

CITY OF HOMER
HOMER, ALASKA

ORDINANCE 85 - 3

AN ORDINANCE AMENDING AND ENACTING CERTAIN SECTIONS AND CHAPTERS OF TITLE 14, UTILITIES, OF THE HOMER MUNICIPAL CODE.

WHEREAS, the City Council authorized the development of a sewer trunk line zone connection fee system in conjunction with the Cooper Subdivision Sewer Improvement District; and

WHEREAS, the concept of a zone connection fee would benefit and encourage extension of the sewer system as well as the water system; and

WHEREAS, the City Council direct the City Administration to develop an equitable Water and Sewer Utility Extension Reimbursement policy and procedure; and

WHEREAS, the enactment of a utility reimbursement policy precludes as practicable the continued requirement that any dwelling, commercial or industrial building located within one-hundred-fifty feet of the sewer system be connected to the municipal sewer system; and

WHEREAS, the recent defeasance of the 1970 Sewer Improvement General Obligation Bonds eliminates the need for depositing sewer system revenue in the sewage bond redemption fund.

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1: Chapter 14.12, of the Homer Municipal Code, Sewer Trunk Connection Fee, is repealed and reenacted as a Water and Sewer Zone Connection Fee to read as follows:

Section 14.12.010, Purpose It is the intent of this chapter to provide that collection of a zone connection fee shall be required for those properties in a benefiting zone connecting to a water arterial pipeline and/or sewer trunk line extension.

Section 14.12.020, Definitions In this chapter, unless otherwise provided, or the context otherwise requires, the following words and phrases shall have the meaning set forth below:

- a. **Benefited zone** - means an area in which similar use patterns are assumed to give rise to a design population density and which is likely to be serviced by a water arterial pipeline or sewer trunk line extension.
- b. **Arterial Pipeline** - means those pipelines in the distribution system that are equal to or greater than 10 inches in diameter and convey water from a transmission line to points throughout the city.

- c. **Trunk Line** - means sewer lines which convey flows to the Sewage Treatment Plant.

Section 14.12.030, Zone Connection Fee

- a. Any connection to a water arterial pipeline or sewer trunk line extension shall require the collection of a zone connection fee calculated as follows:

$$\text{Zone Connection Fee} = \frac{(\text{Area Within Zone To Be Connected})}{(\text{Area Of Entire Zone})} \times (\text{Cost Of Arterial Or Trunk Line Extension})$$

- b. After the completion of a water arterial pipeline or sewer trunk extension, any property connecting to these extensions shall be required to pay the zone connection fee plus interest at the prevailing local prime rate.

Section 14.12.040, Payment Plan A five-year payment plan may be utilized to pay for the zone connection fee. The payment plan shall require interest at the lowest local prevailing prime rate.

Section 14.12.050, Disposition of Revenue Revenues collected from the zone connection fee shall be utilized to replenish the City Treasury for funds utilized to extend the water and sewer system and provide additional funds for future water and sewer system extensions.

Section 2: Section 14.04.020, Connection Required (a) and (b) of the Homer Municipal Code is amended to read as follows:

- a. No person shall erect any dwelling or commercial or industrial building, except as such may be specifically exempted under the City Code, without providing sewage facilities and connection to the municipal sewer system; provided that such connection need not be made if the proposed alternative sanitary facility shall have been approved by the Department of Environmental Conservation as providing adequate disposal of wastes and continues to function as approved.
- b. After October 1, 1973, no person shall occupy and no person shall own, maintain, or control any structure or premises used as a home, apartment, or other living quarters unless the structure is connected to the City sewer; nor, after October 1, 1973 shall any person occupy, maintain or control any structure or premises used for any commercial, industrial or business use unless the structure is connected to sewer; provided, however, that the provisions of this subsection shall not apply if the existing sanitary facilities shall have been approved by the Department of Environmental Conservation as providing adequate disposal of wastes and continues to function as approved.

