.

Prior City Council approvals of Sewer Tap Fees have been included with the overall Citywide Fees adoption designated as Table 5. The updated Table 5 is shown below and included as Exhibit A to the resolution.

Table 5: Sewer Tap Fees (2025 Proposed – 48% Increase)

Unit	Proposed Amount	Prior Amounts (2024)
Single Family Residential (SFE), per Unit	\$6,800	\$4,600
Multi-Family, per Unit (80% SFE)	\$5,400	\$3,680
Senior Resident, per Unit (60% SFE)	\$4,100	
Nonresidential, by Water Meter Size		
3/4"	\$6,800	\$4,600
1"	\$12,100	\$8,200
1 1/2"	\$27,200	\$18,400
2"	\$48,300	\$32,800
3"	\$108,800	\$73,600
4"	\$193,400	\$130,900

A comparison of sewer tap fees for surrounding communities is presented below.

COMMUNITIES	SEWER TAP FEE* (3/4" RESIDENTIAL)
BROOMFIELD	\$14,900
ERIE	\$8,860
LONGMONT	\$8,540
WESTMINSTER	\$8,096
SUPERIOR	\$7,261
LOUISVILLE - PROPOSED	\$6,800
LAFAYETTE	\$6,360
BOULDER	\$5,055
LOUISVILLE - CURRENT	\$4,600

*revised with most current available

Sewer Tap Fees were reviewed at the February 20th Finance Committee. The Committee is in support of the recommended adjustments.

Attached is a sample notice that will be posted to the City website after finalization with Communications and Economic Development.

FISCAL IMPACT:

Sewer tap fees are one-time charges assessed on new construction or developments connecting to the sewer system. These fees are designed to offset the costs of infrastructure capacity within sewer mains, lift stations and the wastewater treatment plant and the integration of new users into the utility sewer system

PROGRAM/SUB-PROGRAM IMPACT:

One of the main objectives for the Utility Sub-Program is to allowing for properly treated wastewater with competitive prices for service. Adequate sewer tap fees support this objective.

RECOMMENDATION:

Staff recommends City Council approval of the Resolution to increase sewer tap fees.

ATTACHMENTS:

1. Resolution No. 17, Series 2025
2. Draft Sample Notice
3. Finance Committee Presentation

CITY COUNCIL COMMUNICATION

SUBJECT: RESOLUTION NO. 17, SERIES 2025

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STRATEGIC PLAN IMPACT:

☒	 Financial Stewardship & Asset Management	☒	 Reliable Core Services
☐	 Vibrant Economic Climate	☐	 Quality Programs & Amenities
☐	 Engaged Community	☐	 Healthy Workforce
☐	 Supportive Technology	☐	 Collaborative Regional Partner

CITY COUNCIL COMMUNICATION

CC 03/18/25

**RESOLUTION NO. 17
SERIES 2025**

**A RESOLUTION SETTING SEWER TAP FEES FOR THE CITY OF
LOUISVILLE, COLORADO**

WHEREAS, pursuant to Section 13.24.030 of the Louisville Municipal Code, the City Council is authorized to set sewer tap fees by resolution; and

WHEREAS, the City Council wishes to establish by this resolution said fees and charges.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF LOUISVILLE, COLORADO:**

1. Pursuant to authorization in the Louisville Municipal Code, the Louisville City Council hereby establishes sewer tap fees in accordance with the schedules and tables attached hereto as Exhibit A and made a part hereof.

2. The fees set by this resolution shall be effective on May 1, 2025, and may thereafter be amended from time to time by resolution of the City Council. Notwithstanding the foregoing, applicants who have filed a building permit application with the City on or before May 1, 2025 shall receive an additional sixty (60) days (until June 30, 2025) before the tap fees in this resolution will be assessed.

3. The fees set by this resolution shall supersede and replace any fees previously set or adopted by the City Council for the same purpose. However, the same shall not be deemed to release, extinguish, alter, modify, or change in whole or in part any liability which shall have been previously incurred, and the superseded or replaced provision shall be treated and held as still remaining in force for the purpose of sustaining any judgment, decree, or order.

4. If any portion of this resolution is held to be invalid for any reason, such decisions shall not affect the validity of the remaining portions hereof.

PASSED AND ADOPTED this _____ day of _____, 2025.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

EXHIBIT A
Sewer Tap Fees

Table 5: Sewer Tap Fees (Effective May 1, 2025)

Unit	Amount
Single Family Residential (SFE), per Unit	\$6,800
Multi-Family, per Unit (80% SFE)	\$5,400
Senior Resident, per Unit (60% SFE)	\$4,100
Nonresidential, by Water Meter Size	
3/4"	\$6,800
1"	\$12,100
1 1/2"	\$27,200
2"	\$48,300
3"	\$108,800
4"	\$193,400

**City of Louisville
Sewer Tap Fee Increase
Effective May 1, 2025**

Effective May 1st, 2025 sewer tap fees will be increasing for all new construction. If you have a building project in process, please contact Cory Peterson at (303) 335-4610 to discuss how this change might impact your project as an additional 60-day grace period is available for projects that have submitted for a City's building permit prior to the effective date.

