

**BILL NO. BL2019-1485** (VERCHER, O'CONNELL, & BEDNE) – This ordinance would approve a form Master Participation Agreement to be used by the Metropolitan Department of Water and Sewerage Services.

As the result of requests for service availability to the Metropolitan Department of Water and Sewerage Services (MWS), an unanticipated level of development in the southeastern portion of Davidson County is projected. MWS has identified water infrastructure improvements that will be required to support this level of development. To accommodate the demand, this ordinance would approve the use of a Master Participation Agreement for private development in the southeastern water service area, known as the Southeast Development Area; and further authorize the Director of MWS or his/her designee to enter into and execute such Participation Agreements.

MWS has specifically identified five phases of water capacity improvements projects needed to support growth in the Southeast Development Area for both domestic and fire protection demand. These improvements, known as the Southeast Development Improvements, would cost approximately \$22.9 million and provide capacity for an additional 8 million gallons per day, equivalent to 22,857 units of flow. In response, MWS has established a Development Area Participation Agreement Recovery Charge (DAPARC) for the Southeast Development Area. Funds generated through this charge would be used exclusively by MWS for the recuperation of MWS' expenditures for constructing the water infrastructure improvements in this water service area. The developer's pro-rated share of the cost of the Southeast Development Improvements per unit of flow added is \$1,000, which is the DAPARC and is in addition to other applicable fees.

*Fiscal Note: For the purposes of this proposed standard agreement, the \$22.9 million that has been projected by the Department of Water and Sewerage Services would be used to provide capacity for an additional 8 million gallons of water per day. This would equate to 22,857 units of flow, with a unit being defined as 350 gallons per day. Dividing the additional \$22.9 million by the 22,857 units of flow equates to a DAPARC cost of \$1,000 per unit of flow (rounded).*

*Metro would collect charges from developers per this DAPARC rate based on the number of units of flow each new development would require. These collections would continue until Metro's actual costs for these Southeast Development Improvements have been recovered.*