



Connection Charges Administrative Guidance

Deferral of Payment and Deed Notices

Created January 10, 2019 — Revised March 13, 2019

Summary

The district may allow deferred payment of connection charges in certain situations as described below. Deferral requires **written approval of the district**. **Customer communities must record a deed notice** on the area for which payment is deferred.

Guidance

Background

Customer communities owe connection charges for areas in their jurisdiction that are served by the district. Generally, connection charges are due at the time an area connects to the district through an application for sewer service extension or direct connection to an existing sewer.

In some cases, a customer community seeks sewer service extension for a large, contiguous area that is planned to develop in phases. In these cases, it is often more efficient for the customer community to submit the entire sewer design for approval even though the improvements for one or more phases will not be immediately constructed. Similarly, for multi-phase developments a customer community may need to install sewer in front of lands that will be developed in future phases in order to serve lands that are to be immediately developed.

Connection charges regulations allow the district to defer payment of connection charges for later phases in such situations. The district requires recording of a deed notice for payment deferral. To limit administrative costs, the district discourages deferred payment.

Application and Approval

If a customer community wishes to defer payment of connection charges on eligible lands, the request for deferral must be made in writing and must be included with the application for extension of sewer service. Requests for deferral of payment will not be considered after approval of the sewer extension is granted by the commission. Deferral of payment requires written ap-

The district maintains an interceptor system in its service area. When customer communities connect to the system, various fees are due, including late fees where applicable. The connection charges program is governed by the district's sewer use ordinance and connection charges regulations, which are approved by the commission. Program guidance is approved by the chief engineer and director. Visit <http://www.madsewer.org/ConnectionCharges>.

proval from the district. Customer communities may not secure deferral merely by recording a deed notice (see below) on their own initiative.

Criteria

The district will allow deferral of payment if the following criteria are met:

1. The area to be deferred is at least 10,000 square feet.
2. The area to be deferred has a sufficient legal description as defined in Chapter A-E 7.04 of the Wisconsin Administrative Code.
3. The area to be deferred is contiguous with the area for which payment will not be deferred.
4. The customer community has authority to place a deed notice on the property.

Deed Notice

When the district authorizes deferral of payment, it will require the customer community to record a deed notice on the area subject to deferral. A copy of the notice must be sent to the district, as recorded by the Register of Deeds. If no copy is received within six (6) months of approval of the sewer extension, the district will issue an invoice for charges due and withdraw its approval for deferral. These requirements are to be included as conditions of approval in the district's resolution for the sewer extension.

Although a deed notice must be recorded by the customer community, the district may record and re-record its own deed notice if necessary to protect district interests.

A deed notice may be in a form suitable to the customer community, but must include the following statements (a suggested form is attached.):

- Connection charges are owed to the Madison Metropolitan Sewerage District.
- Payment of charges owed has been deferred.
- The district will require payment on the area restricted before any construction on the property or extension of sewer service to the property.
- The district will require payment on the entire area at that time. The district will not extend deferral on a subset of the originally deferred area.
- The owner warrants that it has good title to the property.
- Signatories for the owner and municipality warrant that they have authority.
- The notice runs with the land and is enforceable against future owners.
- Any additional statements required by the district as a condition of approval.

Authority

General:

- State law: chapter 200, subchapter I <https://docs.legis.wisconsin.gov/statutes/statutes/200/I>
- District sewer use ordinance: <http://www.madsewer.org//Planning/Permits-Ordinances>
- Connection charges regulations: <http://www.madsewer.org/ConnectionCharges>

This Guidance:

- Connection charges regulations s. 5.6.

Document History

2019 January: Created.

CONNECTION CHARGE DEED NOTICE

RECITALS

A. _____ (“Owner”) owns the property (“Property”) in _____ (“Municipality”), described as follows:

[Legal Description]

B. The Madison Metropolitan Sewerage District (“MMSD”) requires that the Municipality pay MMSD connection charges (“Charges”) to serve the Property and the Municipality requires that the Owner pay the Municipality for the Charges.

C. The Owner and the Municipality intend for the Property to be developed at a future date as part of a phased development and desire to defer payment of the Charges.

D. MMSD is willing to defer payment of the Charges subject to the restrictions set forth below.

NOTICE OF RESTRICTIONS

Therefore, in consideration for MMSD not requiring immediate payment of the Charges, the Owner and the Municipality agree as follows:

1. Before any construction on the Property or sewer service to the Property, all Charges shall be paid to MMSD.
2. The amount paid to MMSD shall include all Charges in effect at the time of payment pursuant to applicable law including MMSD regulations.
3. The Owner warrants that it has good title to the Property and full right and authority to bind the Property to the terms of this Notice.
4. The persons signing this Notice for the Owner and the Municipality warrant that they have full right and authority to do so.

RETURN TO:

P.I.N.

5. This Notice is a lien running with the land and is enforceable by MMSD against all future owners of any interest in the Property. MMSD may record and re-record this document at any time.

OWNER:

By: _____

Print name _____

STATE OF _____

COUNTY OF _____

Personally came before me this _____ day of _____, _____, the above-named _____ to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.

Print Name _____

Notary Public, State of _____

My commission expires: _____

(SEAL)

MUNICIPALITY:

By: _____

Print name/title _____

Attest:

By: _____

Print name/title _____

STATE OF _____

COUNTY OF _____

Personally came before me this _____ day of _____, _____, the above-named _____ and _____ to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.

Print Name _____

Notary Public, State of _____

My commission expires: _____

(SEAL)

This instrument drafted by: