

COM and MMU Partnership Agreement Committee

October 31, 2022, from 12:00 – 1:00 PM

Held at MMU Offices.

As we prepare for the meeting on the 31st, I have put together a summary of the proposed changes to the COM and MMU 2023 Partnership Agreement. They are as follows.

6A.4 – Joint Industrial Land Development – MMU is proposing that the limits placed on the \$1 million held in MMU reserves be changed and made available for the city to use toward a future EDA project.

10A.1.8 – Minor changes to the agreement reflecting current actions taken by the city and supported by MMU. No money from MMU will be required to support these programs in 2023 as the city will be using grant money secured in 2021.

NEW AGREEMENT – 13A.1 – Water Main Development Agreement – This will supersede the current Water Area Cost (WAC) charges that were established in 2003 and updated in 2006.

In 2003 a WAC was established to ensure that all new growth in MMU's water infrastructure would be fairly charged to the developers that caused the investment. The intent of the WAC program was to provide orderly development of MMU's water infrastructure without causing expansion costs to be placed on the shoulders of existing MMU water customers. At WAC's inception it was assumed that Marshall would be growing at a fast pace. Unfortunately, this growth did not happen. To date only 861 acres of the 7,257 acres in the WAC plan has been developed over the last 20 years. Please reference the attached map for your review.

With the actual growth in Marshall not meeting expectations and the WAC not amended for the increased cost of inflation, MMU believe it is time to follow the city's lead in handling infrastructure extensions into new developments. The new "Water Main Development Agreement" will follow along the lines of how the city works with developers in extending sewer systems into a new development. MMU will work with the city to establish minimum water main requirements that will have to be installed by the developer. MMU will then determine if these minimum requirements will have to be changed to accommodate MMU's future needs. If MMU determines that changes need to be made to the minimum water main requirements, MMU will pay the developer for all upgrades needed. Clear as mud, right? We can talk at our committee meeting if you have any questions.

There are two MMU Resolutions pertaining to the WAC charge. These will have to be rescinded along with one city Ordinance # 507. As far as we know, this is all the Resolutions and Ordinances associated with the WAC.

Please call me if you have any questions or comments.

Dave Schelkoph
General Manager
Marshall Municipal Utilities