

The ordinance as presented to the Utilities Board for discussion during its regular meeting on Oct. 19,2022.

# Board Memo Agenda Item

## Staff Report

**Date:** October 19, 2022  
**To:** Utilities Board  
**From:** Aram Benyamin, Chief Executive Officer  
**Subject:** An Ordinance Pertaining to the Extension of Water Service

**NARRATIVE:**

**Desired Action:** Discussion

**Executive Summary:** As a result of persistent drought in the western United States and Colorado River Basin and due to increasing demands on the City’s water supply, attached please find a proposed ordinance requiring that extensions of Colorado Springs Utilities’ water service boundary be approved by a supermajority vote of Councilmembers present and supported by a written record demonstrating that: (1) the City’s water rights are sufficient to meet at least 130% of all water service obligations, including existing demand and the projected demand for water services within the proposed extension of services, and the area shares at least 25% contiguity with the City boundary; (2) a unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or (3) the area is entirely contained within the City limits, or the area is owned or leased by the City, or the extension of water service to the area has a de minimis impact on the overall City’s water rights.

**Benefits:** Providing increased assurance that the City’s water rights will meet existing and anticipated water service obligations.

**Board Policy:** I-7 Water Resource Management

**Cost/Budget:** If approved, this Ordinance may limit Utilities’ water and wastewater revenue growth resulting from expansion of Utilities’ water service boundary. This may necessitate additional water and wastewater rate increases. Densification within Utilities’ existing water service boundary would mitigate the need for rate increases.

**Affected Parties:** Owners of property not currently located within the City’s existing boundaries who are not currently receiving water service from Colorado Springs Utilities.

**Alternatives:** N/A

<b>Submitter:</b> Bethany Burgess, City Attorney	<b>Email address:</b> bethany.burgess@coloradosprings.gov
<b>Division/ Department:</b> Division Chief – Utilities, Office of the City Attorney	<b>Phone number:</b> 719-385-5909
	<b>Date submitted:</b> October 12, 2022

<b>SPG Staff Use Only:</b> Consent Calendar	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<b>ITEM NO. 9</b>
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**The ordinance with suggested revisions (redlined) to be discussed by the Colorado Springs City Council during their work session on Oct. 24, 2022 beginning at 10 a.m.**

Rev. Oct. 20, 2022

ORDINANCE NO. 22-\_\_\_\_\_

AN ORDINANCE CREATING SECTION 305 (SERVICE; EXTENSION LIMITATION) OF PART 3 (WATER SERVICE) OF ARTICLE 4 (WATER CODE) OF CHAPTER 12 (UTILITIES) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, PERTAINING TO THE EXTENSION OF WATER SERVICE

WHEREAS, persistent drought in the western United States and Colorado River Basin have placed a risk of future constraints on the City's water supply; and

WHEREAS, the City Council recognizes that enclaves and irregularly shaped boundaries create an inefficient delivery of municipal services which should be avoided; and

WHEREAS, the City Council has legislative discretion over water services within and outside of the City, as set forth in City Charter section 6-70 (Utility Rates) and Part 2 (Annexations) of Article 6 (Planning Commission and Annexations) of Chapter 7 (Planning, Development, and Building); and

WHEREAS, the City Council adopts this ordinance to reasonably limit the extension of water services.

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

Section 1. Section 305 (Service; Extension Limitation) of Part 3 (Water Service) of Article 4 (Water Code) of Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended, is created to read as follows:

**12.4.305: SERVICE; EXTENSION LIMITATION:**

A. Due to increasing demands on the City's water supply, and to ensure that the City's water rights will meet existing and anticipated water service obligations, extending water service into any area not within either the existing City limits or the water service boundary as of the effective date of this section is subject to the recommendation of approval by the Utilities Board and approval by City Council.

B. City Council approval shall require a vote of a supermajority of at least 66% of the Councilmembers present finding that the proposed water extension is warranted based on a substantiated and written record demonstrating that:

1. The City's available water ~~rights are~~ supply is sufficient to meet at least 130% of ~~all water service obligations, including existing demand usage (calculated using a three (3) year rolling average)~~ and the projected demand for water services within the proposed extension of services, and ~~the area shares at least 25% contiguity with the City boundary not less than 25% of the perimeter of the area is contiguous with the City (as defined by State law)~~; or

2. A unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or

3. The area is ~~entirely contained within the City limits an enclave (as defined by State law)~~, or the area is owned or leased by the City, or extension of water service to the area ~~has~~ will have a de minimis impact on the overall City's available water ~~rights~~ supply.

C. This section shall apply to any extension of Utilities water services notwithstanding any provision to the contrary.

Section 2. This ordinance shall be in full force and effect from and after its final adoption and publication as provided by Charter.

Section 3. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance 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 \_\_\_\_\_, 2022.

**Finally passed:** \_\_\_\_\_

\_\_\_\_\_  
Council President

ATTEST:

\_\_\_\_\_  
Sarah B. Johnson, City Clerk

CAO: \_\_\_\_\_  
COS: \_\_\_\_\_