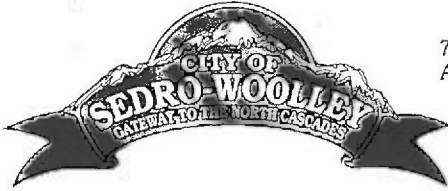


CITY COUNCIL AGENDA  
REGULAR MEETING

MAY 12 2010



7:00 P.M. COUNCIL CHAMBERS  
AGENDA NO. 5

CITY OF SEDRO-WOOLLEY

Sedro-Woolley Municipal Building  
325 Metcalf Street  
Sedro-Woolley, WA 98284  
Phone (360) 855-9922  
Fax (360) 855-9923

Eron M. Berg  
City Supervisor/City Attorney

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MEMO TO: City Council  
FROM: Eron Berg  
RE: Installment Agreements for Sewer Connection Fees  
DATE: May 12, 2010

ISSUE: Should the Council adopt the attached ordinance that allows existing property owners to pay their connection fees over time with an installment contract?

BACKGROUND: **This is a second reading.** This ordinance is presented following a recommendation of the City Council Utilities Committee recommendation to consider the idea with modifications requested at your first reading on April 28<sup>th</sup>. The ordinance would encourage more connections to the sewer system by allowing existing properties to connect now and pay the balance of their connection fees over time. As drafted, owners would be required to pay 10% down with the remaining 90% paid over no more than 72 months (with interest).

Staff recommends that this be adopted. We believe this will increase the efficiency of the sewer system and improve groundwater quality in our community.

RECOMMENDATION: MOTION to adopt the attached ordinance allowing for sewer connection fees to be paid over time in limited circumstances pursuant to RCW 35.67.360.

ORDINANCE NO.

AN ORDINANCE ALLOWING FOR SEWER CONNECTION FEES TO BE PAID OVER TIME IN LIMITED CIRCUMSTANCES PURSUANT TO RCW 35.67.360

**Whereas**, the City Council of the City of Sedro-Woolley desires to encourage more citizens to use the City's sanitary sewer system, and

**Whereas**, the testimony from citizens who are using the City's waiver process to delay connections indicates that the connection fee payment in a lump sum at time of connection is too burdensome, and

**Whereas**, the City Council is concerned that missed connections contribute to decreased water quality in the region and result in underutilization of the sanitary sewer system, and

**Whereas**, RCW 35.67.360 allows cities who provide sanitary sewer service to use revenue from the system to "assist the owners of structures or equipment in financing the acquisition and installation of materials and equipment, for compensation or otherwise, for the conservation or more efficient use of storm water or sewer services in such structures or equipment." and

**Whereas**, the City Council finds that its sanitary sewer system would operate more efficiently with the addition of new connections that would otherwise use the City's waiver process and delay connecting, and

**Whereas**, the City Council finds that it is in the public interest and welfare to extend credit to those properties eligible for the waiver available under SWMC 13.08.050 for a portion of the sewer connection fee due, to be repaid with interest, now therefore,

THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY DO HEREBY ORDAIN AS FOLLOWS:

**Section 1.** A new section shall be added to Chapter 13.16 of the Sedro-Woolley Municipal Code as follows:

SWMC 13.16.\_\_\_\_: Payment of Utility General Facilities Charges and Connection Fees

A. Cash or Contract.

1. The general facilities charge and any special connection fees may be paid in cash or under installment contract within the discretion of the City. To be eligible for an installment contract, the property owner must connect an existing property, located within the City's corporate limits, under the process identified in

SWMC 13.08.040. New construction is not eligible for an installment contract. Interest charged under an installment contract is at the same rate as the effective annual interest of the most recent City of Sedro-Woolley local improvement district bond issue or sewer utility revenue bond issue, whichever is most recent, computed monthly on unpaid balances.

2. Such contract will be prepared by the City attorney who is authorized to add provisions in addition to the following mandatory provisions:

a. for a down payment of ten percent (10%) of the total general facilities charge and special connection charge, if applicable, payable upon execution of the contract, and in addition to the credit available to certain property owners under SWMC 13.16.140;

b. for payment of the balance in no more than seventy two (72) monthly payments;

c. that any unpaid balance may be paid in full at any time and must be paid in full upon sale, transfer or redevelopment;

d. such contract contains the legal description of the property served by the sewer, and is executed and acknowledged by the property owner and is recorded by the City with the county auditor, at the expense of the property owner.

3. The general facilities charge and special connection charge, if applicable, is paid in full or the installment contract is executed and recorded, as a condition precedent to the issuance of a permit for connection to the City sewer system.

#### B. Unpaid Charges.

1. Delinquent payments of general facilities charges and/or special collection charges under such installment contract or otherwise unpaid general facilities charges and/or special collection charges are a lien upon the described property as provided in RCW 35.67.220, enforceable in accordance with RCW 35.67.220 through RCW 35.67.280.

2. Upon full payment of the charges due, the finance director on behalf of the City executes and delivers to the property owner a release of such lien. The property owner is responsible for recording the release at the property owner's expense.

**Section 2.** This ordinance shall be effective five (5) days after passage and publication as provided by law.

**Section 3.** The provisions of this ordinance are declared to be severable, and if any section, sentence, clause or phrase of this ordinance shall for any reason be held invalid or unconstitutional or if the application of this ordinance to any person or circumstances shall be held invalid or unconstitutional, such decisions shall not affect the validity of the remaining sections, sentences, clause or phrases of this ordinance.

**PASSED** by majority vote of the members of the Sedro-Woolley City Council this \_\_\_\_ day of \_\_\_\_\_, 2010, and signed in authentication of its passage this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Mike Anderson, Mayor

Attest:

\_\_\_\_\_  
Patsy Nelson, Finance Director

Approved as to form:

\_\_\_\_\_  
Eron Berg, City Attorney

Filed with the City Clerk:	April 22, 2010
First Reading:	April 28, 2010
Second Reading:	May 12, 2010
Passed by the City Council:	
Signed by the Mayor:	
Date of Publication:	
Recorded with County Auditor:	