

**City of Louisville
Water and Sewer Tap Fee Increase
Effective February 15, 2020**

Effective February 15th, 2020 water and 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.

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 water and 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.

In addition to the Facility Fee, the water tap fee has a Water Resources Fee set to recover the value of the City's raw water supplies purchased to meet the demand of the new customer. The water resources portion is based on the current market value of the water resources owned by the City. Recent water purchases are used as a basis for determining the current market value. Water purchases are valued in terms of the cost per acre foot (AF) of reliable annual water delivery. Louisville relies upon the value of a unit of the Colorado Big Thompson Project commonly referred to as a CB-T unit. A single CB-T unit provides 0.6 AF of water supply. The market for water rights in Colorado has become even more competitive in recent years and the current market value of CB-T water has reached a price range of up to \$55,900 per unit or \$93,200 per AF. Louisville utilizes this value to base the water resources component of water tap fees on.

Effective February 15th, 2020 Tap fees will increase as outlined in the table of fees below as a result of the increase in the cost of water to the City and the increase in the value of the City's water infrastructure since 2016 (the last time water tap fees were adjusted based on system value and current costs).

Table 1: Schedule of Water System Development Charges

Meter Size	Existing	Facilities	Proposed	
			Water Resource	Total
3/4	\$ 30,500	\$ 14,100	\$ 39,400	\$ 53,500
1	\$ 54,400	\$ 25,100	\$ 70,200	\$ 95,300
1 1/2	\$ 122,000	\$ 56,400	\$ 157,600	\$ 214,000
2	\$ 217,000	\$ 100,300	\$ 280,200	\$ 380,500
3	\$ 488,000	\$ 225,600	\$ 630,400	\$ 856,000
4	\$ 867,500	\$ 401,100	\$ 1,120,600	\$ 1,521,700

Table 2: Schedule of Wastewater System Development Charges

Meter Size	Existing	Equivalent Ratio	Proposed Total
3/4	\$ 4,600	1.00	\$ 5,500
1	\$ 8,200	1.78	\$ 9,800
1 1/2	\$ 18,400	4.00	\$ 22,000
2	\$ 32,800	7.11	\$ 39,200
3	\$ 73,600	16.00	\$ 88,000
4	\$ 130,900	28.44	\$ 156,500

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