PROPOSED DEPARTMENTAL REGULATION INSTALLMENT PAYMENTS FOR SINGLE-FAMILY RESIDENTIAL WATER OR SEWER CONNECTION CHARGES ADOPTED EFFECTIVE _____

I. Purpose

This Departmental Regulation ("Regulation") provides for the payment of water and/or wastewater service connection fees in installments for an Eligible Property when approved by the Director of the Department of Public Utilities. This Regulation is adopted pursuant to City Code § 28-26 for installment payments of water connection fees pursuant to City Code § 28-394 and of wastewater connection fees pursuant to City Code § 28-394.

II. **Definitions**

- A. **Director:** The Director of the Department of Public Utilities or his/her designee.
- B. **DPU:** The Department of Public Utilities
- C. **Permit Applicant:** The person requesting connection to the water and/or wastewater systems.
- D. **Eligible Property:** A single-family residential property in which the Permit Applicant resides or will reside upon completion of construction of the single-family residential property.

III. Procedure

It is the general intention of the DPU that all fees for the connection to the City's water distribution system and wastewater collection system are to be paid in a lump sum in order for a Permit Applicant to receive approval for connection to these systems. However, the DPU may allow payment of the connection fees in an installment basis as follows.

- A. Payment of connection fees on an installment basis.
 - (1) This connection fee installment payment method provides the Permit Applicant, upon approval by the Director, to amortize payment of connection fees for up to eighteen (18) months.
 - (2) The installment amount will be determined by dividing the total of the sum of the connection fees for water and/or wastewater services by the number of payment installments approved by the Director.
 - (3) Interest at a rate of two percent above the prime rate that is published in the Wall Street Journal on the day that the customer executes the

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Connection Fee Installment Payment Agreement shall be added to all connection fees that are paid in installments pursuant to this Regulation.

- (4) The Permit Applicant provides assurance of payment for the total sum of connection charges in a manner approved by the Director. Such assurance of payment may be in the form of:
 - (i) A Surety Bond listing the DPU as Loss Payee in the event of default of the installment payment by the Permit Applicant, or
 - (ii) An Irrevocable Letter of Credit from the Permit Applicant's financial institution which guarantees payment of the Permit Applicant's total fee for water and/or wastewater connection.
- (5) The total sum of the amounts charged under this Regulation shall constitute a lien against the real estate under development. The DPU may record such lien in accord with applicable law.
- B. Connection Fee Installment Payment Agreement Form
 - (1) The Permit Applicant must sign a Connection Fee Installment Payment Agreement in a form approved by the City Attorney.
 - (2) Upon signing the Connection Fee Installment Payment Agreement the Permit Applicant will provide payment of the first installment to the DPU.
 - (3) Failure to make payments required by the Connection Fee Installment Payment Agreement are grounds for immediate default by the Permit Applicant enabling the DPU to pursue all legal remedies available to it to recover its costs for connection of water and/or wastewater services.
- C. Special provisions.
 - (1) Nothing in this Regulation shall be construed to limit or alter the discretion of the authority of the Director in applying the provisions of this Regulation on the individual circumstances of each Permit Applicant.

Approved As To Form:

Assistant City Attorney

Date

Approved:

April Bingham, Director, DPU

Date