



Date of Council Meeting: November 10, 2014

**TOWN OF LEESBURG
TOWN COUNCIL MEETING**

Subject: Financing Water and Sewer Availability Fees – Information Only

Staff Contact: Amy Wyks, Director of Utilities

Town Code Sections 34-29 and 34-127 provide for financing (installment payments) of availability fees in excess of \$10,000 for water and \$15,000 for sewer.

At the October 11, 2006 Council meeting, Council adopted an amendment to the Town Code to allow water and sewer service availability fees, meeting certain cost thresholds, to be paid in installments. (Ordinance 2006-O-66)

The Town Code addresses the water availability fees and sewer availability fees separately. In addition, sewer availability fees are approximately 50% higher (per gallon) than water availability fees. The current minimum water availability fee for a new business is \$4,683. The current minimum sewer availability fee is \$7,292. The current total combined minimum water and sewer availability fee is \$11,975.

Council adopted the threshold for eligibility to pay availability fees in installments at \$10,000 for water availability fees and \$15,000 for sewer availability fees. Any amount over the minimum thresholds may be financed through the town for a period of time not to exceed five years. The Town charges six percent interest on the financed amount of fees owed the Town and the utility customer must provide surety in a form acceptable to the Town Manager to guarantee payment of the financed portion of the fees.

Ordinance amended the Town Code as follows:

§ Sec. 34-29. - Availability charges for water service.

- (a) Before any person connects with or withdraws water from the town water system or extends water use on any premises to any additional dwelling, nonresidential, commercial or industrial use, a water service availability fee shall be paid in amounts provided below in addition to fees prescribed in section 34-28.*
- (b) The water connection and water service availability fees shall be paid prior to the issuance of a zoning permit or, where no zoning permit is required, before extension of water service to any new or additional use on the premises, provided however that in the event the availability fee per connection is in excess of \$10,000.00, the amount owed exceeding \$10,000.00 may be paid in installments pursuant to a contract that has been approved by the town manager. Such contract shall coincide with a commercial lease but for not more than 60 monthly installments*

and shall provide for interest to be paid on the unpaid balance at the legal judgment rate or six percent per annum, whichever is greater. Surety to the satisfaction of the town manager shall be required. The unpaid principal may be paid in full without penalty at any time. If any installment is not paid when due, the entire remaining balance shall be immediately due and payable. The town manager shall discontinue water service to the premises for which the fees required in this article remain unpaid for ten days from the date of notice of the amount of such fees to the owner or contract holder. Should the water service availability fee be delinquent, any sums paid on the account for any charges shall be applied to the availability fee charge first, then any remaining balance to other charges.

§ 34-127. - Availability charge for sewer service.

- (a) Before any person connects with or discharges sewage into the town sewer system or extends sewer use on any premises to any additional dwelling, nonresidential, commercial or industrial use, a sewer service availability fee shall be paid in amounts provided in subsection (b) of this section in addition to fees prescribed in section 34-126.*
- (b) The sewer connection and sewer service availability fees shall be paid prior to the issuance of a zoning permit or, where no zoning permit is required, before extension of sewer service to any new or additional use on the premises, provided however that in the event the availability fee per connection is in excess of \$15,000.00, the amount owed exceeding \$15,000.00 may be paid in installments pursuant to a contract that has been approved by the town manager. Such contract shall coincide with a commercial lease but for not more than 60 monthly installments and shall provide for interest to be paid on the unpaid balance at the legal judgment rate or six percent per annum, whichever is greater. Surety to the satisfaction of the town manager shall be required. The unpaid principal may be paid in full without penalty at any time. If any installment is not paid when due, the entire remaining balance shall be immediately due and payable. The town manager shall discontinue sewer service to premises for which the fees required in this article remain unpaid for ten days from the date of notice of the amount of such fees to the owner or contract holder. Should payment not be made on said contract ten percent of the monies paid to the town for water and sewer service shall be applied to the availability fee contract until such contract is paid in full. Should the sewer service availability fee be delinquent, any sums paid on the account for any charges shall be applied to the availability fee charge first, then any remaining balance to other charges.*

Attachments: None