

RESOLUTION # 83-35

WHEREAS, the City Commission of the City of Mercedes desires to assist subdivision developers in the extension of adequate utility lines, and;

WHEREAS, the City of Mercedes further desires to make adequate services available for future developments, and;

WHEREAS, the present Utility Extension Policy is in need of revision;

THEREFORE, BE IT RESOLVED that the City of Mercedes adopt the attached UTILITY EXTENSION POLICY to serve as the official guide governing the extension of utility services to new subdivisions, to existing individual lots and subdivisions, and to oversizing of utility services to accommodate future development.

RESOLVED, THIS THE 2ND DAY OF NOVEMBER, 1983.


MAYOR OR MAYOR PRO-TEM

ATTEST:


JANE LUERA, CITY SECRETARY

CITY OF MERCEDES, TEXAS
UTILITY EXTENSION POLICY

SECTION I. DEFINITIONS:

- A. City: Shall mean the City of Mercedes.
- B. City's Cost: Shall mean the portion of the total cost of utility capacity in excess of the size required of the Developer and those immediate properties to be served.
- C. Developer: Shall mean the person requesting the extension of utilities.
- D. Development: Shall mean any new subdivision, whether residential, commercial or industrial.
- E. Developer's Cost: Shall mean the total cost of utilities (including the Developer's share of a lift station if necessary) minus any pro-rata shares paid at the time of installation.
- F. Extension: Shall mean the utility line laid from the existing City system to the perimeter of the proposed subdivision.
- G. Ordinance: Shall mean City of Mercedes Ordinance #40, Subdivision Ordinance.
- H. Pro-Rata Share: Shall mean the portion of the Developer's cost for the extension of utilities that has been assessed to each individual propertyowner.
- I. Total Cost: Shall mean the total cost of the utility extension including engineering, administrative and contingency costs.
- J. Utilities: Shall pertain to the installed cost including: labor, ditching, engineering and material of line, fire hydrants, valves, fittings, lift station and other appurtenances necessary to furnish water and sewer service to a subdivision, plus any administrative charges.

SECTION II. EXTENSION TO DEVELOPMENTS WITHIN THE CORPORATE LIMITS OF THE CITY OF MERCEDES SHALL BE IN THE MANNER HEREIN PRESCRIBED:

- A. The cost to the Developer requesting the extension:
 - 1. The Developer will pay 100% of the total cost of extensions from existing City utilities including the cost of R.O.W. acquisition, for utilities sufficient to provide service (including fire protection) and the City will pay for utilities in excess of the size required of the Developer. The Developer's cost will be reduced by the amount the other assessed property owners (according to Schedule I) contribute at the time of the installation but only up to a maximum of 50% of the total cost. If the City collects the pro-rata shares from all the assessed propertyowners at the time of installation, the Developer's cost would be reduced to 50% of the total cost of extension. The Developer may recover any pro-rata shares not paid to the City

at the time of installation up to a maximum of 50% of the total cost within a period of ten (10) years.

2. It shall be the Developer's obligation to acquire right-of-way needed to extend utility lines from their present terminus or nearest location to the Developer's property, the cost of which shall be reimbursable as set forth above. The location, width and cost of such right-of-way, the City may, at its option, assist in acquiring same.
 3. The Developer shall pay in cash or provide an unconditional guarantee from a financial institution, approved by the City, for the Developer's share of the utility extensions as determined by the City. Such guarantees shall be filed with the City Manager of the City of Mercedes in letter form from the financial institution and signed by its principal loan officer. The letter shall state the name of the subdivision and shall list the improvements which the Developer is required to provide. This payment or guarantee must be filed with the City Manager of the City of Mercedes, prior to final plat approval.
 4. The Developer who contributed in excess of his pro-rata charge for construction of a utility extension will be eligible for refunds. When assessed propertyowners who did not pay their pro-rata charge request service and pay their share, plus the additional costs set out in paragraph B.-4., the money will be refunded to the Developer up to a maximum of 50% of the total cost. Anything paid in excess of that shall be retained by the City. Any cost not recovered by the Developer within ten (10) years will be forfeited and no further reimbursement will be allowed.
- B. The Cost to propertyowners where utilities are made available by the extension:
1. A pro-rata charge shall be assessed to each property where utilities are made available. The charge will be made according to the terms of the attached Schedule I.
 2. The City may connect any future customer reasonably served from the utility extension, provided the customer has paid the pro-rata charge and tapping fee.
 3. The entire cost of the utility extension minus any participation by the City or any other governmental agency must eventually be provided by the propertyowner or owners served by the extension.
 4. Any customer not contributing their pro-rata charge at the time of installation of the utility extension who request service at a later date, must pay the pro-rata charge in full plus an additional five percent (5%), plus the tapping fee before service will be installed. The five percent (5%) surcharge shall be retained by the City to defray the cost of bookkeeping and financing for the utility extension and will be excluded from the computations for refunds.

5. Any conditions not covered by these regulations, or of such a nature that would result in an inequitable pro-rata charge to any customer, will be negotiated by the City Commission of the City of Mercedes at the time of installation of a proposed line extension.

