



Administrative Policy  
**ERU WATER CREDITS**  
Water Division – A607

Effective Date:

April 2010

Revised Date:

November 2015

## **EQUIVALENT DWELLING UNITS WATER CREDITS**

### **Summary**

On April 18, 2005, the Town entered into an agreement with Terra-Payson 40 L.L.C. and Terra-Star Valley 40 L.L.C. that created 1,000 ERU water credits (“Credits”) (“the Agreement”). Such Credits could be used to offset the Town’s water impact fee. Per the Agreement, the Credits 1) would lapse if not used (i.e. a water meter installed via the use of the Credit) within 5 years and 2) were transferable with the Town’s written consent.

On December 14, 2006, the Town Council passed Resolution 2226 agreeing to extend the expiration date of the Credits until April 17, 2015 if the holder of a Credit pays the Town the difference between the Town’s then existing water development fee and the amount the holder paid for such Credit. **All remaining credits, except the dollar value for the Bison Cove Property, expired on April 18, 2015.**

On April 17, 2014 the Town Council passed Resolution 2764 to convert the existing 234 Credits for the Bison Cove Property to a monetary value of \$1,158,300 and extend these Credits until April 17, 2021. Future development will debit the current water development impact fees applicable to the project from this amount until the expiration date or the Credit value is fully utilized. Any development fees in excess of that value will be due and payable in accordance with the current development fee ordinances and policies. The extension is contingent upon the completion of the street construction and dedication of portions of E. Evergreen Street, E. Malibu Drive, N. Manzanita Drive and associated traffic control by December 31, 2014. If the construction and dedication are not complete by December 31, 2014 the 234 ERU water credits will expire on April 17, 2015. (Note: The Bison Cove Property – Seven Mile Max completed the improvements and dedications prior to the deadline.)

### **Policy**

- 1) The Town cannot buy the outstanding Credits from individuals/entities holding them.
- 2) Although the Credits may have been “assigned” to individual parcels for tracking or development application purposes, transfers of the Credits that are in writing and meeting all of the other requirements of the Agreement creating the Credits will be recognized by the Town and the Town’s consent to such transfers will not unreasonably be withheld.



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- 3) Individuals/entities who obtain any Credits through foreclosures, repossession, or any judicial process to secure an interest on a debt will be treated as having stepped into the debtor's position.