0020.200.013 LCM/crd 4/8/88 R-4/14/89

## ORDINANCE NO. 1485

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, AMENDING THE REDMOND MUNICIPAL CODE BY CREATING WATER AND SEWER CONNECTION CHARGES; PROVIDING PROCEDURES AND REGULATIONS FOR CALCULATING AND COLLECTING THE CHARGES AND APPROVING AN ORDINANCE SUMMARY FOR PUBLICATION.

WHEREAS, RCW Chapter 35.92.025 authorizes cities and towns to charge property owners seeking to connect to the water or sewerage system of the city or town as a condition to granting the right to so connect, in addition to the cost of such connection, such reasonable connection charge as the legislative body of the city or town shall determine proper in order that such property owners shall bear their equitable share of the cost of such system, and

WHEREAS, many improvements have been made to the water and sewer system, which have been paid for directly by the City from revenues of the utility or through borrowing, and not be levying assessments against specific properties through a local improvement district or a utility local improvement district; and

WHEREAS, certain improvements to the water and sewer system, which have been paid for by developers of property, benefit others who subsequently tap into or are otherwise served by such improvements; and

WHEREAS, properties connecting to the City sewer and/or water system benefit from said system improvements paid for directly by the City or by developers, and should pay their fair share of the costs of such systems, now, therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. A new Chapter 13.11 is hereby added to the Redmond Municipal Code to read as follows:

## WATER AND SEWER CONNECTION CHARGES

13.11.010 Purpose. The purpose of this chapter is to establish water and sewer connection charges and to provide procedures and

regulations for calculating and collecting the charges.

13.11.020 Intent of Connection Charges. The City Council hereby finds that it would be inequitable for owners of property to receive the benefit of connecting to an already existing water or sewer system without first paying their equitable share of the costs incurred in constructing said system. The City Council further finds that it is reasonable and lawful to establish connection charges to prevent such inequity from occurring.

13.11.030 General Connection Charge. There is hereby established a "General Water Connection Charge" and a "General Sewer Connection Charge" which shall be imposed on all owners of real property seeking to connect said property and improvements to the City of Redmond water and/or sewer systems.

13.11.040 Water and Sewer Stub Charge. When constructing water or sewer mains, and street projects, and when determined feasible by the Public Works Director, the City shall extend water main stubs, sewer main stubs, and side sewer stubs to the property line of each parcel of undeveloped property. These stubs shall be capped until needed for development. Any person desiring to connect to a stub or develop a property for which a stub was provided, shall make payment to the City for the City's costs incurred in constructing the stub to the property. The amount of the stub charge shall be established by Resolution of the City Council. The water and sewer stub charge shall be in addition to any other required charges or fees, including inspection and connection charges and shall be paid at the time of application for connection.

13.11.050 Distribution of Funds Received. All funds received in payment of water or sewer connection and stub charges imposed pursuant to this chapter shall be considered revenue of the City of Redmond water and sewer utility in the form of a contribution-in-aid-of-construction, provided that charges collected pursuant to a "Reimbursement Agreement" shall be reimbursed in accordance with the terms of said agreement.

13.11.060 Calculating and Setting General Connection Charges. The amount of the Water and Sewer General Connection Charges shall be established by Resolution or Ordinance of the City Council. In establishing the amount of the charges, the City Council shall consider the costs which have been incurred to design, construct and install the City's sewer and water systems and the recommendation of the City Utility Manager, together with any other relevant information, and shall determine the amount of charges which will result in the payment of an equitable share of the costs of such systems by those property owners desiring to connect to these systems. The amount of the charges shall be reviewed by the Utility Manager not less frequently than in January of odd numbered years. Based upon these periodic

reviews, the Utility Manager shall make a written recommendation to the City Council upon the need for revision of the charges.

13.11.090 Cost of System. "Cost of the System" as used in this chapter, shall mean those costs incurred for the design, acquisition of right-of-way and/or easements, construction, materials and installation required in order to create a complete system improvement. The cost of the utility systems shall be determined from actual records of the City and/or developer, or if such records are not complete or available, from an engineer's estimate of the cost of the system at the time it was constructed.

13.11.100 Interest Charge. Pursuant to RCW 35.92.025, there shall be added to the amount of water and sewer stub charges provided for in this chapter, a charge for interest on the amount of each stub charge from the date of construction of the water or sewer improvement which serve the property served by the connection until payment of the stub charge, not to exceed ten years. The interest charge shall be calculated at a rate determined by the Finance Director. The interest shall be calculated at a rate which is commensurate with the rate of interest applicable to borrowing by the City of Redmond at the time of construction of said improvement of the water or sewer system. The interest rate shall not exceed ten percent per year. The total interest charge shall not exceed the amount of the stub charge.

13.11.120 Application of Reimbursement Agreements. In the event that, pursuant to a utility "Reimbursement Agreement" or "Latecomer Agreement", the City is obligated to charge a fee as a condition upon the right to connect to a portion of the city sewer or water system, and to reimburse a private party out of such charge for prior improvements to the system, the amount of such charge shall be considered a part of the connection fees imposed by this chapter and disposed of pursuant to the terms of such agreement.

Each separate residence, multiple housing structure, and business building using water from the City water system shall have a separate direct connection with the water main and a separate shut-off, and a separate connection charge will be made for each such connection. Each separate residence, multiple housing structure and business building using the City system of sewerage shall have a separate direct connection with the sewerage system, and a separate connection charge will be made for each such connection. Applications for connection to the water and sewer systems shall be made to the public works department on a printed form furnished for that purpose, and the public works department shall calculate the applicable connection charges.

Section 2. Section 13.06.020 of the Redmond Municipal Code is hereby repealed.

Section 3. Section 13.08.040 of the Redmond Municipal Code is hereby repealed.

Section 4. Section 13.04.180 of the Redmond Municipal Code is hereby amended to read as follows:

> 13.04.180 Fees. Fees for side sewer permits shall be prescribed by resolution.

<u>Section 5</u>. Section 13.06.030 and 13.06.010 of the Redmond Municipal Code are hereby repealed.

Section 6. Section 13.16.100 of the Redmond Municipal Code is hereby repealed.

This ordinance, being an exercise of a Section 7. power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after passage and publication of the attached summary which is hereby approved.

APPROVED:

ATTEST/AUTHENTICATED:

APPROVED AS TO FORM:

1 C.

OFFICE OF THE CITY ATTORNEY:

FILED WITH THE CITY CLERK: PASSED BY THE CITY COUNCIL:

4-13-89

4-18-89

PUBLISHED:

4-23-89

EFFECTIVE DATE:

4-28-89

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