



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Dan Jonasson, Director of Public Works

DATE: October 15, 2019

SUBJECT: SEWER CONNECTION FEE – 7755 11th Ave SE

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
Dan Jonasson, Director of Public Works	857-4140

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 or connecting into the sewer system.

B. Proposed Project

Mr Ronald Demers has a home at 7755 11th Ave. Se on a rural lot that is 2.29 acres. Typically the sewer rate is assessed on a per acre basis which allows for future splitting and development of larger lots. Council has adjusted connection fees in the past to accommodate these larger residential rural lots to a lower connection fee for residential lots. Mr. Demers current septic system has failed and he wants to connect into the Nedrose sewer district sewer, that Ward County Water Board funded back in 2000 – 2001. Mr. Demers paid his assessment for the Nedrose system when it was developed in 2001, but did not connect into the system as his septic system was operating properly. Had he connected in at that time, there would not be any connection fee paid to the City from this prior connection. Only connections after the 2012 Council action have been subject to a connection fee for the North sanitary sewer system.

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 or using a developable area of 2.5 lots per acre for residential lots to connect. (ex. \$4440/acres connection fee divided by 2.5 = \$1776/single family

connection) Council approved a reduced fee for all residential connection connecting into the Larson coulee and Ward County 54th avenue sewer district to \$1776 per single family household.

B. Service/Delivery Impact:

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

- We concur that this lot is not able to be split or further developed, so only the single existing home will benefit from the sewer connection.
- We recognize that the immediate neighbors have paid from \$2,097.82 to \$2,235.25 for a similar single family home as a connection fee.
- Properties in other sewer districts that the Ward County Water Board and City of Minot have partnered in have been charged the amount equal to a single family connection fee, based on a buildout of 2.5 lots per acres. This resulted in an average fee of \$1776 per single family home in the Larson Coulee sewer district, regardless of the lot size.

C. Fiscal Impact:

The connection fee was established to help recoup costs associated with the North Minot Sanitary Sewer project. This district was funded with CDBG grant funds and bonds. The Nedrose sewer district, was connected into this line during the construction of the North sewer project. Prior to this, the Nedrose sewer drained into the Minot system through lines installed by the Nedrose sewer district, a Ward County Water Board project. This revenue is deposited into the water and sewer enterprise account and applied toward bond repayment

V. **ALTERNATIVES**

- 1) Do nothing. The connection fee would remain at \$8693.76 for this lot.
- 2) Revise the connection fee calculation for this lot using the comparative amount surrounding properties paid, resulting in a connection fee of \$2,166.
- 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 similar amount calculated similar to what was approved by Council on the sanitary sewer project along 54th ave South, which used an estimated buildout of 2.5 lots per acre, which would result in a connection fee of \$1515.00.
This is the requested action of the Ward County Water Board.

VI. **TIME CONSTRAINTS**

VII. **LIST OF ATTACHMENTS**

- A. Ward County Water Board letter requesting reduced connection fee.
- B. Map of Mr. Demers lot
- C. Table of comparable residential connection fees charged in the Nedrose District.