

Title 7 – Utilities

Chapter 2 Water Use & Service

ARTICLE C. WATER FACILITIES CONSTRUCTION COSTS REIMBURSEMENT GUIDELINES AND PROVISIONS

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7-1C-1: PURPOSE AND FINDINGS:

- A. Purpose: It is the purpose of this article to establish guidelines and provisions for the reimbursement of costs to developers for the construction of culinary water system improvements within the town annexation boundaries.
- B. Findings: Based on preliminary information, the town finds:
1. It is necessary in the interest of the public health, public safety and general welfare that the town and the county promote the construction of water system infrastructure within the annexation boundary of the town;
 2. By allowing for the reimbursement of the costs of the construction of water systems, the likelihood of developers constructing new water facilities is increased;
 3. It is fair and equitable for other lot owners or developers to reimburse a previous developer for the costs incurred by the previous developer for the construction of the water facility. (Ord. 07-003, 3-13-2007)

7-1C-2: DEFINITION:

For the purposes of this article, "water main line" means that portion of a central water distribution system (public system) that is usual water laterals, and is owned and maintained by a municipality or service district. For the purposes of this article, an eight inch (8") diameter pipe

is the minimum size to be considered a water main line and eligible for reimbursement. (Ord. 07-003, 3-13-2007)

7-1C-3: REIMBURSEMENT GUIDELINES AND PROVISIONS:

- A. Agreement: In the event that a developer desires to install new water infrastructure, with an eight inch (8") minimum diameter, and connect to the town water distribution system, they shall be entitled to enter into an agreement with the town to provide for the reimbursement of a proportional share of the actual costs of constructing or extending the water infrastructure.
- B. Costs Paid: The reimbursement of the costs would be paid by lot owners or developers who thereafter connect to the new water infrastructure. The reimbursement agreement would be binding on all current or future lot owners connecting to the new water system, unless a written agreement is executed between the initial developer and the lot owner, waiving the reimbursement requirement.
- C. Submittal, Approval: In order for a reimbursement agreement to be effective, the reimbursement agreement must be executed and construction drawings of the new facilities must have been submitted and approved by the public works department prior to the installation of the new water infrastructure.
- D. Collection: Thereafter, the installation reimbursement costs shall be collected for the provision of new water facilities until the initial developer has been reimbursed, without interest, according to the terms of a reimbursement agreement, or for a ten (10) year period following the execution of the reimbursement agreement.
- E. Payment Not Guaranteed: The town in no way guarantees payment to the initial developer, except to the extent that funds are actually collected from lot owners or developers in accordance with the terms of this article.
- F. Additional Costs: In addition to the cost of the extension, the lot owner or developer shall pay the physical connection costs and or any other impact fees as required by ordinance. (Ord. 07-003, 3-13-2007)

7-1C-4: CALCULATION OF REIMBURSEMENT COSTS:

- A. Methods Of Calculation: With respect to any reimbursement agreement entered into by the town, the town may consider methods of calculating reimbursement costs, such as: 1) by number of connections; 2) by length of infrastructure fronting a lot; or 3) by volume or capacity demand.
- B. Determination Of Method: Each reimbursement agreement shall specify which method or combination of methods shall be used to calculate reimbursement costs. Which methods of calculation are used in each development agreement shall be determined by the town, in its sole discretion.

- C. Responsibility For Billing And Collection Of Reimbursement Amounts: It is the responsibility of the developer to notify the town if any third party connects or intends to connect onto said water main as installed by the developer at any time within ten (10) years from the date of signing a reimbursement agreement. The town shall, upon receipt of written notification from the developer, inform the third party of the reimbursement agreement and collect said fee as part of the approval for water connection, in addition to charging the usual connection and impact fee. The town shall then pay the amount over to the developer until such time as they have been reimbursed for the amount agreed upon in the reimbursement agreement, or up and until the expiration of ten (10) years, whichever shall occur first. The town in no way guarantees payment to the developer, except to the extent that the developer timely notifies the town of the need to collect funds from a third party and funds are collected from such third party and in accordance with the terms set forth in this article. (Ord. 07-003, 3-13-2007)