



Date: December 9, 2024
To: Mayor and Town Council
From: Sean O’Keefe, Town Manager
Re: Consideration and Approval: **Lake Hills Utility Service Agreement**

Objective:

To consider and approve the Utility Service Agreement between the Town of Howey-in-the-Hills and Reader & Partners, LLC, for the provision of water and wastewater services to the Lake Hills Planned Unit Development (PUD). The agreement establishes terms for providing potable water and retail wastewater transmission services for the residential portion of the Lake Hills PUD, comprising 571 equivalent residential units (ERUs).

Summary:

The Lake Hills Utility Service Agreement formalizes the responsibilities of the Developer and the Town for utility infrastructure and service provisions. Key highlights of the agreement include:

- **Utility Services:** The Town will provide exclusive potable water service and wastewater collection/transmission for the project, contingent upon the Developer fulfilling all construction obligations for utility infrastructure.
- **Developer Responsibilities:**
 - Construction of all required water and wastewater improvements at no cost to the Town.
 - Compliance with Town-approved plans and specifications.
 - Conveyance of completed infrastructure to the Town upon acceptance.
- **Capacity Reservations:**
 - The Developer may reserve potable water capacity for 571 ERUs upon payment of capital and connection charges.
 - Retail wastewater transmission service will be provided, with bulk wastewater treatment reserved through a separate agreement with the Central Lake Community Development District.
- **Town Responsibilities:**
 - Timely completion of the potable water plant expansion to accommodate the project's needs.
 - Inspection and acceptance of infrastructure improvements before activating service.

The agreement also includes provisions for easements, testing, and reimbursement of Town expenses incurred during the drafting, negotiation, and administration of the agreement.

Fiscal Impact:

There is no immediate fiscal impact on the Town. All infrastructure costs, including design, permitting, construction, and installation, will be borne by the Developer. The Town will receive capital and connection fees for the reserved ERUs.

Staff Recommendation:

Staff recommends approval of the Lake Hills Utility Service Agreement as presented.