



Legislation Text

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Water and Wastewater Utilities Extension Policy - Referral Number 031228 (B)

GRU's current extension policy is based on fundamental decisions reached in 1984 by the Gainesville City Commission that any costs associated with extending water and wastewater facilities to meet the needs of new customers should be borne by those new customers. Though GRU's extension policies and connection charges have changed over time, they are still based on the premise that "growth pays its own way". GRU's extension policy is consistent with the majority of policies of other utilities within Florida that either require developers to pay for extension costs, or recover the cost of extensions through connection charges or impact fees.

Water and wastewater extensions have two primary purposes as follows: 1) Provide service to new customers; and/or 2) Improve GRU's existing system.

Sometimes, extensions serve both purposes listed above.

Developers wishing to serve a proposed development from GRU's central water and wastewater system are required to pay for the minimum cost of extending service. Sometimes GRU will require facilities beyond the minimum facilities required to serve a new development. In such cases, GRU pays for oversizing and recovers such oversizing costs through connection charges.

GRU levies connection charges to recover the impact of new customers on GRU's capital facilities. GRU levies connection charges for the following items: 1) Water Meters; 2) Water Transmission and Distribution System; 3) Water Treatment Facility; 4) Wastewater Pump Station; 5) Wastewater Collection System; 6) Force Main Base System; and 7) Wastewater Treatment Facility.

Additionally, at the request of the local development community, GRU instituted a program in the late 1990s that rebates a portion of the cost of new lift stations and force mains installed by developers. The source of this rebate money is not GRU, but is in fact subsequent developers connecting to those facilities. The rebate program was approved by the City Commission as a means of equitably sharing the cost of new lift stations and force mains constructed by developers to serve new growth.

Some water and wastewater extensions are constructed in whole or in part to address the needs of existing customers. These extensions provide parallel functionality to existing facilities, but sometimes are constructed along different routes due to cost or the availability of rights of way. Extensions constructed to meet existing system needs are funded with base rate revenues. When projects meet the needs of new developments as well as provide an overall system benefit, the project cost is split between base rates and either direct developer payments or funded through connection charges.

The provision of water and effective sewage treatment is considered one of the most important modern influences on planning and development in *Ten Successes that Shaped the 20th Century American City* by Laurence Gerken in 2000. However, extension of water and wastewater infrastructure without consideration of consequences has been one of the purported precursors to sprawled land use patterns. The Gainesville Regional Utilities extension policy ties the construction of new facilities to the growth plans outlined in the City of Gainesville and Alachua County Comprehensive Plans. The plans contain an adopted future land use map that reflects the intent of the elected officials for future development. Changes to this map and associated zoning must be made by the City and County

Commission. Gainesville Regional Utilities long range capital planning is based upon the potential uses permitted in the future land use plan. This fulfils the recommendations of the Sierra Club publication titled "Sprawl Costs Us All: How Your Taxes Fuel Suburban Sprawl," which outlines the importance of fully funding extensions to avoid subsidy of utility infrastructure by existing customers. In Alachua County speculative extensions of water and wastewater infrastructure do not occur if the proposed use is not permitted by the underlying land use and zoning. The City Commission: 1) receive a presentation on the GRU water and wastewater extension policy; and 2) make findings that the GRU extension policy is appropriate; and, 3) determine that the primary influence on development patterns within the GRU water and wastewater service area are the future land use designations adopted by the current Alachua County and City of Gainesville Comprehensive Plans; and, 4) remove this item from the Referral List

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Submitted by: Regional Utilities Committee