



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE: December 21, 2020

SUBJECT: **Second Reading** Ordinance No. 2020-190

ACTION PROPOSED: Consider Final Approval of Ordinance No. 2020-190 An Ordinance Amending Article II Of Chapter 13 of The Johnstown Municipal Code to Add Section 13-55 Establishing A Special Fee Concerning Regional Sanitary Sewer Improvements to Be Paid by Benefitted Properties in the Area Generally Located Near And Adjacent to State Highway 60 and Remitted to the Sanitary Sewer Utility Enterprise

ATTACHMENTS: 1. Ordinance 2020-190

PRESENTED BY: Matt LeCerf, Town Manager

AGENDA ITEM DESCRIPTION:

Enclosed for review and consideration is Ordinance No. 2020-190 which will establish the Regional Sewer Fee to be applied within the Highway 60 sanitary sewer drainage basins.

For years, Staff and developers have known the fact that the collection system was at or near capacity and that new sewer services could not be reasonably accommodated, until significant improvements were made to the sanitary sewer collection infrastructure. This information was also acknowledged and recognized in the 2011 Wastewater Master Plan developed and analyzed by The Engineering Company (TEC). As a result, the Town couldn't make commitments to provide sewer service and the only way this would change is if a developer were willing to make millions of dollars in regional improvements and provided with a reimbursement agreement by the Town funded through future development connections into the improved system. With a developer having no short-term guarantee on the payback, development within the Highway 60 corridor has been stifled, issuing a minimal amount of permits compared to other communities in the region and when compared to the other receiving wastewater treatment plants in our own community.

In February 2019, the Staff presented the current condition to the Town Council, educating them on the deficiency in the collection system and the need to address capacity issues in the existing system to facilitate development. Staff was directed by Council to evaluate the condition and propose alternatives.

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Town Staff along with the Town's Consulting Engineer represented by IMEG embarked on a system-wide evaluation of the sanitary system in place. The evaluation included an assessment of current development in place, verification of the line sizes collecting the current wastewater flows, and determination of the remaining available capacity in the existing lift stations and existing sewer interceptors for additional development.

In July 2019, Town Staff presented these findings to the Council. The results of the analysis performed by our consulting engineers verified that extremely limited capacity remained in our collection system before major upgrades to the system would be necessary along the Highway 60 sanitary sewer corridors. Options were provided to Council for consideration to facilitate new development, including a proposal that the Town initiate the expansion of the sanitary sewer collection infrastructure and require reimbursement at the time of building permit to help recover those attributable costs, generally borne by the developer. Council supported this alternative above the others and Staff has been working on the project with the design engineer for about the past 15 months. Design of the Phase I is near completion and construction will commence early next year, with completion of the multi-phase project expected in June 2023. The system expansion is being designed with the focus of these interceptors collecting future sanitary sewer to meet the development for at least the next 40 years.

The projects cost estimate at this time is \$70MM, with a 30 year payback that would include principal and interest. The regional sewer fee proposed in this ordinance will serve as this reimbursement mechanism; to be used to retire any debt services issued or loaned as part of the project and not at the current taxpayers' expense.

Based on the ordinance proposed the evening the application of this fee would be to all new development where the wastewater flows are received by the Central Wastewater Treatment Plant except:

- (a) Alterations or expansion of existing buildings where no additional dwelling units are created or square footage added;
- (b) The construction of accessory buildings or structures that do not add dwelling units or square footage to the principal building or use of the land;
- (c) The replacement of a destroyed or partially destroyed building or structure with a new building or structure of the same square footage; or
- (d) Additional residential dwelling units in existing established subdivisions or on property subject to approved final plats wherein the Town committed to provide water and sewer service pursuant to a water and sewer service agreement executed prior to January 1, 2021.

Additionally, the fees have been focused on ensuring the Town's ability to recover its costs and to pay any debt or loans issued as mentioned above. The fees proposed are included in the Town Fee Schedule 2020-38. Those fees are as shown below and do provide some benefit to higher density, while also considering the fact that their daily wastewater flows may be less than the traditional single family detached home. The proposed fees are:

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Sec. 13-55. Regional Sewer Fee.

Sewer Regional Improvement Fee:

Per Single Family Equivalent	\$9,500.00
Duplex and Triplex (per unit)	\$7,500.00
Town Homes <12 units/acre (per unit)	\$6,500.00
Town Homes >12 units/acre (per unit)	\$6,000.00
Multi-Family (per unit)	\$5,000.00
Commercial, Industrial and Other (per SFE)	\$9,500.00

Town Staff is recommending approval of this ordinance to ensure development can proceed along the Highway 60 corridor and the Town is able to recover its cost.

LEGAL ADVICE:

The ordinance presented was drafted by the Town Attorney.

FINANCIAL ADVICE:

This Regional Sewer Fee will allow the Town to expand its waste water collection infrastructure without direct expenses paid for by the existing residents, but rather the new development that creates the need and causes the impact.

RECOMMENDED ACTION:

Approve Ordinance 2020-190 as presented on second reading.

Reviewed and Approved for Presentation,

Town Manager