Tap fees are required to be paid at the time a building construction permit is issued

The City of Louisville charges Development Tap fees for new construction to cover growth related costs and construction impact on City utilities.

Louisville's water and sewer tap fees include a Facility or Infrastructure Investment Fee which is set to recover an equitable portion of the value of the City's infrastructure required to meet the new demand of the customer on the utility system. The infrastructure includes all components required to divert, distribute and treat water to/from customers.

Periodically the City reviews the cost of the infrastructure portion of the tap fees to ensure new users are paying an equitable portion of the overall costs to maintain and improve the utility system. A recent evaluation determined the infrastructure portion of the sewer tap fees should be increased to address the utility system's replacement cost. This is based on the value of the improvements made to the system and the replacement costs for the rest of the system since the infrastructure fee was previously set.

Effective May 1st, 2025 Tap fees will increase as outlined in the table of fees below as a result of the increase in the value of the City's sewer infrastructure.

Meter Size	Prior Fee	New Fee
3/4	\$ 4,600	\$ 6,800
1	\$ 8,200	\$ 12,100
1 1/2	\$ 18,400	\$ 27,200
2	\$ 32,800	\$ 48,300
3	\$ 73,600	\$ 108,800
4	\$ 130,900	\$ 193,400

Tap fees are subject to future increases from the rate listed on this notice.



2025 Sewer Fees

Finance Committee

February 20, 2025

Overview

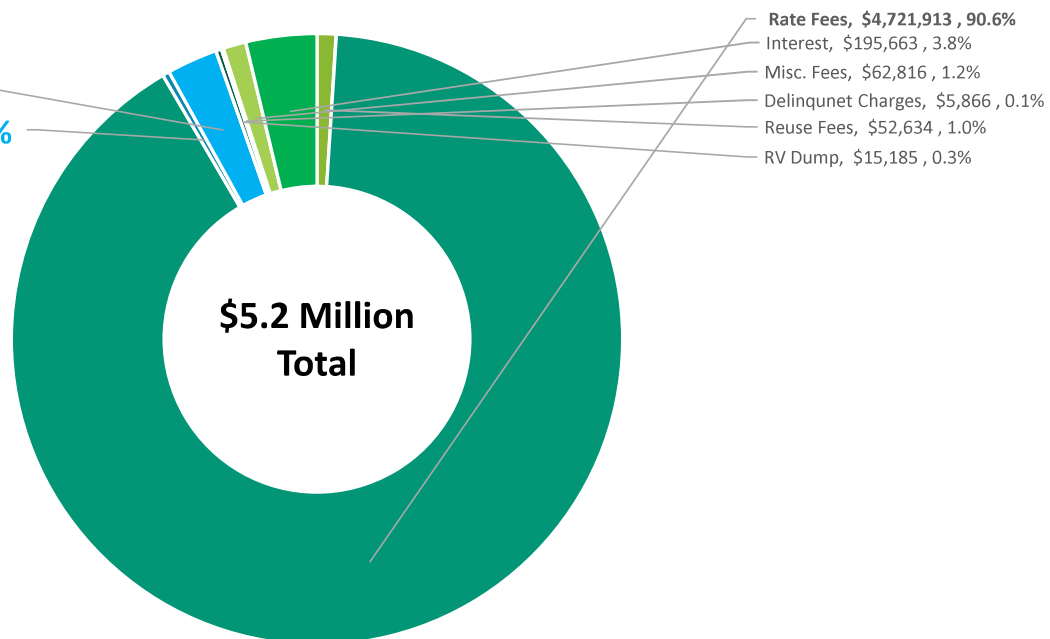
- Wastewater Fund Summary
- Sewer Tap Fees Adjustments
- Industrial Pretreatment Program
 - Sewer Use Regulation Fees and Charges Adjustments
- Draft Council Communications (Targeting March 4th)

Wastewater Fund Revenue (2024)

Today's Discussion:

Tap Fees, \$140,100 , 2.7%

Pre-Treatment Fees, \$18,860 , 0.4%



Sewer Tap Fees

- Tap fees or system development charges are a one-time charge paid by a new connector for system capacity or by an existing customers requiring increased capacity
- Established by Council Resolution per Municipal Code
- Annual Review
 - Construction & Infrastructure Costs
 - Adjustments 3 to 7 years (maintains stability)

