

**ORDINANCE NO. 22-07**

**AN ORDINANCE TO AMEND TITLE 18 OF THE SPRING HILL CODE OF ORDINANCES REGARDING WATER AND SEWER DEVELOPMENT CHARGES**

**WHEREAS**, The Board of Mayor and Aldermen adopted Ordinance 86-42 that governed requests for connections to the City of Spring Hill Water and Sewer Systems; and; and

**WHEREAS**, the Board of Mayor and Aldermen subsequently amended the Spring Hill Code of Ordinances and associated charges for water and sewer connections referenced therein with the adoption of Ordinance 96-11, 97-20, 02-17, 07-29, 07-48, 10-16, 12-20, and 19-87; and

**WHEREAS**, Title 18, Chapter 1, Section 18-108 and Section 18-109 need to be amended to clarify how system development charges are assessed to developments that utilize master meters to serve private infrastructure; and

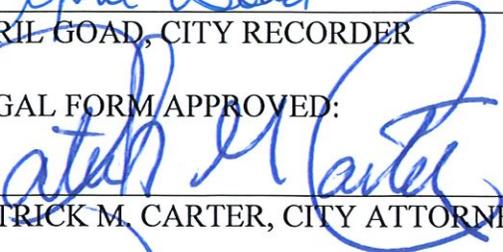
**NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF SPRING HILL, TENNESSEE, BOARD OF MAYOR AND ALDERMEN**, that:

1. Title 18-108, Paragraph B, add a note number 7 as follows:
  7. "For any development proposing to use a master meter to serve a private system, the water and sewer system development charges shall be assessed based on the number of units proposed and charged the Average Investment Per Equivalent Residential Unit Amount noted in this section."
  
2. Title 18-109, Paragraph A, add a note number 6 as follows:
  6. "For any development proposing to use a master meter to serve a private system, the water and sewer system development charges shall be assessed based on the number of units proposed and charged the Average Investment Per Equivalent Residential Unit Amount noted in this section."

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee, this 2<sup>nd</sup> day of May, 2022.

  
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JIM HAGAMAN, MAYOR

ATTEST:  
  
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APRIL GOAD, CITY RECORDER

LEGAL FORM APPROVED:  
  
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PATRICK M. CARTER, CITY ATTORNEY

Passed on 1<sup>st</sup> Reading: April 4, 2022  
Passed on 2<sup>nd</sup> Reading: May 2, 2022



## City of Spring Hill

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Date: March 30, 2022

From: Dan Allen, Assistant City Administrator - Utilities

Re: Ordinance 22-07 Amendments to Title 18 of the Spring Hill Code Ordinances Regarding Water and Sewer System Development Charges

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**BACKGROUND INFORMATION:** The proposed ordinance is recommended to clarify a discrepancy in the code regarding system development charges collected from multi-family developments that use public master meters to serve private infrastructure within the development.

In 2019, the City of Spring Hill passed legislation authorizing the increase of water and sewer system development charges (SDC). This was done through Ordinance 19-32 and 19-33. These charges were developed using the Incremental Cost Method. This method establishes a capital contribution to serve new customers and is spread out amongst the projected number of new customers to develop a cost per Equivalent Residential Unit (ERU). For the water SDC, the average investment per ERU is \$1,243. For the sewer SDC, the average investment per ERU is \$1,692.

An issue arose recently where a multifamily development attempted to pay water and sewer SDC's based on utilizing one public master meter with private infrastructure behind the meter. After discussion with the consultants, the ordinances adopted in 2019 did not contemplate this scenario, and as a result, there is a significant discrepancy in determining how SDC's should be calculated.

In order to clarify this issue going forward, staff proposes to amend Title 18, Chapter 1, Section 108 Water Connection Charge and Title 18, Chapter 1, Section 109 Sewer Connection Charge to add the following language:

“For any development proposing to use a master meter to serve a private system, the water and sewer system development charges shall be assessed based on the number of units proposed and charged the Average Investment Per Equivalent Residential Unit Amount noted in this section.”