



STAFF REPORT

Meeting Type: City Council Work Session
Meeting Date: March 17, 2025
From: Josh Soper, City Attorney
Subject: Discussion: Moratorium Revisions and Alternative Wastewater Systems

PURPOSE / OBJECTIVE:

To discuss possible revisions to the City's development moratorium as well as a continued discussion on the concept relating to allowing alternative wastewater systems during the moratorium period.

BACKGROUND / CONTEXT:

The City first enacted a development moratorium relating to capacity issues with its wastewater treatment system on October 3, 2022 (Moratorium 1.0). Since that time, the City has periodically enacted replacement moratoria as circumstances change, generally to loosen restrictions or provide improved flexibility as much as possible. In a continuation of those efforts, staff is requesting discussion of some proposed changes (detailed below) for what would be Moratorium 4.0. The extension of Moratorium 3.0 ([Resolution No. 2024-024](#)) will expire on June 3, 2025. If the City Council is open to advancing Moratorium 4.0, then staff will need to move forward with notice to DLCD by April 18 to hold a hearing on June 2.

Additionally, as initially discussed with the City Council on November 4, 2024 ([meeting link](#)), staff has received requests from some businesses relating to allowing alternative wastewater systems, in lieu of connecting to the City's wastewater system, during the moratorium period. As staff began to develop code language to implement such a process, it became apparent that some additional guidance from Council was needed. As a result, staff has prepared an outline of how the City could potentially go about allowing this type of system and is requesting discussion and feedback from Council on the concept.

KEY CONSIDERATIONS / ANALYSIS:

The attached draft Moratorium 4.0 would make the following changes:

1. The ERU allocation program established in Moratorium 3.0, for development projects which predated Moratorium 1.0, has largely been completed, so the language of draft Moratorium 4.0 has been updated accordingly. It retains two components of the ERU allocation program from Moratorium 3.0: (A) extensions of existing allocations, and (B) new allocations for pollution/health/safety reasons (e.g. failed septic systems) and duplexes for pre-moratorium development projects.
2. Allow more flexibility in the ERU reassignment program for economic development activities and clarify what constitutes an "existing development" for purposes of this program.
3. Allow partitions in limited circumstances.
4. Minor housekeeping and clarifications.

The attached outline of an alternative wastewater systems concept addresses such issues as:

1. What types of systems would be allowed. Staff has identified porta-potties and greywater systems as the most likely system types to be proposed and believes that both of these would generally meet the City's objectives. However, staff also suggests including a mechanism for other types of systems to be considered.
2. The review processes that would be required. Staff is recommending a more streamlined review for porta-potties and greywater systems, while requiring a more robust review for any other system types that may be proposed.
3. Potential approval criteria to analyze requests from developers and business owners. Because alternative wastewater systems would not be allowed for residential uses, state law does not require that the criteria be clear and objective. Staff is therefore recommending criteria that are discretionary in nature in order to ensure that the City's objectives are met under this program.
4. What would be required in terms of future connection to the City's system and how this would be enforced. Staff is proposing that these requirements may depend on the type of system being installed, because it may be advantageous to the City for some types of systems to remain in place even after public sewer capacity becomes available.

RECOMMENDATION:

Staff recommends the City Council discuss and provide feedback on the draft of Moratorium 4.0 and the alternative wastewater system concept.

LIST OF ATTACHMENTS / EXHIBITS:

1. Draft of Moratorium 4.0 with draft findings
2. Alternative Wastewater Systems Concept Outline