2025 Sewer Tap Fees Adjustments

Unit	Current (2020)	Proposed 2025	Proposed Increase
Single Family Residential, per Unit	\$ 4,600	\$ 6,800	\$ 2,200
Multi-Family, per Unit (80% SFE)	\$ 3,680	\$ 5,400	\$ 1,720
Nonresidential, by Meter Size			
¾-inch	\$ 4,600	\$ 6,800	\$ 2,200
1-inch	\$ 8,200	\$ 12,100	\$ 3,900
1 ½-inch	\$ 18,400	\$ 27,200	\$ 8,800
2-inch	\$ 32,800	\$ 48,300	\$ 15,500
3-inch	\$ 73,600	\$ 108,800	\$ 35,200
4-inch	\$130,900	\$ 193,400	\$ 62,500

Comparison by Community (Single Family Service)	Sewer Tap Fee
Westminster	\$16,270
Broomfield	\$14,370
Erie	\$8,860
Longmont	\$8,540
Superior	\$7,261
Louisville (Proposed)	\$6,800
Lafayette	\$6,360
Boulder	\$4,746
Louisville (Current)	\$4,600

Sewer Tap Fee Calculations

Table SSDC - 1				
Wastewater Utility				
Development of 2025 System Development Charge				
Wastewater Mains				
Diameter (in.)	Inventory of Mains	Current Construction Cost per Staff	Current Cost	
	linear feet	per linear foot		
Non-Backbone				
4	4,002			
6	29,530			
8	371,046			
10	10,289			
Total	414,867	NA	NA	
Backbone				
12	22,913	\$235	\$ 5,385,000	
15	20,184	\$250	\$ 5,046,000	
18	6,744	\$265	\$ 1,787,000	
21	5,388	\$285	\$ 1,536,000	
24	1,170	\$305	\$ 357,000	
Total	56,399		\$ 14,111,000	
Treatment Plant				
	Capacity	Current Construction Cost per Staff	Current Cost	
	gallons per day	per gpd		
Total Wastewater Treatment Plant	2,530,000	\$18.00	\$ 45,540,000	
Fee Calculation				
Total Facilities Current Cost			\$ 59,651,000	
Less Principal on Outstanding Debt				
Wastewater System Equity			\$ 59,651,000	
No. of Equivalents (a)			8,798	
Wastewater SDC per equivalent			\$ 6,780	

