

RESOLUTION 18-27

**A RESOLUTION ESTABLISHING A MEANS
TO CALCULATE OVERSIZING COSTS**

WHEREAS, TITLE 18 of the Spring Hill Municipal Code addresses credits for installing oversized lines; and

WHEREAS, a developer who extends a water or sewer line and is required by the city to install an oversized line shall be entitled to receive a credit against the payment of availability fees; and

WHEREAS, oversizing reimbursement shall be calculated and based upon 2-1/4 times the difference of invoiced cost of materials delivered to the project site for the sizing of as required by the city of a water distribution or wastewater collection pipe and materials over and above the cost of the same materials for such water distribution or wastewater collection pipe otherwise reasonably sized for the project and all the surrounding land also owned by the developer; and

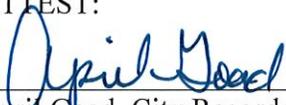
NOW, THEREFORE, in consideration of the premises and recitals hereinabove set forth, which are incorporated herein by reference, oversizing reimbursement shall be calculated and based upon 2-1/4 times the difference of invoiced cost of materials delivered to the project site for the sizing as required by the city of a water distribution or wastewater collection pipe and materials over and above the cost of the same materials for such water distribution or wastewater collection pipe otherwise reasonably sized for the project and all the surrounding land also owned by the developer.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 19th day of March, 2018.



Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

March 5, 2018

MEMO TO: Victor Lay, City Administrator

FROM: Philip Stuckert, P.E. Infrastructure Director

SUBJECT: Credits for installing Oversized Sewer and Water Pipelines.

Recommendation: That the Board of Mayor and Aldermen adopt a resolution specifying the maximum amount of credit to which a developer shall be entitled for the extension of oversized lines

Summary:

Section 18-145 of Title 18 Water and Sewer covers credits for oversized lines. A copy of that Section is attached to this memorandum.

Section 18-145 identifies the need to oversize water and sewer pipes to accommodate city growth with efficient design and expansion of its underground utilities.

Paragraph 2 of the Section states that the maximum amount of credit to which a developer shall be entitled for the extension of oversized lines shall be an amount determined by the City that reasonable approximates the difference between the actual cost of extending the oversized line and the cost that the developer would have incurred had he been allowed to extend a line that was not oversized.

City staff from water and sewer have worked out a simple process to determine the amount of credit to which a developer shall be entitled. This methodology will work for both water and sewer oversizing.

City staff recommends that the oversizing reimbursement shall be calculated and based upon 2-1/4 times the difference of invoiced cost of materials delivered to the project site for the sizing of as required by the city of a water distribution or wastewater collection pipe and materials over and above the cost of the same materials for such water distribution or wastewater collection pipe otherwise reasonable sized for the project and all the surrounding lands that can be serviced.

The proposed approach meets the intent of Section 18-145 and keeps the calculations simple for everyone, including developers, to use when the City requests oversizing pipe.

The cost associated for oversizing can be credited against water and sewer fees. Section 18-145 paragraph b states *“that the availability fees against which a credit may be taken are those fees that are required to be paid for the development of the property to which or in which the lines are extended. An extension of any oversized waterline entitles the developer to credits only against water availability fees, and an extension of an oversized sewer line entitles the developer to credits*

only against sewer availability fees.” City staff recommends that the city compensate developers out of the respective water and sewer budgets for the oversizing costs from the capital line item established for oversizing rather than water or sewer availability fees which appear to be linked to each lot as it is developed. The accounting and tracking of these individual availability fees will be problematic when working to keep track of which lot has paid and those that have not.

Staff has prepared a resolution, for BOMA’s consideration, specifying the method to calculate reimbursement of oversizing cost for water and sewer pipelines. We recommend adoption of the resolution.

the system shall not be permitted unless and until the lines have been constructed and connected in compliance with all applicable state and city regulations and requirements.

(2) Following dedication as provided in subsection (1), the city shall have exclusive control of all water or sewer lines and shall be responsible for their maintenance, repair, and operation. However, the conveyor of additions to the system shall guarantee the entire project against defective material and workmanship for a period of twelve (12) months from the date of completion and acceptance of the project, including such incidental damages as may arise from such claims. (1995 Code, § 18-144)

18-145. Credits for installing oversized lines. (1) A developer who extends a water or sewer line and is required by the city to install an oversized line shall be entitled to receive a credit against the payment of availability fees in accordance with the provisions of this section.

(a) For purposes of this section, an "oversized line" means any line or other element or facility of the city's water or sewer system that:

(i) Is larger than the minimum size line or facility that the city normally allows to be constructed and

(ii) Is larger than that necessary to serve the needs of the developer constructing the line or facility.

(b) The availability fees against which a credit may be taken are those fees that are required to be paid for the development of the property to which or in which the lines are extended. An extension of an oversized water line entitles the developer to credits only against water availability fees, and an extension of an oversized sewer line entitles the developer to credits only against sewer availability fees.

(2) The maximum amount of credit to which a developer shall be entitled for the extension of oversized lines shall be an amount determined by the city that reasonably approximates the difference between the actual cost of extending the oversized line and the cost that the developer would have incurred had he been allowed to extend a line that was not oversized. In making this determination, the city may, among other alternatives, establish a schedule of customary and reasonable costs for extending lines of different sizes and calculate the maximum creditable amount by multiplying the length of the line extended times the per foot cost differential for the oversized line.

(3) Credits may be taken under this section at the time availability fees are paid. In applying credits, a determination shall first be made of the amount of availability fees that would be required in the absence of any credits, and then the developer may use credits for up to fifty percent (50%) of payment otherwise required (subject to the maximum creditable amount determined under subsection (2)). (1995 Code, § 18-145)