

Ordinance 3117

AN ORDINANCE OF THE CITY OF PORT TOWNSEND, REVISING PORT TOWNSEND MUNICIPAL CODE CHAPTER 13.03, SYSTEM DEVELOPMENT CHARGES FOR WATER AND SEWER CONNECTIONS AND AMENDING THE RATES, CLARIFYING WHEN CHARGES ARE DUE AND PAYABLE

WHEREAS, Chapter 13.03 of the Port Townsend Municipal Code establishes a water and a sewer system development charge (“SDC”) as authorized by Chapter 35.92.025 of the Revised Code of Washington; and

WHEREAS, the City has not increased the SDC rate since 1998; and

WHEREAS, the City contracted with the FCS Group to conduct a rate study and make recommendations for amendments to the SDC rate structure, which study showed that the SDC rates should be adjusted for inflation over the 14 year study period and for the cost of capital improvements already made to the water and sewer systems as well as those near-term future system improvements programmed for construction in the current Capital Improvement Program; and

WHEREAS, staff recommended changes to the Code dealing with when an SDC is to be paid to bring the Code into conformance with current practice; and,

WHEREAS, based on the recommendations of the consultant and staff, Council believes it to be in the best interests of the utility to increase the rates in two phases, and to conform the Code to current practice.

NOW, THEREFORE, the City Council of the City of Port Townsend do ordain as follows:

Section 1. Chapter 13.03 of the Port Townsend Municipal Code is amended as set forth in Exhibit A. Language to be stricken is indicated by strikeout, and language to be added is indicated by underlining.

Section 2. Severability. If any sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase or work of this ordinance.

Section 3. Effective Date. This Ordinance shall take effect and be in force five days after the date of its publication in the manner provided by law. Publication of this ordinance shall be by summary thereof consisting of the title.

ADOPTED by the City Council of the City of Port Townsend at a regular meeting thereof, held this 20th day of October, 2014.



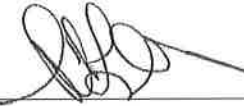
David King
Mayor

Attest:



Joanna Sanders, CMC
City Clerk

Approved as to form:



Steven L. Gross
City Attorney

Chapter 13.03 SYSTEM DEVELOPMENT CHARGES FOR WATER AND SEWER CONNECTIONS

Sections:

- 13.03.010 Purpose.
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- 13.03.060 System development charge in addition to other charges.
- 13.03.070 Collection of system development charges.
- 13.03.080 System development charge credit.
- 13.03.090 System development charge adjustment.
- 13.03.100 Penalty for unauthorized hookup.
- 13.03.110 System development charge deferrals for low-income housing.
- 13.03.115 Deferral of fees.
- 13.03.120 Exemptions.

13.03.010 Purpose.

Pursuant to the authority provided in RCW 35.92.025, the city of Port Townsend has determined that it is reasonable and in the public interest to enact and impose a system development charge (SDC) for the purpose of recovering a proportionate share of the actual and projected capital costs of water and sewer facilities from those properties within the utility service areas which, as a part of their development and use, create the need for those facilities. (Ord. 2579 § 1, 1997; Ord. 2390 § 1, 1993; Ord. 2380 § 1, 1993).

13.03.020 Equivalent residential unit defined.

For the purposes of this code, one "equivalent residential unit," or "ERU" is defined as a water service connection to a residential unit, commercial use or industrial use, with a five-eighths-inch or three-quarter-inch meter. Larger connections to the city's water system will be referred to in terms of "equivalent residential units" for purposes of determining an equitable proportionate amount for SDCs. A method for calculation of the equivalent residential units for hookups larger than one ERU is included in PTMC13.03.050. (Ord. 2579 § 1, 1997; Ord. 2390 § 1, 1993; Ord. 2380 § 1, 1993).

13.03.030 Water system development charge.

A. The city has evaluated the capital cost of the city's existing water system and the projected cost to expand the general facilities to meet the projected needs associated with new and expanded needs of the water system customers. The general facilities include source of supply, treatment, storage, transmission and major regional pumping facilities.

B. A one-time SDC for each new customer shall be assessed based upon the customer's fair and equitable share of the general facilities. The SDC shall be determined by multiplying the total number of

ERUs for the service(s) to be installed by \$3,508 as of January 15, 2015 and by \$4,494 as of July 1, 2015.

