TOWN OF CRESTONE, COLORADO

ORDINANCE NO. 2026-004

AN ORDINANCE OF THE TOWN OF CRESTONE, COLORADO, AMENDING CHAPTER 7 OF THE CRESTONE MUNICIPAL CODE CONCERNING WATER AND SEWER TAPS, SERVICE LINES, METERS AND APPURTENANCES, STANDARD SPECIFICATIONS, TAP FEES, AND THE DEDICATION OF TAP FEE REVENUE WITHIN THE TOWN WATER AND SEWER ENTERPRISES

WHEREAS, the Town of Crestone is a statutory town organized and existing under the laws of the State of Colorado, and pursuant to C.R.S. § 31-15-101 et seq. and C.R.S. § 31-35-402 the Board of Trustees is authorized to own, operate, maintain and regulate the Town water and sewer systems and to fix and collect charges for services furnished by those systems; and

WHEREAS, Chapter 7 of the Crestone Municipal Code governs the municipal water system, the municipal water enterprise, the municipal sewer system and the municipal sewer enterprise; and

WHEREAS, the Board of Trustees finds that the cost of connecting a property to the Town water or sewer system should be borne by the person requesting the connection rather than by the existing ratepayers of the Town; and

WHEREAS, the Board of Trustees further finds that the integrity of the Town water mains, the safety of the public drinking water supply, and the Town obligations under the regulations of the Colorado Department of Public Health and Environment require that taps upon Town water mains continue to be made by the Town or under Town contract operations; and

WHEREAS, the Board of Trustees finds that uniform standard specifications for meters, meter pits, tapping saddles, service line materials and related appurtenances are necessary to the orderly operation, maintenance and replacement of the water and sewer systems; and

WHEREAS, the Board of Trustees finds that tap fees are properly characterized as charges for capacity in the Town systems, separate from the cost of the physical connection, and that revenue from tap fees should be dedicated to capital improvements to the systems and to debt service on indebtedness issued to finance those improvements; and

WHEREAS, the Board of Trustees finds that taps upon sewer mains do not present the same risk to the public drinking water supply as taps upon water mains, and that sewer taps may therefore continue to be made by the customer, at the customer's expense, as has been the practice of the Town; and

WHEREAS, the Board of Trustees finds that the dedication of tap fee revenue is accomplished by means of a restricted account within an existing enterprise fund, and does not require the creation of any separate fund or impose any additional cost upon the Town; and

WHEREAS, the Board of Trustees finds that the duties assigned by Chapter 7 to the manager should be capable of assignment to whichever employee or official the Town designates, rather than tied to any particular job title; and

WHEREAS, the Board of Trustees finds that certain additional provisions of Chapter 7 must be amended in conforming fashion so that the chapter does not contain inconsistent provisions; and

WHEREAS, the Board of Trustees finds that this Ordinance is necessary for the protection of the public health, safety and welfare of the residents of the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF CRESTONE, COLORADO:

Section 1. Amendment of Section 7-1-20(b).

Subsection (b) of Section 7-1-20 of the Crestone Municipal Code is hereby amended to read in its entirety as follows:

(b) Taps and service lines.

(1) Performance. The town, through town employees or town contract operations, shall make all taps on town water mains and shall set the meter pit. All other work, including excavation, installation of the service line, backfill, compaction and surface restoration, shall be performed by the applicant through a contractor approved by the town, and shall be subject to inspection and approval by the town under subsection (k) of this section before being covered or placed in service.

(2) Cost. The cost of all work, labor, material, equipment and services required to tap the town water main, to set the meter pit, and to extend the service line from the town water main to the property is the sole responsibility of the person requesting the tap. The town may require a deposit in the amount of the town's estimated cost before the work is scheduled, and shall not activate service until all amounts due the town have been paid in full. Any deposit balance remaining after final accounting shall be refunded within thirty days.

Section 2. Amendment of Section 7-1-20(e).

