

ORDINANCE 25-29

AN ORDINANCE ESTABLISHING A SEWER MORATORIUM, ADOPTING A ONE-TIME SEWER CAPACITY ALLOCATION FRAMEWORK, LIFTING PRIOR SUSPENSIONS OF DEVELOPMENT APPLICATIONS SUBJECT TO THAT FRAMEWORK, AND SUPERSEDING PRIOR ACTIONS IN CONFLICT THEREWITH.

WHEREAS, the City of Spring Hill owns and operates a municipal wastewater system regulated by the Tennessee Department of Environment and Conservation (“TDEC”), and is currently under TDEC Consent Order WPC2025-0093, which prohibits issuance of new sewer availability letters and new sewer connections until additional capacity becomes available; and

WHEREAS, Tennessee Code Annotated § 6-2-201(28) authorizes municipalities to regulate utilities; § 7-35-401 et seq. authorizes municipalities to own and operate wastewater systems; and § 13-4-308 and § 13-3-413 authorize municipalities to condition or delay subdivision and development approvals where public facilities, including wastewater systems, lack adequate capacity; and

WHEREAS, Tennessee Code Annotated § 13-4-310 provides that application processing timeframes and development review deadlines are tolled when necessary public facilities do not possess adequate capacity to serve a proposed development and;

WHEREAS, due to wastewater capacity limitations and the regulatory restrictions imposed under the Consent Order, the Board of Mayor and Aldermen (“BOMA”) adopted Resolution 25-238 on October 6, 2025, temporarily suspending acceptance, processing, and approval of construction plans, grading permits, and building permits to halt over-allocation of wastewater capacity; and

WHEREAS, BOMA subsequently adopted Resolution 25-259 on November 3, 2025, extending and amending Resolution 25-238 to allow time for staff to develop a comprehensive sewer allocation recommendation and to engage with the development community; and

WHEREAS, City staff has completed wastewater system capacity evaluations confirming remaining usable plant capacity after accounting for (1) plant rating, (2) existing flows, (3) reserves required for operational reliability, (4) critical infrastructure needs, and (5) active building permits; and

WHEREAS, these analyses determined that development projects with enforceable development agreements (“Group 1”) require 207,403 gallons per day (GPD), and permit-ready vacant lots (“Group 2”) require 62,500 GPD, together consuming the entirety of the City’s remaining wastewater treatment capacity; and

WHEREAS, the BOMA finds it necessary to allocate all remaining sewer capacity in a single, one-time action that is lawful, equitable, and consistent with the TDEC Consent Order, while enabling the City to resume acceptance of certain development applications.

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

SECTION 1. Sewer Moratorium and Purpose

A **sewer moratorium** is hereby declared pursuant to Tennessee Code Annotated §§ **6-2-201(28), 7-35-401 et seq., 13-4-308, and 13-3-413**, prohibiting issuance of any new sewer capacity commitments, sewer availability letters, or sewer connection approvals, except as authorized through this Ordinance.

For purposes of tolling development review timelines and vested rights protections under Tennessee Code Annotated § **13-4-310**, the effective tolling date is **October 6, 2025**, the adoption date of Resolution 25-238.

The purposes of this sewer moratorium include but are not limited to:

1. Ensure compliance with **TDEC Consent Order WPC2025-0093**;
2. Prevent further allocation of sewer capacity beyond available system capability;
3. Provide a fair and predictable mechanism for distributing all remaining sewer capacity;
4. Provide the specific criteria for lifting the development suspension adopted under Resolutions 25-238 and 25-259.

SECTION 2. Sewer Capacity Allocation Framework

All remaining municipal wastewater treatment capacity is hereby allocated as follows:

A. Group 1 – Development Agreements (Total Allocation: 207,403 GPD)

Project	GPD Allocation
John Maher Builders	18,000
Barton Hills	12,000
Arbor Valley*	12,000
June Lake	58,000
Spring Hill Towne Crossing	10,808
Legacy Pointe	62,995
Spring Hill Commerce Center	20,000

Project	GPD Allocation
Belle Springs	12,600
Smyrna Ready Mix	1,000
Group 1 Total	207,403

*Indicates allocation to multiple builders within the project.

