



Legislation Text

File #: 20-4171, Version: 1

ITEM: UTILITY SERVICES AGREEMENT FOR 4370 SOUTH ROAD DEVELOPMENT PROJECT

REQUEST: Approval of a Utility Services Agreement Reserving Potable Water Capacity for the 4370 South Road Development Project.

EXPLANATION: The 2018 Utility Rate Study established Water, Sewer and Fire Capacity Charges for new customers. Payment of these charges allow land owners to purchase system capacity provided sufficient capacity is available to meet both short term and long term system needs. These rates were approved by Council in August of 2018 and became effective on October 1, 2018. A Capacity Charge is a one-time payment made by every new potable water and wastewater customer to allow the Utility to recover the value of system capacity constructed and available. It is a type of “impact fee” imposed on new Utility customers, rather than existing customers. Capacity Fees are required to be paid prior to the Utility Director executing regulatory permitting documents certifying that capacity is available.

The 4370 South Road development project includes the construction of a new barn and storage building. The owner will be required to extend the existing distribution system by installing offsite improvements consisting of 1,340 LF of 12” watermain and fire hydrants on South Road. All offsite improvements will be turned over to the Village upon the completion of the project.

This Utility Service Agreement reserves capacity for a 4” water meter in the amount of \$37,000 and vests the property owner with the capacity reserved. If the use of the property as developed is less intense that for which capacity was reserved, the property owner shall not be entitled to refund of Capacity Charges. The property owner will remain fully vested for the amount capacity reserved. In addition to Capacity Fees, the property owner is required to pay meter fees and administrative charges at the time of connection.

BUDGET AMENDMENT REQUIRED: NO

PUBLIC HEARING: NO

QUASI-JUDICIAL:

FIRST READING:

SECOND READING:

LEGAL SUFFICIENCY: YES

FISCAL IMPACT: The Village will receive \$37,000 in Capacity Charges from the Developer to be used for eligible utility projects.

WELLINGTON FUNDAMENTAL: Economic Development

RECOMMENDATION: Approval of a Utility Services Agreement Reserving Potable Water System Capacity for the 4370 South Road development project.