* WATER

C. If a local improvement district pays for any of the general facilities described above, they may be eligible for an appropriate credit to the SDC. (Ord. 2621 § 1, 1997; Ord. 2579 § 1, 1997; Ord. 2491 § 1, 1995; Ord. 2434 § 3, 1994; Ord. 2390 § 1, 1993; Ord. 2380 § 1, 1993).

13.03.040 Sewer system development charge.

A. The city has evaluated the capital cost of the city's existing sewer system and the cost to expand the general facilities to meet the projected needs associated with new and expanded needs of sewer system customers. The general facilities include the interceptor system, major regional pumping facilities and the wastewater treatment facility, outfall, compost facility and associated facilities necessary to treat and dispose of the wastewater.

* SEWER

B. A one-time SDC for each new customer shall be assessed based on the customer's fair and equitable share of the general facilities. The SDC shall be determined by multiplying the total number of ERUs for the service(s) to be installed by ~~\$2331 as of January 1, 1998~~, \$3,045 as of January 15, 2015 and by \$3,758 as of 1 July 2015, for domestic strength wastewater.

C. If a local improvement district pays for any of the general facilities described above, they may be eligible for an appropriate credit to the SDC. (Ord. 2621 § 2, 1997; Ord. 2579 § 1, 1997; Ord. 2491 § 2, 1995; Ord. 2434 § 4, 1994; Ord. 2390 § 1, 1993; Ord. 2380 § 1, 1993).

13.03.050 Equivalent residential unit factors.

A. The ERU factors for determining the proportional equivalent of various sizes of water meters shall be in accordance with the following table:

	Water Meter Equivalent Factor (ERU)	Wastewater Meter Equivalent Factor (ERU)
3/4" meter	1.0	1.0
1" meter	2.5	1.4
1-1/4" meter	3.75	1.6
1-1/2" meter	5.0	1.8
1-3/4" meter	6.5	2.4

	Water Meter Equivalent Factor (ERU)	Wastewater Meter Equivalent Factor (ERU)
2" meter	8.0	2.9
3" meter	15.0	11.0
4" meter	25.0	14.0
6" meter	50.0	21.0
8" meter	80.0	29.0

B. If the wastewater strength exceeds the SIC number one criteria, the SDC shall be adjusted to reflect the higher cost associated with treating high strength waste. The high strength ERU formula is:

$$\frac{(0.38(\text{flow of customer})/(\text{flow of Std. ERU})) + (0.387(\text{BOD of customer})/(\text{BOD of Std. ERU})) + (0.233(\text{TSS of customer})/(\text{TSS of Std. ERU}))}{1} = \text{Equivalent ERU}$$

where: flow of Standard ERU is assumed to be 5,236 gallons per month
 BOD of Standard ERU is assumed to be 14 pounds per month
 TSS of Standard ERU is assumed to be 14 pounds per month

C. If the actual water meter size installed is increased to improve customer service, provide for fire sprinkler installation, or if the water meter size used to establish the sewer SDC overestimates the volume of wastewater discharged to the city sewer system (for example, on-site recycling or irrigation), the director of public works shall determine the appropriate ERU based upon the typical benefits the customer receives from the general facilities of the water and sewer system. (Ord. 2579 § 1, 1997; Ord. 2390 § 1, 1993; Ord. 2380 § 1, 1993).

13.03.060 System development charge in addition to other charges.

The system development charge for water and sewer imposed pursuant to this chapter shall be in addition to any permit fees or charges imposed by council resolution, any connection or tap charges for the actual cost of connecting to the city's water and/or sewer systems, system extension and replacement

costs, and to all other charges or costs imposed by ordinance or agreement. (Ord. 3051 § 1 (Exh. A), 2010; Ord. 2579 § 1, 1997; Ord. 2390 § 1, 1993; Ord. 2380 § 1, 1993).

13.03.070 Collection of system development charges.

A. SDCs must be paid at the time a water and/or sewer connection is requested. For purposes of this Section, a "connection" means the day the City receives a complete application for service as provided for in Chapter 13.13. PTMC. The installation of additional infrastructure, such as water or sewer main extensions, replacements, or other system improvements that are required as part of a development or permits, even if the systems are charged for testing purposes, does not constitute a "connection."

