

REQUEST FOR BOARD ACTION / CONTRACT CONTROL FORM

Tracking Number: 15.

Date of Request: May 28, 2008

Date Request Received: May 28, 2007

Board Meeting Date Requested: June 2, 2008

Board Meeting Date Assigned: June 2, 2008

Short Title: Discussion Of Water Capacity Fees.

Request Status:

- Request is proceeding to Board of Commissioners
- More information is needed – see attached
- Request on hold – no further information needed
- Other:

Background: In August of 2005, the Board of Commissioners established County-wide water and wastewater Capacity Fees. Capacity Fees, also called Impact or Facility Fees, are a charge or assessment imposed against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development. These fees were initially established based on the current cost range of water and wastewater treatment in 2005 and have been subsequently increased in three separate resolutions to the current rate of \$4.00 per gallon for water capacity and \$20.00 per gallon for wastewater capacity. Both rates are based on consumption estimates in the NC Administrative Code. Based on these standards, a 3/4" water tap will be assessed based on 360 gallons per day of usage at a minimum. This would equate to a Capacity Fee charge of \$1,440 for a standard three-bedroom house. Commercial capacities vary based on their planned use. For new home construction, these fees are to be paid before the Building Permit is issued. For existing homes that did not sign up and/or deposit the \$120 tap fee, the Capacity Fee is to be paid at the time of application for water/wastewater service.

This information is included in the proposed Water and Sewer Ordinance and public comment will be received at the Public Hearing on the Ordinance on June 16, 2008.

Specific Action Requested: Commissioner requested additional information.

Requested by: Michael Mack
Department: Utilities Director
Title:
Contact Phone: 910.259.1280
Contact Fax:

(Administrative Use Only)

CONTRACT TYPE

- Renewal
- For Service(s)
- Intergovernmental – County as Grantee
 - Federal Grantor
 - State Grantor
 - Grant or
- County as Grantor
 - County Funds
 - Other Funds:
- Revision
- For Equipment

PURCHASING Budgeted Item: Yes No
Date Rec'd: Reviewed and Approved
 Comments on Reverse

Date Sent:

Signed:

ATTORNEY Reviewed and Approved
Date Rec'd: Legal Problem(s)
 Comments on Reverse

Date Sent:

Signed:

FINANCE Sufficient Funds Available
Date Rec'd: Not Available
 Budget Amendment Necessary
 Budgeted Amendment is Attached
 Comments on Reverse

Date Sent:

Signed:

CLERK Signature(s) Required:
 Board Chairman/County Manager
 Other:

Date Rec'd Approved by Board: Yes No
At meeting on

Excerpt from proposed Water and Sewer Ordinance:

B. Charges Related to New Utility Service:

(i) **Capacity (Impact Fee)** – a fee to recover the past or future capital cost of Pender County Water and Sewer District Utility Facilities that have a system wide benefit in the amount of which shall be based on meter size or estimated gallons of demand based on North Carolina Administrative Code *TI5A: 02H.0200* . Capacity Fees shall be paid at the time of application for new utility service. Persons who are required to pay Capacity Fees shall include, but not be limited to (a) any Person undertaking any initial connection to the Pender County Water and Sewer District Utility Facilities for water or sewer service without a signed Water Users Agreement on record at the Department and payment on record at the Department of the \$120 tap fee deposit available at the time of initial sign-up or (b) "development" (defined below) to be connected to the Pender County Water and Sewer District Utility Facilities. If a meter size on which the fee is based is not described in the Rates and Fee Schedule or if there is no meter, the amount of the Capacity Fee shall be determined by the Department based upon the anticipated water use and sewage generation rates for sizes in question. "Development" for purposes of this paragraph shall mean any construction activity requiring the issuance of a building permit under the North Carolina State Building Code. Such activity shall include, but not be limited to, (c) new construction on vacant land, and (d) redevelopment activities and additions to existing structures on previously developed land where new utility service or an increased meter size is required; provided, however, that where an existing meter is being upgraded, the Pender County Water and Sewer District shall give a credit against the Capacity Fee due in an amount equal to the Capacity Fee that would have been due for the meter being replaced.

(ii) **Inspection Fee** – a fee to cover the cost to the Department of inspecting and approving the work of a contractor engaged by an applicant to connect the applicant's Owner Service Facilities to Pender County Water and Sewer District Utility Facilities and the verification of the Owner's water well line being cut and capped.

(iii) **Meter Fee** – a charge to cover the cost of the water meter when the tap is being made by a licensed Utility contractor and not the Department.

(iv) **Tap Fee** – a one time charge to cover the cost to the Department of installing a new service line and meters and other portions of Pender County Water and Sewer District Utility Facilities which benefit only the consumer being served. Tap Fees shall be paid at the time of application for new utility service.