

LIVINGSTON CITY COMMISSION ADDENDUM

REGULAR MEETING 11.15.2022

ADDENDUM TO RESOLUTION NO. 5072

STAFF REPORT ON SEWER SERVICE CONNECTION TIMEFRAME AND IMPACT FEE ASSESSMENT FOR THE GREEN ACRES/MONTAGUE SUBDIVISION RESIDENTS.

Staff Report on Sewer Service Connection Timeframe and Impact Fee Assessment for Green Acres and Montague Subdivision Residents

Background

1959	Green Acres connects to City Water
Jan. 2017	Shannon meets with Green Acres HOA to discuss impacts of Brookstone Water and Sewer Extensions. Discusses benefits of City owned water system and plans for sewer extension project.
Feb. 2020	Green Acres Annexed into the City
March 2020	City Manager agrees to waive the \$150 sewer connection charge for Green Acres Residents
Dec. 2020	City applies for CBDG planning grant for Green Acres
Feb. 2021	CBDG grant is not approved.
March 2021	City signs contract for Green Acres Sewer Preliminary Engineering Report
June 2021	Montague subdivision annexed into the City
Nov. 2021	Montague subdivision added to Green Acres Sewer Project
Jan. 2022	Public Meeting with Montague residents on Regional sewer Project.
Jan. 2022	City applies for ARPA grant for Regional Sewer Project.
June 2022	City awarded \$2,000,000 for Regional Sewer Project. Scores #1 in the State.
Sept. 2022	DEQ approves Regional Sewer Project (Plans, Specifications and Engineering Design Report)

Project Budget

\$3,995,000 – Total construction, engineering and bonding (includes \$2 million grant).

Construction Timeframe

Start construction in March 2023 with an April 30th, 2024 substantial completion date.

Sewer Connection Provisions

The City of Livingston Municipal Code section 14-81 states that connection to the City sewer is to be: within ninety (90) days after date of official notice to do so, provided that said public sewer is within one hundred fifty (150) feet of the property line.

Municipal Code Sec. 14-81. - Use of public sewers required.

4. The owner of all houses, buildings, or properties used for human occupancy, employment, recreation, or other purposes, situated within the City and abutting on any street, alley, or right-of-way in which there is now located or may in the future be located a public sanitary or combined sewer of the City, is hereby required at their expense to install suitable toilet facilities therein, and to connect such facilities directly with the proper public sewer in accordance with the provisions of this Ordinance, within ninety (90) days after date of official notice to do so, provided that said public sewer is within one hundred fifty (150) feet of the property line.

Once the sewer main and individual sewer connections is tested and accepted by the City of Livingston, each Green Acres and Montague resident will be charged the minimum sewer rate for a residential connection. This rate is \$20.19/month regardless if they are connected or not.

The City was awarded a \$2 million ARPA Water and Sewer Infrastructure Grant in June, 2022.

House Bill 632 Section 27 requires applicants to clearly define the project outcomes, how they will achieve those outcomes, and how they will measure the effectiveness of their project. A project goal is an overarching statement of what a project should achieve.

From discussions with the ARPA Grant team, the City's project goals include:

1. Complete construction, all residential connections and abandonment of all septic systems by April 30th, 2024;
2. Grant closeout by July 31st, 2024.

City Administration understands the financial burden, limited resources for area contractors and supply/material challenges with Green Acres and Montague residents. However, we still need to comply with the ARPA grant stipulations.

While we will continue to inform and encourage Green Acres and Montague residents to connect to the City sewer as soon as reasonably possible, City Administration recommends allowing residents until April 30th, 2024 to connect to the new City sewer main. Those residents that have not connected will receive an official notice from the City that will reference the Municipal Code section 12-41 and require them to connect within 90 days.

Montana DEQ also requires that each property will need to complete the NOC (Notification of change to Municipal Sewer) form once connected to City Sewer.

Staff Recommendation on Connection Timeframe

City Administration recommends allowing residents until April 30th, 2024 to connect to City sewer, providing written notice to residents that have not connected by April 30th, per City Code 12-41, and addressing hardships on a case by case basis, thereafter.

Impact Fees

Development Impact Fees are outlined by Municipal Code Chapter 24.

Development Impact Fees are typically collected at the time of issuance of a building permit.

This Development Impact Fee does apply to lots with existing homes or facilities that are currently on a septic system.

Vacant lots within the Green Acres and Montague subdivisions are not required to pay impact fees as part of this project. Impact Fees will be required before these properties are developed as part of obtaining a City Building Permit.

Sec. 24-11. - Credits and exemptions.

The City Commission may by resolution grant a credit for or exemption from all or any part of the impact fees upon such finding that such credit or waiver is in the best interests of the public by encouraging activities that provide significant social, economic or cultural benefits.

(Ord. 1968, 4/3/06; Ord. 1972, 7/17/06; [Ord. No. 2089](#), § 1, 11/5/20)

City Administration understands there is a significant financial burden to the residents of Green Acres and Montague subdivisions for sewer main extensions, impact fees and service connections to the sewer main.

On average, the current estimated assessment for project residents with a 9,500 square foot lot will be \$15,000, or approximately \$1.58 per square foot of property, over 20 years.

The average construction of a private sewer service connection is estimated at approximately \$7,500.

Our current sewer impact fee for homes with a $\frac{3}{4}$ water meter is \$4,506.

To minimize the financial burden on the residents, the City applied for any and all available grants and was awarded a \$2,000,000 ARPA grant for this sewer main extension project. This resulted in a \$0.85/square foot decrease in the average SID assessment, a reduction of about 35%.

The City also waived the connection fee for each resident of \$150/connection.

Staff Recommendation on Development Impact Fee

City Administration understands there are 3 possible decisions on addressing Development Impact Fees for the residents of Green Acres and Montague:

1. Waive the impact fees;
2. Charge the full amount of \$4,506 per residential connection;
3. Charge a percentage of the full impact fee assessment.

City Administration recommends charging a percentage of the full impact fee assessment.

City Administration used the 2018 Impact Fee Study to quantify our recommendation to charge a reduced impact fee. This is based on the total cost of \$14.74 per gallon on page 52 of the impact fee study, this multiplied by the average gallons per day for a residential household of 109 gallons per day. **This impact fee equates to \$1,606 per residential connection.**

City Administration feels this is an equitable development impact fee for residents of Green Acres and Montague subdivisions to pay, specifically for their proportionate share of the 2017 WRF upgrade that cost \$16.7 million and was built with additional capacity needed to provide service for these annexed properties.

Although the impact fee cannot be included in the SID assessment for each property, the City does have a financing option to assess this fee over 5 years in property taxes to help with the financial burden.