



Legislation Text

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*Department of Finance*

Reference: Water Dedication and Plant Investment Fees

**To: Mayor Gregory Mills and Members of City Council**

**Through: Jane Bais DiSessa, City Manager**

**Prepared By: Maria Ostrom, Finance Director**

**Date Prepared: May 8, 2021**

**PURPOSE**

To present an ordinance for Council consideration to amend Title 13 of the City pertaining to water dedication and plant investment fees

**STRATEGIC FOCUS AREA**

Recognizable and Well-Planned Community  
Financially Responsible  
Supportive, Sustainable Infrastructure

**BACKGROUND**

The City requires dedication of water rights at the time of development. There are some developers with existing agreements, approved by previous City Councils that allow the developer to pay a fee-in-lieu rather than dedicate water rights. The City's water dedication amount and fee-in-lieu have not been adjusted or reviewed since the mid-80's. White Sands Engineering conducted a study to determine market cost as well as water dedication requirements by development type.

Utilities staff presented the results of the White Sands report at a study session on October 27, 2020. A revised report with reduced amounts for fee-in-lieu was presented at the study session on March 23, 2021. Staff received feedback from City Council to use the results from the original study to draft an ordinance for formal consideration at a future council meeting.

**FINANCIAL IMPACT**

The impact to the Water Fund is expected to be neutral. For developers with existing agreements that allow payment of a fee-in-lieu, the cash received will offset the cost of purchasing water rights to support the development. For all other development, dedication of water needed to support their development will be required.

**ATTACHMENTS**

1. Draft ordinance
2. Staff PowerPoint presentation