UTILITY COMMITTEE

The Utility Committee Meeting was held on June 23, 2014 at 5:02 p.m. with Councilman Perza presiding in the absence of Chairwoman Williams (arrived at 5:06 p.m.). Members present were Mr. Slavin, Mr. Blakeman, and Mr. Snaman. Members of Council present were Mr. Dixon and Mr. Hutchison.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was approved as presented.

Proposed Ordinance #2014-15 Amending Chapter 110 - Utilities, Article III - Water Service, Division 3 - Water Impact Fees, Section 110-207 - Establishment of Equivalent Dwelling Units and Article IV - Sanitary Sewer Service, Division 3 - Wastewater Collection Impact Fees, Section 110-282 - Establishment of Equivalent Dwelling Units

Mr. Scott Koenig, City Manager, reviewed Proposed Ordinance #2014-15, which would amend Chapter 110 - Utilities, Article III - Water Service, Division 3 - Water Impact Fees, Section 110-207 - Establishment of Equivalent Dwelling Units and Article IV - Sanitary Sewer Service, Division 3 - Wastewater Collection Impact Fees, Section 110-282 - Establishment of Equivalent Dwelling Units. He advised members that Chapter 110 - Utilities, Articles III and IV currently have a maximum cap of 100 Equivalent Dwelling Units (EDUs) per certificate of occupancy. Mr. Koenig stated that the maximum cap was intended to encourage business expansion; however, the existing prescriptive cap had placed the City at a negotiating disadvantage in recent situations, such as the Garrison Energy Center (Calpine).

Mr. Koenig explained that the proposed amendment would remove the current impact fee cap of 100 EDUs per certificate of occupancy. Additionally the proposed amendment would provide City Council with the ability to reduce the maximum number of EDUs for large development projects; however, the applicant must demonstrate their economic benefit to the City before City Council will reduce the maximum number of EDUs to as low as 100 EDUs.

Mr. Koenig indicated that the amendment would provide the City leverage in negotiating with businesses. As an example, he stated that the water system for the Garrison Energy Center (Calpine) included an elevated storage tank, at a cost of $4.2M, and additional infrastructure improvements. With the current impact fees, Calpine will contribute approximately $210,000 for this project; however, if the caps had been negotiated, he stated that the City may have been able to recover the total $4.2M.

Mr. Koenig stated that, to his recollection, the maximum caps were instituted when the City was considering the expansion of Proctor & Gamble, which would have resulted in a multi-million dollar impact fee. He stated that at that time no system improvements, such as a water tower, pump station, etc., were required of the City; the expansion would have resulted only in an impact on the system.

Responding to Mr. Perza, Mr. Koenig indicated his anticipation that the proposed amendment would result in additional revenues for the City since it would provide the City more leverage to collect a higher fee than currently prescribed by Code. Mr. Koenig stated that the proposed amendment would not affect the current block under construction for the Calpine project since permits had

already been issued. He advised members that, under the current Code, if a second block were constructed by Calpine, EDUs would be capped at 100 and if there were any costs for the system upgrade, the City would bear those costs.

In response to Mr. Blakeman, Mr. Koenig stated that the caps were initially instituted for economic development reasons.

Staff recommended adoption of the proposed ordinance.

Mr. Blakeman moved to recommend adoption of Proposed Ordinance #2014-15, as recommended by staff, seconded by Mr. Slavin and unanimously carried.

Mr. Blakeman moved for adjournment, seconded by Mr. Slavin and unanimously carried.

Meeting adjourned at 5:10 p.m.

Adam M. Perza
Acting Chair

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