C. The cost to the City:

1. If the City requires the Developer to oversize the utility line to be installed, the City will reimburse the Developer 100% for such cost.
2. On any development approved by the City Commission before May 1st in which oversizing is required, the City will be responsible for reimbursing the Developer the following City fiscal year for such cost. In the case of a development which is approved after May 1st, the City will not reimburse the Developer for oversizing until the second fiscal year following the installation of the utility lines.

SECTION III. EXTENSION TO INDIVIDUAL PROPERTIES WITHIN THE CORPORATE LIMITS OF THE CITY OF MERCEDES SHALL BE IN THE MANNER HEREIN PRESCRIBED:

- A. The local resident requesting extension of utilities to his place of residence for his own personal use shall pay 50% of the total cost (including manholes and fire hydrants) of extension.
- B. Provision for Right-of-Way Acquisition shall be in the manner herein prescribed: It shall be the obligation of the person requesting the utility extension to acquire the right-of-way needed to extend utility lines from their present terminus or nearest location to the requestor's property. Should the requestor be unable to acquire the needed right-of-way, the City may, at its own discretion, assist in acquiring same.

SECTION IV. EXTENSION TO PROPERTIES OR DEVELOPMENTS OUTSIDE THE CORPORATE LIMITS OF THE CITY OF MERCEDES SHALL BE IN THE MANNER HEREIN PRESCRIBED:

- A. Properties outside the City limits that will be served by a utility extension will pay one and one-half (1½) times their pro-rata share to the City, to offset the additional costs to the utility system. Policies regarding payment, reimbursement of the Developer and the calculations and payment of pro-rata shares of participating propertyowners are the same as in Section II.
- B. Extraterritorial utility service rates, for water and sewer, shall be one and one-half times those inside the City limits.

SECTION V. UTILITIES WITHIN A SUBDIVISION:

Developer shall pay the entire cost of the provision of utilities and of compliance with the Subdivision Ordinance within their subdivision. Utilities will be constructed to meet City specifications and requirements.

SCHEDULE I
CALCULATING THE PRO-RATA CHARGES

The pro-rata charge for each property where utilities are to become available by installation of a utility extension will be based on a point system according to the length of frontage, acreage, and distance from the origin of the extension to the end point of frontage.

For properties adjoining the right-of-way where the extension is located or adjoining either side of an alley, easement or unpaved road, points will be computed as follows:

- 10 points per lineal foot of frontage
- 500 points per acre of land
- 0.1 points per acre per lineal foot of distance from origin of the extension to the end of the properties' frontage.
(0.1 multiplied by the number of acres multiplied by the length of the extension)

The monetary value of each point is obtained by dividing the total number of points for all properties concerned into the total cost of the line extension (less the amount of participation by the City or any other governmental agency) and each property is then assessed proportionally by its number of points.

For properties where adequate water and sewer lines are already available on one side, a credit shall be applied as follows: Reduce the total number of points for the property by fifty percent (50%) in the calculations (See Parcel A in the attached "Example for Schedule I").

In making the calculations, it will be determined, in advance, which properties the utility extension is designed for and capable of serving. Each of these parcels of property will then be included in the calculations. If it is reasonably certain that a property will never tie onto the system, it will be omitted from the calculations. Any property owner would have to pay a pro-rata share based on the number of points for his property times the same cost per point that was used to calculate the other properties' share.

Properties that do not front on the utility extension right-of-way, but will be served by the extension, are still subject to the pro-rata assessment. The number of points are calculated the same way (Schedule I), but the points for the front footage are omitted. This is to offset the costs of running a line from the utility extension to the property (See Parcel E in the "Attached examples for Schedule I").

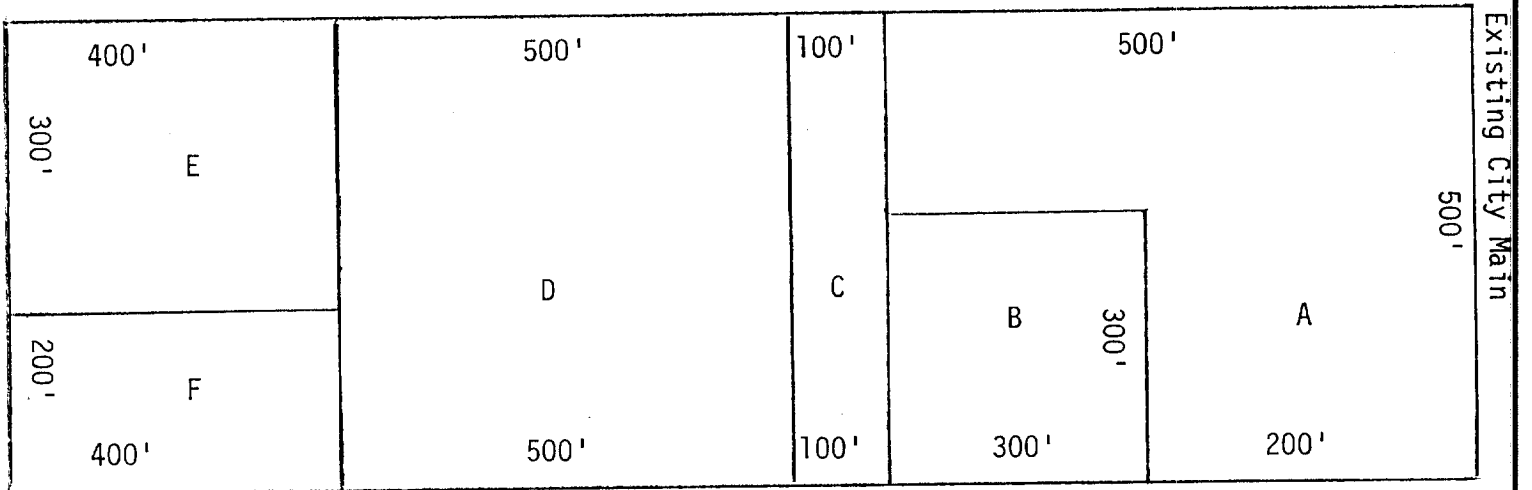
EXAMPLE FOR SCHEDULE I (Cont'd.)