Subsection (e) of Section 7-1-20 of the Crestone Municipal Code is hereby amended to read in its entirety as follows:

(e) The water service line from the town water main to the meter pit shall be installed by the applicant, at the applicant's expense, in accordance with town specifications, and upon inspection and acceptance by the town shall become the property of the town and thereafter be maintained by the town. The town shall set and maintain the meter pit and the meter. Water lines extending from the meter pit shall be installed and maintained by the property owner or user in accordance with the state plumbing code.

Section 3. Amendment of Section 7-1-20(n).

Subsection (n) of Section 7-1-20 of the Crestone Municipal Code is hereby amended to read in its entirety as follows:

(n) Meters, meter pits and service appurtenances.

(1) Water meters, meter pits, corporation stops, curb stops, curb boxes, tapping saddles, and all other appurtenances installed on or connected to the town water system shall conform to the town's standard specifications adopted under subsection (p) of this section.

(2) The town shall furnish the water meter and the meter pit in all cases and shall bill the actual cost to the person requesting the tap. All other components listed in paragraph 1 shall be obtained by the applicant either from the town, at the town's actual cost together with any handling charge set forth in the consolidated fee schedule, or from a supplier approved by the town, provided in either case that the components conform to the town's standard specifications and are inspected and accepted by the town before installation.

(3) All meters, meter pits and appurtenances on the town side of the meter pit shall be and remain the property of the town upon final inspection and written acceptance by the town.

(4) The installation specifications of such meters shall be subject to the approval of the operator in responsible charge or the operator's designee, who, after consultation with the property owner, shall retain the authority to direct the location and installation of the meter and meter pit. The meter pit shall be placed at or near the property line, in a location accessible to the town without entry into a structure, a locked area, or an enclosure containing an animal, and shall be kept accessible and free of obstruction by the property owner.

(5) Acceptance of water service constitutes consent by the property owner, and by each successor in interest, to entry by the town upon the property at reasonable times for the purpose of reading, testing, maintaining, repairing or replacing the meter and meter pit. Failure to provide access after written notice is grounds for discontinuance of service under section 7-1-30. Where the meter pit is located outside a public right-of-way or an existing town easement, the town may require a recorded easement as a condition of the tap.

(6) The person requesting the tap shall warrant the materials and workmanship of the service line installation for a period of one year from the date of the town's written acceptance, and shall correct any defect arising within that period at no cost to the town.

Section 4. Addition of Section 7-1-20(p).

Section 7-1-20 of the Crestone Municipal Code is hereby amended by the addition of a new subsection (p), to read as follows:

(p) Standard specifications. The board of trustees may adopt by resolution, and may amend from time to time, standard specifications for the materials, components and construction methods used in connection with the town water system, including meters, meter pits, corporation stops, curb stops, curb boxes, tapping saddles, service line materials and backflow prevention devices. No material or component that does not conform to the specifications then in effect shall be installed on or connected to the town water system. The town may require the removal and replacement of nonconforming material at the expense of the person who installed it or caused it to be installed.

Section 5. Amendment of Section 7-1-30.

The introductory paragraph of Section 7-1-30 of the Crestone Municipal Code is hereby amended to read in its entirety as follows, the remainder of Section 7-1-30 being unchanged:

The fees, rates and charges pursuant to the implementation of this article are designed to address initial costs and operation of the town water system and may be amended from time to time by resolution of the town board of trustees; said fees, rates and charges are set forth in appendix 2-F, to which reference is made. The tap fee is a charge for capacity in the town water system reserved for and made available to the property, and is separate from and in

addition to the cost of the physical connection, the service line, the meter, the meter pit and the backflow prevention device, all of which are borne by the person requesting the tap as provided in section 7-1-20. Such tap fees are due and payable prior to tapping into the town water system, and all paid water tap fees are non-refundable.

Section 6. Amendment of Section 7-3-10; definition of Manager.

