

Staff Report

Ordinance 2-14

Water Service to the Chesapeake Harbour Subdivision

The proposed ordinance would authorize and approve an agreement regarding the provision of water service to the Chesapeake Harbour Subdivision.

The Association is the community association for the Chesapeake Harbour subdivision ("Chesapeake Harbour") as shown on Plats Nos. 4775 to 4779 as recorded in the Land Records of Anne Arundel County and amended, which subdivision contains four hundred fifty-two (452) residential units, a marina, a restaurant, and recreational facilities all located in Anne Arundel County Maryland, but outside the City's boundaries. All of the applicable owners of such units, businesses, and facilities of Chesapeake Harbour are members of the Association (collectively, the "Owners").

The City provides water to Chesapeake Harbour pursuant to the Water Agreement dated August 6, 1984 by and between the City and the developer of Chesapeake Harbour (the "Water Agreement"), which Water Agreement was approved by City Council in City Ordinance 55-84 adopted on August 6, 1984. The Water Agreement states that the Owners in Chesapeake Harbour are to pay the City two (2) times the rate charged to similar City users of City water.

In 2006, the City Council amended Section 16.08.050.B of the City Code, to require water customers outside of the City to pay an amount that is three (3) times the rate charged to similar City users of City water. In late 2006, the City inadvertently began charging Owners in Chesapeake Harbour three (3) times the rate charged to similar City users of City water contrary to the Water Agreement.

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