

From: Don Darden
Sent: Thursday, June 29, 2006 11:06 AM
To: cityofch@united.net
Subject: Extension Policy Follow up

This is what I would do about the extension where one developer is paying for the extension and does not like it because the other developer is allowed to tap the extended line free of charge.

I would require the first developer to pay for the line extension. Then I would calculate the number of lots that the second developer is likely to develop and divide that number into one half the cost of the extension. Whatever this amount is, I would apply it as a surcharge on each tap given to the second developer. That way he would be paying one-half of the cost of the line extension. You cannot deny him the right to tap the line when it is installed. I am not aware of any law that would prohibit the city from doing this, and I have discussed it with Sid Hemsley, who said that in his opinion it would be legal.

This would allow the Town of Chapel Hill to receive all of the income to which it is entitled from tap fees.

Don J. Darden
Municipal Management Consultant
1-615-532-2588 (or mobile--931-273-2718)
e-mail dardend@tennessee.edu
www.mtas.tennessee.edu