The definition of "Manager" in Section 7-3-10 of the Crestone Municipal Code is hereby amended to read in its entirety as follows:

> Manager means the chief administrative officer of the town, by whatever title that office is designated, or such other employee or official of the town as the board of trustees or the chief administrative officer may designate to administer this article, and includes that person's authorized deputy or designee. Any reference in this chapter to the manager, the sewer manager, the town manager or the town administrator means the person designated under this definition. A designation under this definition shall be made in writing and kept on file with the town clerk.

Section 7. Amendment of Section 7-3-50.

The undesignated introductory paragraph of Section 7-3-50 of the Crestone Municipal Code is hereby amended to read in its entirety as follows, numbered subsections (1) through (8) of Section 7-3-50 being unchanged and remaining in full force and effect:

> The cost of all work, labor, material and services of tapping town sewer mains, and of connecting service lines to town sewer mains, is the sole responsibility of the person requesting the tap. Taps and service line connections shall be made as provided in section 7-3-60. Extensions of town sewer mains, and the costs of those extensions, are governed by subsections 1 through 8 of this section.

Section 8. Amendment of Section 7-3-60(d).

Subsection (d) of Section 7-3-60 of the Crestone Municipal Code is hereby amended to read in its entirety as follows:

> (d) Connection of the service line to the sewer main shall be made by installing a saddle, meeting town specifications, on the sewer pipe. All costs associated with the purchase, installation and placement of the saddle, and all other costs associated with the connection, shall be borne by the property owner. The property owner and any person requesting the tap on the owner's behalf shall be jointly and severally liable for those costs.

Section 9. Amendment of Section 7-3-60(h).

Subsection (h) of Section 7-3-60 of the Crestone Municipal Code is hereby amended to read in its entirety as follows:

> (h) Inspection and tapping charges. All taps on town sewer mains shall be made by the customer, at the customer's expense, and all service lines shall be inspected by the manager. Taps on town water mains are made by the town as provided in section 7-1-20(b). Constructors of service lines shall call the manager for an open ditch inspection of all service lines. If said inspection is not made within 48 hours of the call, construction may proceed. Stub-outs must be inspected, but there shall be no charge.

Section 10. Addition of Section 7-3-60(i).

Section 7-3-60 of the Crestone Municipal Code is hereby amended by the addition of a new subsection (i), to read as follows:

> (i) Standard specifications. The board of trustees may adopt by resolution, and may amend from time to time, standard specifications for the materials, components and construction methods used in connection with the town sewer system, including tapping saddles, service line materials and cleanouts. No material or component that does not conform to the specifications then in effect shall be installed on or connected to the town sewer system. The town may require the removal and replacement of nonconforming material at the expense of the person who installed it or caused it to be installed.

Section 11. Addition of Section 7-2-40(d).

Section 7-2-40 of the Crestone Municipal Code is hereby amended by the addition of a new subsection (d), to read as follows:

> (d) Water tap fees, and any other capacity or system development charge collected under this chapter with respect to the water system, shall be deposited in a restricted capital account within the water activity enterprise fund. Amounts in that account shall be appropriated and expended only for capital improvements and capital equipment for the water system, and for debt service on indebtedness issued to finance capital improvements to the water system. Amounts in that account shall not be transferred to or expended for the sewer system or for any other town purpose. This subsection is subject to any pledge of revenues securing bonds or other obligations of the water enterprise outstanding on the effective date of this subsection. The restricted capital account required by this subsection is an account within an existing fund and does not require the creation of a separate fund.

Section 12. Amendment of Section 7-4-40.