B. Group 2 – Permit-Ready Vacant Lots (Total Allocation: 62,500 GPD)

Project	Units	GPD Allocation
Cherry Grove	3	750
Harvest Point*	—	16,500
<i>DR Horton</i>	48	—
<i>Celebration</i>	14	—
<i>Regent Homes</i>	4	—
Alaina Park	24	6,000
Hardins Landing	24	6,000
August Park*	—	9,000
<i>Toll Brothers</i>	18	—
<i>Richmond American</i>	18	—
Brandon Woods	39	9,750
Bluebird Hollow	22	5,500
Mountain View	16	4,000
Crystal Creek	16	4,000
Maebry	4	1,000
Group 2 Total	250 units	62,500

*Indicates allocation to multiple builders within the project.

C. One-Time Allocation Statement

The Group 1 and Group 2 allocations constitute a single, one-time allocation of all remaining municipal wastewater treatment capacity. No additional development capacity remains available at this time.

D. Critical Infrastructure Allocation

BOMA allocates 65,000 GPD for a hospital on Reserve Boulevard and the Public Works and Fleet buildings.

E. Active Building Permits

BOMA allocates 365,000 GPD for all active building permits issued as of the effective date of this ordinance.

F. Future Discretionary Allocation of Sewer Capacity Reserve

BOMA establishes a sewer capacity reserve of 100,000 GPD. BOMA may consider an allocation from the sewer capacity reserve for nonresidential tenant improvements of existing buildings on the condition that the property is excluded from Group 1 and Group 2 allocations and does not qualify for approval under Section 3 below.

SECTION 3. Lifting of Prior Suspensions and Conditions for Application Acceptance

A. The suspensions of acceptance, processing, and approval of development applications imposed under **Resolution 25-238** and **Resolution 25-259** are hereby **lifted**, but **only** for existing buildings and development projects receiving sewer capacity Section 2 of this Ordinance.

B. A development or building permit application requiring sewer service may be accepted, processed, or approved only if:

1. The project has a sewer allocation under this Ordinance;
2. The project is located on a site or in a building with existing or previous flows and the resulting flow is equal to or less than existing or previous flows; or
3. **Projects proposing decentralized or alternative wastewater treatment systems must comply fully with all adopted City design standards, permitting procedures, engineering submittal requirements, TDEC approval requirements, long-term maintenance obligations, and financial assurance standards *before* any application is accepted for Planning Commission consideration.**

Development or building permit applications for sewer allocation and decentralized or alternative wastewater treatment systems are required to satisfy all zoning, development, subdivision, engineering, building code, and utility standards to be eligible for approval.

C. Projects without allocations or a decentralized or alternative wastewater treatment system remain **ineligible** for application acceptance or approval until new wastewater capacity becomes available or a future ordinance authorizes additional allocations.

SECTION 4. Superseding of Conflicting Prior Actions

All prior resolutions, ordinances, motions, policies, sewer reservation schedules, and administrative actions **in conflict with this Ordinance are hereby superseded**, except that vested rights recognized under Tennessee law and enforceable development agreements remain in effect.

SECTION 5. Compliance with TDEC Consent Order WPC2025-0093

All allocations, approvals, and administrative procedures authorized by this Ordinance shall comply with **TDEC Consent Order WPC2025-0093**. In the event of conflict, the Consent Order shall govern.

SECTION 6. Administrative Procedures

The **City Administrator or their designee**, in coordination with the Development Services Director, City Engineer, and General manager of Spring Hill Water, is authorized to implement administrative rules governing:

- Application intake, prioritization, and tracking;
- Documentation and issuance of sewer allocations;
- Expiration and lapse of allocations;
- Verification of capacity availability;
- Compliance with the TDEC Consent Order and all City policies.

SECTION 7. Enforcement

A. All projects, habitable buildings, or tenant spaces in receipt of a sewer capacity allocation shall be required to install a flow meter to monitor sewer flows from the property, building, or tenant space. The type and location of flow meters shall be subject to the approval of Spring Hill Water. Flow meters are required to be installed, inspected, and accepted by Spring Hill Water prior to the issuance of a Certificate of Occupancy (CO).

