



## County of Hanover

### Board Meeting: October 8, 2014

**Subject:** Presentation and Request for Authorization to Advertise Public Hearing – Ordinance 14-08 amending Sections 20 and 23 of the Hanover County Code to revise the County’s water and sewer capacity fees – Department of Public Utilities

**Summary of Agenda Item:** During the FY15 budget process the Board requested that Public Utilities complete a detailed study of its capacity fees rather than relying on the previous study completed in 2010/2011. Public Utilities has completed this study.

On July 21, 2014 Public Utilities’ staff reviewed with the Board’s Finance Committee the projects proposed to be included in the capacity fee study, proposed revisions to the methodology, and preliminary results of the study. The Finance Committee agreed that the updated methodology was on the right track, that the projects included were appropriate, directed staff to move forward with completing the study and to present the results of the study to the full Board once the study was complete. Public Utilities recently completed the study.

Based on the study, for a residential customer, Public Utilities is recommending to decrease sewer capacity fees from \$8,034 to \$6,149 and to increase water capacity fees from \$5,290 to \$5,982. The combined water and sewer capacity fees for a residential customer would decrease from \$13,324 to \$12,131, a decrease of \$1,193.

Similar, proportional changes are recommended to water and sewer capacity fees for non-residential customers.

Clean and black-lined version of the proposed ordinance, and the public notice are attached.

**County Administrator’s Recommended Board Motion:** Authorize the advertisement of a Public Hearing for November 12, 2014 on Ordinance 14-08 amending Sections 20 and 23 of the Hanover County Code to revise the County’s water and sewer capacity fees

**PUBLIC HEARING NOTICE  
HANOVER COUNTY BOARD OF SUPERVISORS**

The Hanover County Board of Supervisors will hold a public hearing on **November 12, 2014**, at 7:00 p.m. in the Board meeting room at the Hanover County Administration Building, 7516 County Complex Road, at Hanover Courthouse, Hanover, Virginia, on the following ordinance being proposed for adoption:

**ORDINANCE 14-08**

**AN ORDINANCE AMENDING CHAPTERS 20 AND 23 OF THE HANOVER COUNTY CODE TO REDUCE SEWER CAPACITY FEES AND INCREASE WATER CAPACITY FEES PURSUANT TO TITLE 15.2, CHAPTER 21 OF THE CODE OF VIRGINIA, AND INCLUDING SPECIFICALLY VA. CODE §§ 15.2-2111, 15.2-2119 AND 15.2-2122, PROPOSED TO BE EFFECTIVE UPON ADOPTION.**

**SEWER CODE PROVISIONS**

**SEC. 20-23 Service fees and capacity fees—Residential**

	<u>EXISTING</u>	<u>PROPOSED</u>
(b) Capacity Fee – Residential Customers	\$8,034	\$6,149

**SEC. 20-24 SEWER RATES PRESCRIBED  
Commercial I, Commercial II.**

(c) Capacity Fees for Commercial I & Commercial II

Meter Size		
5/8"	\$8,034	\$6,149
1"	\$20,083	\$15,371
1 ½"	\$40,167	\$30,744
2"	\$64,266	\$49,189
3"	\$128,534	\$98,380

**WATER CODE PROVISIONS**

**SEC. 23-47 CAPACITY FEES**

	<u>EXISTING</u>	<u>PROPOSED</u>
(a) Residential Customers	\$5,290	\$5,982
(b) Commercial I, II, & III customers		
Meter Size		
5/8"	\$5,290	\$5,982
1"	\$13,226	\$14,956
1 1/2"	\$26,451	\$29,911
2"	\$42,322	\$47,858
3"	\$84,643	\$95,716

A complete copy of the proposed ordinance and related information is available at the office of the County Administrator any regular working day between 8:30 a.m. and 5:00 p.m.

All persons wishing to comment on the proposal may appear at the stated time and place.

