

**COUNCIL OF THE CITY OF ABERDEEN**  
**Ordinance No. 10-O-05**

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**Introduced By:** Mayor Michael E. Bennett

**Date Introduced:** March 22, 2010

**Date Adopted:**

**Date Effective:**

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**ORDINANCE NO. 10-O-05**

**CITY OF ABERDEEN**  
**WATER AND SEWER RECOUPMENT POLICY**

1 ARTICLE I  
2 GENERAL PROVISIONS

3 Section 1.01 APPLICABILITY

4 The provisions herein apply to the approval and construction of a water or sewer  
5 extension or associated facility other than one constructed as part of a capital  
6 improvement program of the City of Aberdeen; and to establish and collect  
7 recoupment fees for purposes of reimbursing developers or property owners for the  
8 costs of the construction of water or sewer lines or associated facilities accepted and  
9 incorporated into the utility system of the City of Aberdeen and to be used by others  
10 thereafter.

11 Section 1.02 DEFINITIONS

12 ASSOCIATED FACILITY means an improvement that is used in conjunction with  
13 water or sewer line that provides water or sewer service to a parcel or lot of land,  
14 regardless of where the associated facility is located. The term includes a lift station,  
15 force main, pump station, storage tank and the like, or an addition to an existing utility  
16 that increases the capability of the existing facility to provide water or sewer service.

17 CITY means City of Aberdeen.

18 CONSTRUCTION with reference to construction of a utility means the actual  
19 physical construction of the utility and the designing of, surveying for, or laying out of  
20 a utility that occurs before the physical construction of the utility.

21 DEVELOPER means the person, business, corporation, partnership, limited  
22 liability company, or unincorporated association responsible for the development  
23 of a parcel or lot, and includes the owner or developer.

24 DIRECTOR OF DPW means the Director of the City Department of Public  
25 Works, or his or her designee.

26 RECOUPMENT FEE means a charge made against a parcel or lot for purposes of  
27 reimbursing City for an owner or developer's proportionate share of the costs of  
28 extending a water or sewer line and associated facilities that serves the parcel or  
29 lot against which the charge is made.

30 SERVICE AREA means of identifiable lots or parcels of land determined by the  
31 Director of DPW to be served by the utility extension and consistent with the  
32 Harford County Master water and Sewer Plan.

33 UTILITY EXTENSION means water or sewer line or an associated facility that is  
34 deemed by the City to be necessary to extend water or sewer service which is  
35 consistent with the Harford County Master Water and Sewer Plan.

36 UTILITY EXTENSION APPLICATION means a request in writing to Director  
37 of DPW for construction of an extension of water or sewer service to a parcel or  
38 lot or the construction of an associated facility.

39 UTILITY AGREEMENT means a legal document between the City and the  
40 person or entity requesting the utility extension that defines the responsibilities  
41 and requirements of the person or entity requesting a utility extension. A utility  
42 agreement may not be required at the sole discretion of City.

43 WATER OR SEWER LINE means a necessary appurtenance to the City water  
44 distribution or sewer collection system. The term includes a valve, manhole,  
45 connection, air release, diversion, and other equipment necessary to make the  
46 water distribution or sewer collection system operable in compliance with the  
47 design criteria and standards in accordance with the Harford County Water and  
48 Sewer Division Manual and the City's exceptions and materials listing.

## ARTICLE II

### COST RECOUPMENT AND REIMBURSEMENT

49 2.01 ELIGIBLE PROJECTS

50 A developer or property owner that intends to construct a water or sewer line or an  
51 associated facility that, on acceptance, will become part of the City water and sewer  
52 system and which supplies capacity to other existing or new developments, may apply  
53 to the City to establish recoupment fees to be paid by other users of the facilities  
54 within the service area and for the City to reimburse the developer or property owner a  
55 proportional amount of the costs of constructing such improvements.

56 Section 2.02 STUDY DETERMINING AMOUNT OF COST REIMBURSEMENT

57 The amount of the cost reimbursement for an improvement, if any, shall be based on  
58 engineering cost estimates agreed upon in writing by the Director of DPW and the  
59 applicant, and verified in a study provided by the applicant. The study shall aggregate  
60 the costs of associated improvements where feasible. City may establish guidelines  
61 for eligible costs to administer the policy in this section. The study shall contain the  
62 following minimum elements:

- 63 (A) identification of the service area and all properties to be served by the  
64 water or sewer lines or associated facilities to be constructed;
- 65 (B) identification of the costs of the utilities to be installed;
- 66 (C) apportionment of the costs of the utilities to be installed among lots, tracts or  
67 parcels to be served by the improvements, based upon capacity to be utilized  
68 by such properties, using accepted engineering standards and practices;
- 69 (D) calculation of the maximum amount of the costs which are to be reimbursed to  
70 the developer or property owner, net of costs attributable to the developer's  
71 or property owner's utilization of capacity of the lines or associated facilities;  
72 and
- 73 (E) calculation of a recoupment fee to be charged per parcel or lot of land that is to  
74 be connected to the water or sewer lines or associated facilities.

75 Section 2.03 UTILITY AGREEMENT REQUIRED

76 (A) The applicant for approval of a utility agreement must request the  
77 establishment of recoupment fees in writing at the time the applicant applies  
78 to the Director of DPW of City for approval of the utility agreement. If the  
79 applicant for approval of a utility agreement requests establishment of  
80 recoupment fees, the utility agreement shall set forth the terms and conditions

81 of the recoupment fees.

