



# *City of Stevenson*

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## **MEMORANDUM**

From: Jenny Taylor

To: City Council

RE: Sewer Connection Policy Options – Council Consideration

Date: March 18, 2026

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### **Purpose:**

This memo provides Council with clear policy options and a recommended path forward for revising the City's sewer connection ordinance.

The goal is to establish a policy that is clear, workable, and sustainable—one that property owners can realistically comply with and the City can consistently administer over time.

The proposed framework is intended to:

- Remove penalty-based enforcement
- Provide reasonable timelines for connection
- Align with practices used by comparable small cities
- Support public health while recognizing financial constraints
- Clarify when and how connection is expected

### **Policy Context and Authority:**

State law establishes a baseline requirement that properties must connect to public sewer when necessary to protect public health, particularly in cases of septic system failure or when required by local health authorities. State law also provides cities with the authority to require connection to municipal sewer systems when service is available, reinforcing the importance of establishing a clear and consistent local policy framework.

Beyond these minimum requirements, cities in Washington are granted broad authority to determine how and when sewer connections are required as infrastructure becomes available. As a result, local policies vary, but most cities utilize some form of connection requirement when sewer is accessible, often based on distance (commonly 200 feet), timing, or development triggers.

The City of Stevenson's current ordinance reflects this authority but includes provisions that rely on penalty-based enforcement and do not clearly articulate the policy rationale or provide flexible pathways for compliance. This proposal reflects lessons learned from the current ordinance and is intended to provide a clearer, more workable framework that property owners can realistically comply with while still advancing the City's long-term infrastructure goals.

The intent of this policy discussion is not to determine whether connection should ever be required this is already established under state law in certain circumstances but rather to provide clarity around:

- When connection should be required?
- How quickly it should occur?
- What level of flexibility should be provided to property owners?

The options presented to Council reflect the range of approaches used across Washington communities, from health-triggered requirements to phased or incentive-based models.

***The goal is to establish a policy that is clear, workable, and sustainable. One that property owners can realistically comply with and the City can consistently administer over time.***

### **Lessons from the Current Ordinance**

The current ordinance has not achieved its intended goal of encouraging connection to the sewer system. Among the approximately 25 properties currently affected, ongoing monthly charges have resulted in limited connection activity while contributing to frustration among property owners.

Due to the City's moratorium on new sewer connections during this period, these charges have not generated meaningful financial benefit, further reinforcing that the current structure has not been effective in achieving either connection or cost recovery.

Instead, the ordinance has led to delayed participation, increased administrative effort, and reduced public support for future sewer expansion.

### **Sewer Ordinance Update**

Notifications of sewer availability went out in early October; here is the responses thus far.

<p style="text-align: center;"><b>Connected</b></p> <p>We have had <b>one</b> homeowner connect to the public sewer system.</p>	<p style="text-align: center;"><b>Planning stages</b></p> <p>We have had <b>four</b> homeowners sign their notice to connect form and have indicated they will connect within the timeline.</p>
<p style="text-align: center;"><b>Appeal</b></p> <p>We have had <b>four</b> homeowners sign their notice to connect form – <i>Appeal section</i>.</p>	<p style="text-align: center;"><b>No Response</b></p> <p>We have not heard back from the other <b>seventeen</b> homeowners.</p>

### **Policy Considerations:**

#### Refinement of Prior Approach

Previous versions of the ordinance included aggressive timelines, penalty-based enforcement, and limited incentives, which created concern around affordability and fairness for property owners with functioning, Health Department–approved septic systems.

The revised framework presented here is intended to better align with prior Council direction by: (1) Reducing reliance on penalties (2) Expanding flexibility and incentives and (3) Providing clearer pathways to compliance

#### 1. Public Health & Environmental Protection

Municipal sewer systems are designed to protect groundwater, surface water, and public health over time. While not all septic systems are currently failing, they have a finite lifespan and can fail without immediate visibility. Policy approaches vary in how proactively communities address this risk.

#### 2. Financial Sustainability

The City's wastewater system requires ongoing investment in operations, maintenance, regulatory compliance, and capital infrastructure. Expanding the customer base over time helps distribute these costs more equitably and reduces upward pressure on existing ratepayers.