B. Charges so collected shall be used solely for capital improvements to the system to which the charge is applicable. No service connection to the sewer and water system shall be made until all SDCs have been paid. (Ord. 2579 § 1, 1997; Ord. 2392 § 1, 1994; Ord. 2390 § 1, 1993; Ord. 2380 § 1, 1993).

13.03.080 System development charge credit.

A. The owner or previous owner of a property that has been assessed through a local improvement district or through a special assessment for water or sewer general facilities shall be given a credit towards payment of the SDC calculated under this chapter. The credit shall be determined by prorating the current SDC as the required share against the previously paid assessment for identified general facilities. The ENR index for each time period shall be the method of establishing the value of the amount previously paid.

B. For existing customers that upgrade or expand their system ERU requirements, the customer shall receive credit for the previous ERU for which an SDC was paid. No credit for reducing an ERU demand will be granted. (Ord. 2579 § 1, 1997; Ord. 2390 § 1, 1993; Ord. 2380 § 1, 1993).

13.03.090 System development charge adjustment.

The SDC shall be adjusted each year on January 1st, according to the Seattle Area Engineering News Record Construction Cost Index (ENR), unless otherwise adjusted based on an evaluation of the cost of constructing the general facilities. (Ord. 2579 § 1, 1997; Ord. 2390 § 1, 1993; Ord. 2380 § 1, 1993).

13.03.100 Penalty for unauthorized hookup.

In the event any connection to the city water or sewer system is made without paying the fees required by this chapter, the owners of the property to which the connection is made shall be required to pay a fine in the amount of 10 percent of the applicable SDC. Utility service shall be terminated until all fees and penalties owing have been paid. (Ord. 2579 § 1, 1997; Ord. 2390 § 1, 1993; Ord. 2380 § 1, 1993).

13.03.110 System development charge deferrals for low-income housing.

A. Program Established. In accordance with policy direction from the Port Townsend comprehensive plan, the city may allow deferral of payment of system development charges (SDCs) for a private or public nonprofit organization which is developing or constructing low-income single-family housing units for low-income individuals or families, as defined in this section.

B. See PTMC 3.36.011 for program details. (Ord. 3052 § 1 (Exh. A § 2), 2011; Ord. 2910 § 1, 2006; Ord. 2768 § 1, 2001; Ord. 2734 § 1, 2000).

13.03.115 Deferral of fees.

The city manager is authorized to defer fees for projects that the city manager determines promote substantial additional private sector jobs and/or leverage private sector investment so that the city's tax base is substantially increased as a result of such project. The deferral shall:

A. Be on such terms and with such security (including recorded restrictive covenant or other security) as determined by the city manager protects the payment of the fee;

B. Not exceed a period of deferral of more than two years, or sale of property, whichever occurs first;

C. Not include deferral of any costs of notices, publication and other costs to the city;

D. Include repayment in full with interest thereon at a rate commensurate with the annual one-year U.S. Treasury notes and bonds, adjusted for constant maturities, as published in the Federal Reserve Bulletin or otherwise available from the Federal Reserve Bank, computed annually on unpaid balances. Interest calculated pursuant to this section shall not be compounded. (Ord. 2877 § 1, 2004).

13.03.120 Exemptions.

A. Accessory Dwelling Units (ADUs). All ADUs located within the city limits which have been permitted and approved in accordance with PTMC 17.16.020 are exempt from the requirement to pay SDCs pursuant to this chapter.

B. Properties Not Connected to the City's Wastewater System. All properties which are not connected to the city's wastewater system shall be exempt from the requirement to pay SDCs upon connection to the system, pursuant to this chapter; provided, that the property owner demonstrates the following:

1. The property owner and/or the occupants of the property have paid monthly wastewater service fees on a regular monthly basis, commencing any time during 1993; and

2. The property owner and/or the occupants of the property, continue to make such payments until connection of the property to the wastewater system is made; and

3. If such payments have been made in the past (commencing in 1993) but were discontinued for any reason, in lieu of paying SDCs for connection to the wastewater system, the property owner may pay all unpaid accumulated monthly wastewater service fees, plus interest. (Ord. 2736 § 1, 2000).