82 (B) The utility agreement shall include at a minimum the recoupment fee, if  
83 any, approved by Director of DPW, the duration of the right to collect  
84 recoupment fees, and provisions for forfeiture of such fees to the City in  
85 the event they are not collected by the contracting party, and that the  
86 utility agreement is binding on contracting party's personal  
87 representatives, successors or assigns.

88 (C) A utility agreement may be assigned as provided for in the utility  
89 agreement.

90 Section 2.04 APPROVAL PROCESS

91 (A) The Director of DPW of City shall review each request for cost reimbursement  
92 from recoupment fees.

93 (B) The Director of DPW of City may approve the study for cost reimbursement  
94 from recoupment fees, with or without modifications, only if the Director of  
95 DPW, or the City Manager on review of the Director of DPW decision,  
96 determines that:

97 (1) the line(s) to be extended or the associated facility is included in the  
98 City's capital improvement plan;

99 (2) the size of each proposed line or associated facility complies with  
100 the generally accepted engineering practices and other planning  
101 criteria of the City and final design and routing will comply with the  
102 Harford County Water and Sewer Division Manual and the City's  
103 exceptions and materials listing.

104 (3) the study proposing recoupment fees fairly apportions the proposed  
105 line or associated facility costs among prospective users of the utilities  
106 to be installed;

107 (4) the proposed line or associated facility is a reasonable extension or  
108 addition to the water and sewer utility system.

109 (C) Requests which are not approved by the Director of DPW of City under (B)  
110 may be presented to the City Manager for further consideration at the

111 discretion of the Director of DPW.

112 (D) Upon approval of the request for reimbursement from recoupment fees, any  
113 development on or user of property identified in the approved fee study  
114 thereafter that connects to or utilizes the capacity of the water or sewer line or  
115 associated facility for which a recoupment fee has been established shall pay  
116 the applicable fee. Recoupment fees shall be collected by City before  
117 construction commences on any water or sewer line or associated facility  
118 improvements to serve such parcel or lot of land.

119 Section 2.05 CONDITIONS OF COST REIMBURSEMENT

120 (A) A developer or property owner constructing a water or sewer line or an  
121 associated facility that is eligible for cost reimbursement from recoupment  
122 fees may not receive cost reimbursement payment for the line or facility unless  
123 the developer or property owner complies with each requirement or regulation  
124 of City relating to:

125 (1) the public advertising of the water or sewer line or associated facility;

126 (2) the bidding on the line or facility;

127 (3) a performance or payment bond for the line or facility;

128 (4) a warranty on the line or facility; and

129 (5) the water or sewer line or associated facility has been accepted by the  
130 City into its utility system.

131 (B) The developer or property owner constructing the line or associated facility is  
132 not entitled to receive a reimbursement payment from recoupment fee  
133 proceeds until the developer or property owner submits documentation to the  
134 City showing the entity's compliance with each requirement described by  
135 Subsection (A) and the water or sewer line or associated facility is accepted in  
136 writing by City.

137 (C) The amount to be eligible for reimbursement to the developer or property  
138 owner that constructed the water or sewer line or associated facility shall be  
139 based upon the documentation of the developer's or property owner's actual  
140 cost of the construction as submitted to the City and verified by it to be true

141 and accurate.

142 Section 2.06 PAYMENT FOR RECOUPMENT FEES

143 (A) For a period of 15 years following City's acceptance of the water and sewer  
144 line, or associated facility, the developer or property owner shall be entitled to  
145 reimbursement from the proceeds of the recoupment fees established pursuant  
146 to this section, up to, but not to exceed the actual cost of construction as set  
147 forth in Section 2.05 (C). The City may deduct two (2) percent of the amount  
148 of recoupment fees collected from the amount of the fees reimbursed to the  
149 developer or property owner as an administration fee.

150 (B) Recoupment fees, which have been collected pursuant to the utility agreement,  
151 shall be paid to the developer or property owner annually no later than  
152 October 1 of each year, until the term of the agreement expires. Recoupment  
153 fees shall be repaid without interest.

154 (C) City may establish one or more recoupment fee accounts for purposes of  
155 administering the policies of this Article. The City shall deposit all recoupment  
156 fees collected pursuant to this Article into such account(s). Expenditures from  
157 such accounts shall be earmarked solely for reimbursement of developers or  
158 property owners for the installation of water lines or sewer lines or associated  
159 facilities for which recoupment fees have been established pursuant to this  
160 article.

161 (D) It shall be the responsibility of the party entitled to the recoupment as set forth  
162 in the utility agreement, or his or its assignee to provide to the City in writing  
163 current contact information. The City will mail reimbursement payments to  
164 the last contact of record reflected on its books. In the event that the party  
165 entitled to the recoupment or his or its successors or assignees have not  
166 collected recoupment payments sent to the contact of record for a period of  
167 one year from the date such payments are due pursuant to this section, such  
168 accrued amounts shall become the funds of the City for purposes of  
169 expenditure on other water or sewer system improvements in City's sole  
170 discretion.

**COUNCIL OF THE CITY OF ABERDEEN**

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**Michael E. Bennett, Mayor**

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**Ruth E. Elliott, Councilwoman**

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**Bruce E. Garner, Councilman**

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**Sandra J. Landbeck, Councilwoman**

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**Ruth Ann Young, Council President**

**ATTEST:**

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**Monica A. Correll, City Clerk**

**Date** \_\_\_\_\_

**SEAL**