Section 7-4-40 of the Crestone Municipal Code is hereby amended to read in its entirety as follows:

> Sec. 7-4-40. Exemption; enterprise fund; restricted capital account.
>
> (a) It is the intent of the town that the sewer enterprise be operated and maintained so as to exclude its activities from the application of Article X, Section 20 of the Colorado Constitution, to the fullest extent possible.
>
> (b) All funds of the sewer enterprise shall be segregated and separately accounted for from other town funds in a fund known as the sewer enterprise fund.
>
> (c) Sewer tap fees, and any other capacity or system development charge collected under this chapter with respect to the sewer system, shall be deposited in a restricted capital account within the sewer enterprise fund. Amounts in that account shall be appropriated and expended only for capital improvements and capital equipment for the sewer system, and for debt service on indebtedness issued to finance capital improvements to the sewer system. Amounts in that account shall not be transferred to or expended for the water system or for any other town purpose. This subsection is subject to any pledge of revenues securing bonds or other obligations of the sewer enterprise outstanding on the effective date of this subsection. The restricted capital account required by this subsection is an account within an existing fund and does not require the creation of a separate fund.

(d) Any tax, fee or charge imposed by the provisions of this article shall be so imposed as an exception and exemption from the provisions of Article X, Section 20 of the Colorado Constitution.

Section 13. Implementation; restricted capital accounts.

The Treasurer, with the assistance of the town's accounting consultants, is directed to establish within the town's chart of accounts the restricted capital accounts required by Sections 11 and 12 of this Ordinance, and to report the establishment of those accounts to the Board of Trustees. Nothing in this Ordinance requires the creation of any fund that does not already exist, and the restricted capital accounts required by this Ordinance are accounts within existing funds.

Section 14. Applicability; transition.

This Ordinance applies to applications for water or sewer taps, connections and extensions submitted on or after the effective date of this Ordinance. An application that is complete and pending on the effective date shall be governed by the provisions in effect on the date it was submitted. Nothing in this Ordinance affects the validity of any connection lawfully made before the effective date.

Section 15. Repeal of conflicting provisions.

All ordinances, resolutions and parts thereof in conflict with this Ordinance are hereby repealed to the extent of such conflict. Such repeal shall not revive any ordinance or part thereof previously repealed, and shall not affect any right accrued, any duty imposed, any violation committed, any penalty incurred, or any proceeding commenced before the effective date of this Ordinance.

Section 16. Severability.

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this Ordinance, the Board of Trustees hereby declaring that it would have adopted this Ordinance and each portion thereof irrespective of the invalidity of any other portion.

Section 17. Codification.

The Town Clerk is authorized and directed to cause the amendments adopted by this Ordinance to be incorporated into Chapter 7 of the Crestone Municipal Code, and to correct any typographical error, section or subsection numbering, or internal cross-reference made necessary by this Ordinance, provided that no such correction shall change the substance of any provision adopted herein.

Section 18. Safety clause.

The Board of Trustees hereby finds, determines and declares that this Ordinance is promulgated under the general police power of the Town of Crestone, that it is promulgated for the health, safety and welfare of the public, and that this Ordinance bears a rational relation to the proper legislative object sought to be attained.

Section 19. Effective date; posting and publication.

This Ordinance shall be posted by the Town Clerk in each of the Town's designated public posting places and shall be published by title only in a newspaper of general circulation within the Town.

This Ordinance shall take effect thirty (30) days after publication, as provided by C.R.S. § 31-16-105.

INTRODUCED, READ BY TITLE, PASSED AND ADOPTED on first reading this 12th day of October, 2026, by a vote of 6 ayes and 0 nays.

TOWN OF CRESTONE, COLORADO

Benjamin Byer, Mayor

ATTEST:

Arielle Blackwell, Town Clerk

(SEAL)

APPROVED AS TO FORM:

M. E. O'Connell, Town Attorney

CERTIFICATE OF THE TOWN CLERK

I, Arielle Blackwell, Town Clerk of the Town of Crestone, Colorado, hereby certify that the foregoing Ordinance No. 2026-004 was introduced, read by title, and passed and adopted at a regular meeting of the Board of Trustees held on October 12, 2026; that the Ordinance was posted in each of the Town's designated public posting places on October 21, 2026; and that the Ordinance was published by title in a newspaper of general circulation within the Town on November 1, 2026.

Dated this 26 day of October, 2026.

Arielle Blackwell, Town Clerk

(SEAL)