		<u>Points</u>		<u>Cost Per Point</u>		<u>Pro-Rata Charge</u>
Parcel	-a = 3.67 x 500 = 1835					
A	-d = 250 x 3.67 x 0.1 = 92					
	-f = 200 x 10 = 2000 = 3927 x .5 =	1964	x	.0862	=	169.30
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Parcel	-a = 2.07 x 500 = 1035					
B	-d = 550 x 2.07 x 0.1 = 114					
	-f = 300 x 10 = 3000	= 4149	x	.0862	=	357.64
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Parcel	-a = 1.15 x 500 = 575					
C	-d = 650 x 1.15 x 0.1 = 75					
	-f = 100 x 10 = 1000	= 1650	x	.0862	=	142.23
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Parcel	-a = 5.74 x 500 = 2870					
D	-d = 1150 x 5.74 x 0.1 = 600					
	-f = 500 x 10 = 5000	= 8530	x	.0862	=	735.29
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Parcel	-a = 2.75 x 500 = 1377					
E	-d = 1550 x 2.75 x 0.1 = 427					
	-f = 0 x 10 = 0	= 1840	x	.0862	=	155.50
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Parcel	-a = 1.84 x 500 = 920					
F	-d = 1550 x 1.84 x 0.1 = 285					
	-f = 400 x 10 = 4000	= 5205	x	.0862	=	448.67
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Parcel	-a = 4.59 x 500 = 2295					
G	-d = 1550 x 4.59 x 0.1 = 711					
	-f = 500 x 10 = 5000	= 8006	x	.0862	=	690.12
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Parcel	-a = 9.18 x 500 = 4590					
H	-d = 1050 x 9.18 x 0.1 = 482					
	-f = 1000 x 10 = 10000	= 15072	x	.0862	=	1299.21
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	TOTAL POINTS	= 46380		TOTAL COST:	=	\$ 4000.00

Cost Per Point $\$4000 \div 46380 \text{ pts.} = 0.0862$

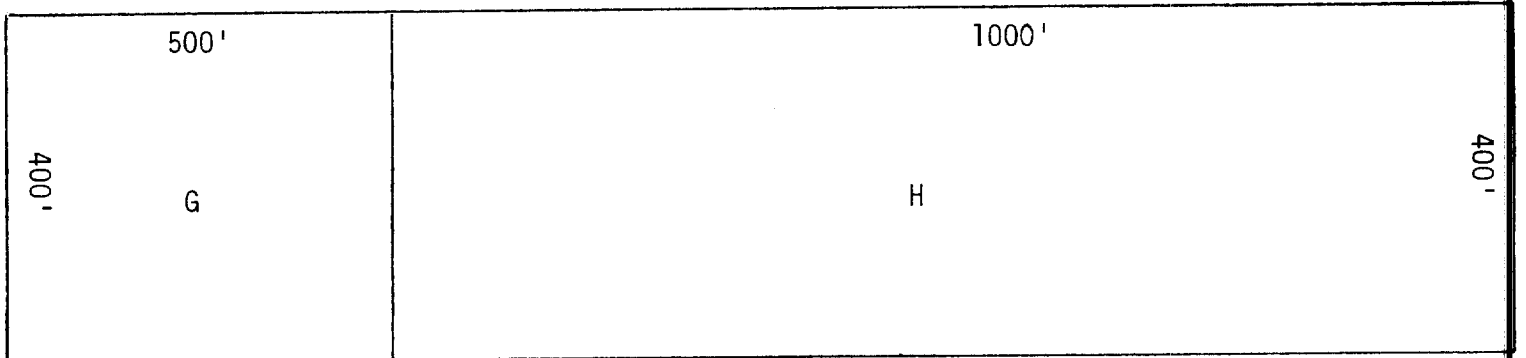
EXAMPLE FOR SCHEDULE I

1550' of 8" water line extension
 with total cost of \$5,000.00 and
 City participation of \$1,000.00.
 (Difference between cost of 6"
 line and 8" line)



Paved Highway

1550' x 8" Extension



a = Acreage

d = Distance from origin of extension
 to endpoint of frontage

f = Frontage