Collection System

Treatment

Based on Actual City Bids
Adjusted for different sizes

Avg for Regional WWTP Projects
Adjusted for inflation

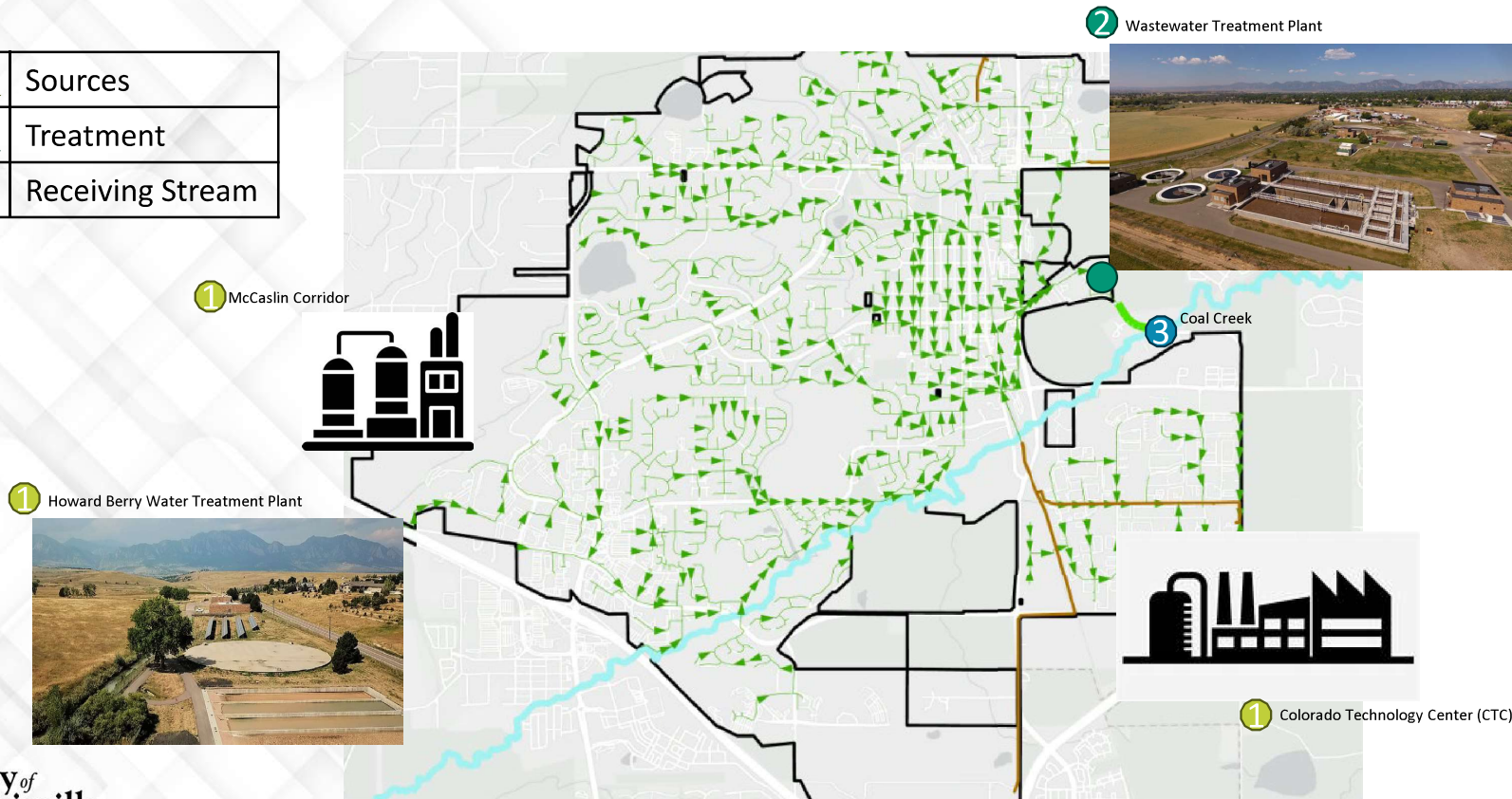
\$6,800 – Proposed

Industrial Pretreatment Program (IPP)

- Part of the City's overall Environmental Compliance Program
- Why does Louisville have an IPP? Mandated and Regulated by the Environmental Protection Agency (EPA)
- Who Are IPP Users? Manufactures, Food Processors, Textiles, Metal Finishers, Pharmaceuticals, Water Treatment Plants etc.
- City Administrative Cost for the 2025 IPP: \$102,500

Sewer System Overview

① ↓	Sources
② ↓	Treatment
③ ↓	Receiving Stream



IPP Growth

2015 = 3 Users

Today = 20 Users

670% increase

Future Developments



IPP Challenges

- EPA Violations and Fines (\$25,000)
- Staff Turnover (3 Employees in a 7-year Period, over 30% Vacant)
- Increasing Regulation and Rules Changes

Sewer Use Regulation Fees and Charges

- Designed to Cover the Costs of Implementing and Operating an Industrial Pretreatment Program (IPP)
- Cost Recovery Goal = 90%
- 10% General Administration (Not Every User Enters the IPP)
- 2025 Cost: \$102,500 @ 90% $\approx$ \$92,500

Sewer Use Regulation Fees and Charges

Code Section Ref.	Fee Description	2023 Fee	2024 Fee	Exact % Change	2025 Proposed Fee	Additional Fee Information	Staff Responsibility
13.32.110	Cost Recovery Fees for Wastewater (Annual):						
	Significant Contributor	\$1,000	\$1,000	630%	\$6,300	Individual Discharge Permit w/ Pollutant Limits & Monitoring	Public Works Director
	Small Significant Contributor	\$500	\$500	700%	\$3,500	Individual Discharge Permit w/ Monitoring, w/o Pollutant Limits (i.e. BMPs in lieu of numeric limits)	Public Works Director
	Minor Significant Contributor (NEW)	N/A	N/A	N/A	\$1,600	Individual Discharge Permit w/o Monitoring or Pollutant Limits (ex. Categorical User that does not discharge process water to POTW)	Public Works Director
	Other Control Mechanism (NEW)	N/A	N/A	N/A	\$900	Ex. General Discharge Permit, Compliance Schedule, Annual Certification, etc. (per occurrence)	Public Works Director
	Lab Analysis Fee (NEW)	N/A	N/A	N/A	Direct Costs	Customers will be billed direct cost for outside lab fees	Public Works Director
	Application Fee (NEW)	N/A	N/A	N/A	\$100	Outside of plan review process	Public Works Director
	Non-Routine Reports (NEW)	N/A	N/A	N/A	\$250	Reports Outside of Permitted Requirements Ex. New or Change, One-Time Certification Form, etc.	Public Works Director
	Deficiency – Level 1 (NEW)	N/A	N/A	N/A	\$100	Overdue 10-60 days and/or 2nd Offense	Public Works Director
	Deficiency – Level 2 (NEW)	N/A	N/A	N/A	\$250	Overdue 61-90 days and/or 3rd Offense	Public Works Director
	Deficiency – Level 3 (NEW)	N/A	N/A	N/A	\$500	Overdue 91-120 days and/or 4th Offense	Public Works Director

IPP Fees and Charges Comparison