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Cecil R. Harris, Jr., County Administrator

Publish: October 23 and October 30, 2014

**ORDINANCE 14-08**

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WHEREAS the Director of the Department of Public Utilities has performed a review of the cost of providing water and sewer capacity and has recommended a reduction in sewer capacity fees and an increase in water capacity fees; and

WHEREAS the Board of Supervisors has decided to implement this recommendation;

NOW, THEREFORE, BE IT ORDAINED by the Board of Supervisors of Hanover County:

**1. That the Hanover County Code, Chapter 20, Sewers and Sewage Disposal, Section 20-23(b) shall be amended to read as follows:**

**Sec. 20-23. Service fees and capacity fees—Residential (including individually metered multi-family housing units).**

(b) Capacity fees for all county-owned sewerage facilities. For residential customers, six thousand one hundred forty nine dollars (\$6,149.00).

For a residential customer served by a water meter larger than five-eighths (5/8) inch, the capacity fee shall be as prescribed in section 20-24(c).

**2. That the Hanover County Code, Chapter 20, Sewers and Sewage Disposal, Section 20-24(c) shall be amended to read as follows:**

**Sec. 20-24. Same—Commercial I, commercial II.**

(c) Capacity fees for commercial I and commercial II customers. Capacity fees for commercial customers requiring three-inch and smaller meters shall be based upon the meter size according to the following schedule:

Meter Size	Fee
5/8"	\$ 6,149
1"	15,371
1½"	30,744
2"	49,189
3"	98,380

Capacity fees for commercial customers requiring larger than three-inch meters shall be determined on a case by case basis and established by contract, but in no case shall be less than the capacity fee for a three-inch meter.

For meter sizes three-inch and smaller, if an existing commercial customer desires to redevelop and replace an existing sewer connection with a single or multiple sewer connections, the value of the capacity fee associated with the existing sewer connection shall be determined based on the fee schedule above and credited for use on the property. For commercial customers with connections associated with meters larger than three-inch, the property will be credited the value of a three-inch meter capacity fee unless documentation of payment of a greater capacity fee is provided, in which case the capacity fee credited shall be the actual amount paid. Once a capacity fee has been credited to a property, the amount of the credit is fixed and available for use on the property. Refunds shall not be made for any unutilized amount.

**3. That the Hanover County Code, Chapter 23, Water Code, Section 23-47(a) and (b) shall be amended to read as follows:**

**Sec. 23-47. Capacity fees.**

(a) For residential customers using a standard three-quarter ( $\frac{3}{4}$ ) inch service pipe and a five-eighths ( $\frac{5}{8}$ ) inch meter, the capacity fee shall be five thousand nine hundred eighty two dollars (\$5,982.00). Capacity fees for meters larger than five-eighths ( $\frac{5}{8}$ ) inch shall be in accordance with section 23-47(b).

(b) Capacity fees for commercial I, commercial II, and commercial III customers. Capacity fees for commercial customers requiring three-inch or smaller meters shall be based upon the installed meter size according to the following schedule:

Meter Size	Capacity Fee
5/8"	\$ 5,982
1"	14,956
1½"	29,911
2"	47,858
3"	95,716

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**4. That this Ordinance shall be effective upon adoption.**

On motion of \_\_\_\_\_, seconded by \_\_\_\_\_, the members of the Board of Supervisors voted to approve Ordinance No. 14-08, as follows:

	Vote:
Sean M. Davis	Aye
Wayne T. Hazzard	Aye
Angela Kelly-Wiecek	Aye
W. Canova Peterson	Aye
Aubrey M. Stanley	Aye
G. E. "Ed" Via, III	Aye
Elton J. Wade, Sr.	Aye

Public Hearing: \_\_\_\_\_, 2014  
Adopted: \_\_\_\_\_, 2014

Dated: \_\_\_\_\_, 2014

\_\_\_\_\_  
Cecil R. Harris, Jr., County Administrator  
Clerk, Hanover County Board of Supervisors

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1½"	<del>26,451.00</del> <u>29,911</u>
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