- B. Should a project, building, or tenant exceed the approved allocation, the City of Spring Hill will issue notice of the exceedance, and the property owner will be required to comply with the allocation within five (5) business days of notice.

In the event the exceedance is not resolved within five (5) business days of notice, the City of Spring Hill will disconnect water service to the property or tenant space in violation. Water service will be restored once the property owner takes action, as deemed appropriate by Spring Hill Water, to comply with the allocation.

- C. Should a project, building, or tenant exceed the approved allocation for a second time, the City of Spring Hill will issue notice to the property owner and disconnect water service to the property or tenant space in violation. Water service may be restored once the property owner takes further action, as deemed appropriate by Spring Hill Water, to comply with the allocation.
- D. Should a project, building, or tenant exceed the approved allocation for a third time, the City of Spring Hill will issue notice to the property owner, disconnect water service to the property or tenant space in violation, revoke the CO, and require the premises to be vacated.

SECTION 8. Duration

This Ordinance remains in effect until:

1. All Group 1 and Group 2 allocations have been assigned;
2. Additional municipal wastewater capacity becomes available; or
3. The BOMA adopts a subsequent ordinance modifying or replacing this allocation framework.

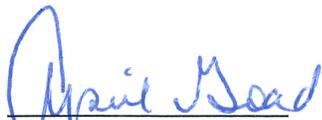
SECTION 9. Effective Date

This Ordinance shall take effect upon passage, **the public welfare requiring it.**



Matt Fitterer, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

Passed on First Reading: December 15, 2025

Passed on Second Reading: January 05, 2026

STAFF MEMORANDUM

TO: Board of Mayor and Aldermen

FROM: Carter Napier | City Administrator
Patrick Carter | City Attorney
Dan Allen | Assistant City Administrator
Dara Sanders | Development Services Director

DATE: 12/15/2025

SUBJECT: Ordinance 25-29 (Sewer Moratorium and Capacity Allocation)

REQUEST:

Staff requests approval of an ordinance declaring a sewer moratorium and allocating the City's remaining sewer capacity.

PROPOSAL:

The proposed ordinance is written to include the following provisions –

Section 1 formally establishes a sewer moratorium and identifies October 6, 2025, as the official tolling date for the vested rights of projects that cannot proceed with fulfilling their project obligations because of the moratorium.

Section 2 recommends a one-time allocation of sewer capacity to projects with development agreements resulting in infrastructure above and beyond that required for the project (Group 1) and for permit-ready residential lots (Group 2). These allocations may be applied to new development, redevelopment, and tenant improvements in existing buildings.

This section also establishes a capacity reserve of 100,000 gallons per day (GPD) and creates an opportunity for projects not included in Groups 1 and 2 to request from BOMA capacity from the reserve. As written, only existing buildings are eligible for an allocation from the reserve due to the limitations of Section 1.

Section 3 lifts the application submittal and approval suspensions associated with Resolutions 25-238, -259, and -268. New restrictions on application submittals and approvals are put in place to align with Section 2 provisions.



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Section 4 is standard language related to conflicts in prior resolutions, ordinances, policies, and etc.

Section 5 requires that all allocations, approvals, and procedures comply with TDEC Consent Order WPC2025-0093.

Section 6 authorizes the City Administrator, in coordination with development review/permitting staff and Spring Hill Water staff, to establish and implement rules for enforcing and tracking these provisions and remaining sewer capacity.

Section 7 establishes provisions for enforcing the sewer allocations in Section 2. In summary, all projects, buildings, or tenant spaces receiving an allocation under Section 2 are required to install flow meters to monitor flows for compliance with their allocation. Because sewer capacity is a matter of public health, escalating enforcement provisions are proposed for continuous, documented violations of allocations.

Section 8 addresses the duration of the applicability of this ordinance.

Section 9 requires that the ordinance take effect upon its passage, which is marked by the second reading and vote.

SUPPORTING DOCUMENTS:

Ordinance 25-29



City of Spring Hill | Communications
199 Town Center Parkway
Spring Hill, Tennessee 37174