



# CITY OF HARRISONBURG CITY MANAGER

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801

OFFICE (540) 432-7701 • FAX (540) 432-7778

TO: Ande Banks, City Manager

FROM: Chris Brown, City Attorney, Mike Collins, Director of Public Utilities, David Gray, Engineering Manager.

DATE: May 2, 2023

RE: Amended and Restated Section 7-2-10- Separate water meters required for each building; exceptions

**Summary:** Staff has drafted a proposed amended and restated Section 7-2-10 of the Harrisonburg City Code. The proposed ordinance expands the exceptions to the general requirement that each building on City water have a separate water meter to include situations where there are multiple residential and multi-use buildings on one lot under single ownership and certain other criteria are met. The proposed ordinance requires that when multiple buildings on a single lot are permitted to be served by one meter, a “Connection Fee” for that meter must be paid. Additionally, the customer must pay a “Capital Recovery Fee” for each unit served by the meter. “Connection Fee” and “Capital Recovery Fee” are defined in a proposed amended and restated Section 7-4-22, which sets connection fees for water lines and meters and sewer laterals. The goal of this new Section 7-2-10 is to allow a customer to pay the City’s cost for the appropriate meter for the water connection, but also pay a Capital Recovery Fee as a contribution to the capital and maintenance costs required to operate the City’s water system. This will provide a financial benefit to the customer by only having to pay for one meter but protect the financial viability of the water system and provide a more equitable distribution of the water system’s ongoing capital cost. Including residential units in the exceptions will encourage higher density residential developments in the City.

**Background:** Currently Section 7-2-10 requires a separate water meter for each building receiving water service from the City. The most relevant current exceptions to this requirement include (1) where multiple buildings are integral parts of a commercial, industrial, or agricultural business or operate under a single owner; (2) unoccupied ancillary units under one ownership with the primary use, at the discretion of the Public Utilities Director, (3) individual apartments within one building. The current ordinance specifically excludes apartment buildings and condominiums from the exceptions.

Recently a property owner began rehabilitating several buildings on one parcel of land in the City. The buildings previously were used for commercial storage and, at one time, industrial uses. The owner intends to use the rehabilitated buildings for multiple small residential units. The owner requested to have all of the buildings on the property served by one meter of appropriate size. However, under the



## CITY OF HARRISONBURG CITY MANAGER

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801  
OFFICE (540) 432-7701 • FAX (540) 432-7778

current ordinance the owner would have to pay for and have installed a separate water meter for each of the buildings, which would increase the cost of developing the much needed housing.

After much review and research, staff recommends a proposed amended and restated Section 7-2-10. The proposed ordinance would expand the current exemptions set forth in the current requirement that each building has a separate meter. The expanded exemptions include residential, mixed use, and nonresidential uses on a single lot under one ownership and operated as a single business or enterprise.

Critical to staff's recommendation of this new, restated ordinance is that fees will be paid in accordance with the proposed amendments to Section 7-4-22. The proposed amendments would require a "Connection Fee," which is the cost of the required meter and its installation, and a "Capital Recovery Fee" which would be allocated to the overall cost and maintenance of the City's water system. An owner would pay a full Capital Recovery Fee for the first residential unit, then a \$500 Capital Recovery Fee for each additional residential unit. Again, this will provide a substantial financial benefit to developers of high density residential units on single parcel, while providing the revenue needed for the continued operation and maintenance of the system.

The proposed restated amendment provides that in the event a parcel is subdivided, a building on the subdivided parcel must have its own meter and the Capital Recover Fee must be paid in full for that building and all units therein.

**Key Issues:** Permitting multiple residential units on one parcel under single ownership to be served by a single water meter but providing for the payment of a Connection fee and Capital Recovery Fee for the benefit of the overall system.

**Environmental Impact:** None

**Fiscal Impact:** None

**Prior Actions:** Adoption of current Section 7-2-10

**Alternatives:**

- (a) Adopt the ordinance as presented; or
- (B) Adopt the ordinance with additional changes; or
- (C) Decline to adopt the ordinance



# CITY OF HARRISONBURG CITY MANAGER

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801  
OFFICE (540) 432-7701 • FAX (540) 432-7778

---

**Community Engagement:** None

**Recommendation:** Staff recommends approval of the proposed restated Section 7-2-10.

**Attachments:**

- 1) Proposed ordinance
- 2) Current ordinance

**Review:**

*The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.*