Section 3: Section 14.34.060, of the Homer Municipal Code, Disposition of Revenue is amended to read as follows: One-hundred percent of each monthly bill for sewer service shall be deposited in the Central Treasury of the City and accounted for in the Sewer Utility Fund.

Section 4: Chapter 14.30, of the Homer Municipal Code, Water and Sewer Extension Cost Reimbursement Plan is enacted to read as follows:

Section 14.30.010, Purpose It is the intent of this Chapter to provide a method to reimburse a developer for the cost of extending a water or sewer line to his property past other benefiting properties.

Section 14.30.020, Definitions In this Chapter, unless otherwise provided, or the context otherwise requires, the following words and phrases shall have the meaning set forth below:

- a. **Developer** - means a property owner who is developing his property.
- b. **Cost of Extension** - means the developers actual direct cost of constructing a water or sewer line extension, including a total of fifteen percent of the actual direct cost for the developer's overhead and profit.
- c. **Water or Sewer Line** - means a water arterial or distribution pipeline and sewer trunk or collector line.
- d. **Benefiting Property** - means area or zone which will directly benefit by a specific water or sewer line extension.
- e. **Arterial Pipeline** - means those pipelines in the distribution system that are equal to or greater than 10 inches in diameter and convey water from transmission line to points throughout the City.
- f. **Distribution Pipeline** - means lines normally 6 or 8 inches in diameter which primarily serve individual properties.
- g. **Trunk Line** - means sewer lines which convey flows to the Sewage Treatment Plant.
- h. **Collector Line** - means sewer lines which serve the central commercial and residential areas and connect to a trunk line.

Section 14.30.030 , Reimbursement Agreement Request

- a. The developer may request in writing a reimbursement agreement if the water and/or sewer system extension benefits property other than his own, and the developer cannot include other property owners in the request.

- b. The developer's request for a reimbursement agreement shall include the following:
- o An affidavit or other written evidence that the other benefiting property owners do not wish to be included in the development; and
 - o An itemized report, with supporting documentation, of the actual direct cost of the extension including a total of fifteen percent of the actual direct cost of the extension for the developer's overhead and profit.
- c. The developer shall make his request for a reimbursement agreement prior to acceptance of the utility extension by the City.

Section 14.30.040, Term of Agreement The reimbursement agreement shall be valid from the date of acceptance of the utility extension by the City.

Section 14.30.050, Collection of Pro Rata Cost The City shall collect from the other benefiting property owners their pro rata share of the utility extension cost plus interest of five percent per annum but not to exceed current tax assessed value of property, a fifteen per cent administrative fee at the time the property owner wishes to connect into the utility system.

Section 14.30.060, Payment Plan A payment plan with annual installments may be utilized to pay for future connection costs by property owners. The term of payment plan shall be determined prior to the connection to the utility and subject to City Council approval.

Section 14.30.070, Determination of Pro Rata Cost The reimbursement agreement shall stipulate the pro rata unit cost of the utility extension. The pro rata distribution of cost shall be determined in accordance with HCC 17.12.020 Assessment Formula -- Generally, and/or HCC 14.12.030 Zone Connection Fee.

Section 14.30.080, Developer Reimbursement The City shall reimburse to the developer the funds collected as a lump sum or as an annual payment, less the fifteen-percent administrative fee, from the other benefiting property owners connecting to the utility system within ninety days of the actual collection date.

Section 14.30.990, Disposition of Revenue Revenues collected as result of the future connections (i.e. the fifteen percent administrative fee and interest) shall be deposited in the City Treasury and utilized to finance future water and sewer system extensions.

CITY OF HOMER



Wayne Kessler, Mayor

ATTEST:

Kathleen Herold, City Clerk

First Reading: January 28, 1985

Public Hearing: February 11, 1985

Second Reading: February 25, 1985

Effective: February 26, 1985