



## STAFF REPORT

DATE: April 3, 2018  
CONSENT #09

**AGENDA ITEM:** Penalty for Delayed Sewer Connection

**SUBMITTED BY:** Kristina Handt, City Administrator

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### **BACKGROUND:**

In 2016, the Council updated Chapter 51 of the city code to require any building used for human habitation or in which a toilet or other plumbing facility for the disposal of human waste is installed and located on property adjacent to a sewer main, or in a platted block through which the system extends, shall be connected to the municipal sanitary sewer system **within 2 years** from the date on which a connection is available to the building. Previously ordinance required connection within 1 year. The change was made to allow for the wastewater incentive credit for existing properties on septic.

We are at the two year mark for Old Village Phase 1 properties which received their notice of connection availability on 3/9/16. We have four properties (2 residential and 2 commercial) which have not yet connected. Staff sent them reminder letters in February 2018.

Council discussed this issue at their March 13, 2018 work session and directed staff to draft penalties that included charging the base residential sewer charge each quarter and limiting the ability of the property to be sold without having hooked up to sewer.

### **ISSUE BEFORE COUNCIL:**

How should the city respond to those properties not hooking up to municipal sewer within the 2 year time frame?

### **PROPOSAL DETAILS/ANALYSIS:**

Included in your packet is an ordinance update to charge the sewer base charge (currently \$53.03 for residential properties) each quarter. This would be the least burdensome to enforce and the least impact to property owners while still balancing the needs of the system (such as providing the funding necessary to maintain the sewer infrastructure that was put in place to extend municipal sewer) and protecting the financial investment.

For commercial properties (which currently don't have a base sewer charge) they would be charged the residential base charge multiplied by the number of REC (residential equivalent charge) as determined by the Engineering staff in the feasibility studies for the project. So for one commercial property their quarterly fee would be \$159.09 (3 RECs) and the other would be \$212.12 (4 RECs). The fee would be adjusted annually in the same proportion as the residential sewer base fee until such time as the property connects to municipal sewer.

The second paragraph added would prohibit the sale, transfer or conveyance of the property without it being connected to municipal sewer. This condition would be waived if a demolition permit was issued. This exception is provided in order to accommodate redevelopment of sites which is expected as municipal sewer was brought to the Old Village area.

**FISCAL IMPACT:**

By charging the base sewer fee, the sewer fund will be less impacted from the loss of revenue as projected in the utility studies. Long range financial plans assume that connections are made within 1-2 years of service being available. Since all of these properties already receive a water bill quarterly, there will not be any additional expense to the city to add this to the billing. Any unpaid charges will then be certified to the property tax levy in the fall in the same manner as any other unpaid utility charges.

**OPTIONS:**

- 1) Approve the Ordinance as presented
- 2) Amend and then Approve the Ordinance
- 3) Do not pass any ordinance changes

**RECOMMENDATION:**

If removed from the consent agenda:

***“Motion to Approve Ordinance No 08-204”***

CITY OF LAKE ELMO  
COUNTY OF WASHINGTON  
STATE OF MINNESOTA

ORDINANCE NO. 08-204

AN ORDINANCE AMENDING CHAPTER 51: WASTEWATER TREATMENT SYSTEMS

**SECTION 1.** The City Council of the City of Lake Elmo hereby amends Title V, Chapter 51, Wastewater Treatment Systems, Section 51.022 of the Lake Elmo Code of Ordinances to read as follows:

§ 51.022 CONNECTIONS WITH SEWER REQUIRED.

(A) Any building used for human habitation or in which a toilet or other plumbing facility for the disposal of human waste is installed and located on property adjacent to a sewer main, or in a platted block through which the system extends, shall be connected to the municipal sanitary sewer system within 2 years from the date on which a connection is available to the building.

(1) Any owner of any residential property that has a building failing to meet the 2 year connection deadline set forth in paragraph (A) of this Section will be charged the City's residential sewer base charge as set forth in the City's fee schedule. The owner of a commercial or industrial property that has a building failing to meet the two year connection deadline set forth in paragraph (A) above will be charged the City's sewer base fee for each residential equivalent unit as determined by the project feasibility report, Metropolitan Council determination, or similar estimate.

(2) Properties with buildings failing to connect within 2 years to the municipal sanitary sewer system may not be sold, conveyed, or transferred until connection occurs. Properties that have buildings that will be demolished after sale, transfer, or conveyance are exempted from this provision provided that a demolition permit for the building has been issued by the city.

(B) All buildings subsequently constructed within the city on property adjacent to a sewer main or in a platted block through which the municipal sanitary sewer system extends, shall be provided with a connection to the sewer system for the disposal of human waste.

**SECTION 2. Effective Date.** This ordinance shall become effective immediately upon adoption and publication in the official newspaper of the City of Lake Elmo.

**SECTION 3. Adoption Date.** This Ordinance No. 08-204 was adopted on this \_\_\_ day of April, 2018 by a vote of \_\_\_ Ayes and \_\_\_ Nays.

**LAKE ELMO CITY COUNCIL**

\_\_\_\_\_  
Mike Pearson, Mayor

ATTEST:

\_\_\_\_\_  
Julie Johnson  
City Clerk

This Ordinance No. 08-204 was published on the \_\_\_ day of \_\_\_\_\_, 2018.