



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Emily Huettl, PE

DATE: July 1, 2019

SUBJECT: SEWER CONNECTION FEE – 620 27th STREET NW

I. RECOMMENDED ACTION

Recommend that Council act upon one of the four alternatives listed below.

II. DEPARTMENT CONTACT PERSONS

Lance Meyer, City Engineer	857-4100
Emily Huettl, Assistant City Engineer	857-4100

III. DESCRIPTION

A. Background

In 2011, following the completion of the North Minot Sanitary Sewer Study, the City Council set the North Minot Sewer Connection Fee at \$3,787.00 per acre. Since that time, any person wanting to connect into City sewer within that area is invoiced accordingly and the City must receive payment prior to issuing a building permit.

B. Proposed Project

Mr. Brian Sturm is planning to build a single-family residential structure at 650 27th St NW, which is located within the North Minot Sewer system. This residential lot is approximately 3.06 acres, which calculates to a connection fee of \$11,584.41. The Engineering Department received the attached letter from Mr. Sturm requesting a reduction to this fee.

C. Consultant Selection

NA

IV. IMPACT:

A. Strategic Impact:

There is past precedent for Council revising sewer connection fees on a case by case basis. In those previous instances, Council has approved a reduction in fee based on the developable area of the lot.

B. Service/Delivery Impact:

The Engineering Department has reviewed the request and our analysis is as follows:

- We concur that approximately 1 acre of the lot is developable.
- We concur that the immediate neighbors would pay approximately \$1,300.
- Other properties in the area would pay from \$700 to \$2,700 based on their lot size.

C. Fiscal Impact:

The connection fee was established to recoup costs associated with the North Minot Sanitary Sewer project. This revenue is deposited into the water and sewer enterprise account and applied toward bond repayment. If not enough revenue is collected, utility rate adjustments will need to be made at some point to ensure the project is paid.

V. ALTERNATIVES

- 1) Do nothing. The connection fee would remain at \$11,584.41 for this lot.
- 2) Revise the connection fee calculation for this lot using the area of Mr. Strum's nearest neighbor, resulting in a connection fee of \$1,300.
- 3) Revise the connection fee calculation for this lot based on 1 acre (the developable area), resulting in a connection fee of \$3,787.00.
- 4) Revise the connection fee for this lot to a dollar amount of your choosing.

VI. TIME CONSTRAINTS

The fee needs to be determined so that payment can be made and a building permit can be issued.

VII. LIST OF ATTACHMENTS

- A. Connection Fee Invoice
- B. Brian Strum Letter