#### 3. Real-World Cost Consideration

Estimated connection costs for some properties may exceed \$20,000–\$30,000 depending on site conditions (pumping, trenching, decommissioning, etc.). This framework is designed to:

- Reduce upfront costs (SDC waiver, payment plans)
- Provide flexibility (variance, extended timelines)
- Ensure connection requirements are practical and achievable

#### 4. Coordination with Health Department Standards

This policy framework recognizes the role of the Health Department in approving and regulating on-site septic systems and avoids creating conflicting requirements where systems are functioning as approved.

5. Feasibility Consideration

Connection requirements should reflect whether a property is reasonably able to connect, taking into account:

- Topography and distance
- Need for pumping or specialized infrastructure
- Total cost relative to property value

6. Impact on Development & Growth

Connection policies should support, not hinder, infill development and future growth. A balanced approach helps ensure that property owners and developers are not discouraged from investing in the community due to uncertainty or disproportionate costs.

7. Cost-Based Variance (Applies to All Options):

- One-time variance available if connection cost exceeds **5% of assessed property value**
- Requires documented cost estimates and assessed value
- If approved:
  - Defers connection until failure, redevelopment, or change of use

8. Compliance & Enforcement Approach (Applies to All Options):

- Initial notice with timelines, incentives, and options
- Final notice with opportunity for extension or variance
- Post-deadline (if not corrected):
  - Expiration of applicable incentives, including SDC waiver
  - Implementation of a **monthly stub fee** (typically equivalent to the base sewer rate or a portion thereof)
- Continued non-compliance (if necessary):
  - Nuisance provisions
  - Cost recovery or lien as last resort
- Enforcement is tied to clear trigger points such as permit activity, health department action, or property transfer, rather than ongoing monitoring or arbitrary timelines.

9. System Responsibility and Cost Sharing:

- The City is responsible for making sewer service available as infrastructure is expanded. At the same time, as properties gain access to that system, a reasonable contribution is necessary to support ongoing operations, regulatory requirements, and long-term infrastructure investment, without placing the full burden on existing ratepayers.

10. Avoiding Unnecessary Cost:

- A private system that is functioning properly should not be required to be removed solely due to the availability of sewer service. The proposed framework allows for a more practical transition over time.

**Stub Fee Clarification:**

The stub fee reflects that a property has access to the sewer system while recognizing that

connection costs can be significant, particularly for properties where connection has historically been more difficult or cost-prohibitive due to site conditions, distance, or infrastructure constraints.

It is intended as a measured contribution for access to public infrastructure, rather than a penalty for non-connection.

Based on the City's current base sewer rate of \$145.15 per month, the stub fee is recommended to be established at approximately **25%–50% of the base rate (approximately \$36–\$73 per month)**.

Stub fee payments may be credited toward future connection costs or system development charges if the property connects at a later date.

**OPTION 1 – Reactive / Trigger-Based Model**: This approach requires connection only when specific conditions occur and does not proactively move properties onto the system.  
**"Connect when something changes)**

**Connection Required When:**

- Septic system failure
- New development or major remodel
- Sewer available within 200 feet

**Timeline:**

- 12 months (up to 24 months with extension)

**Pros:**

- Aligns with public health triggers
- Limits burden on functioning systems

**Cons:**

- Slower system expansion
- Less predictable revenue

**OPTION 2 – Managed Transition Model (Recommended)**: This approach establishes a clear expectation of connection over time while providing flexibility and financial tools to support compliance.

***"Connect over time once service is available"***

**Connection Required When:**

- Sewer service available at or adjacent to the property line

**Timeline:**

- 24 months to connect

**Flexibility Tools:**

- Hardship extensions

- Deferrals (recorded on title)
- Triggers at sale or redevelopment
- Connection may be required at time of property sale or transfer.

**Incentives (Optional Add-Ons):**

- SDC waiver (up to 2 years)
- Payment plans / financing
- Reduced permit fees

**Pros:**

- Predictable system growth
- Practical and flexible
- Encourages participation without pressure

**Cons:**

- Requires clear communication
- Moderate administrative effort

**OPTION 3 – Voluntary / Market-Driven Model:** This approach relies primarily on voluntary participation and incentives, with limited mandatory connection requirements.

***“Connect if and when you choose”***

**Connection Required When:**

- Septic failure or health risk

**Otherwise:**

- Voluntary

**Long-Term Triggers:**

- Property sale
- Subdivision or change of use

**Approach:**

- Emphasizes voluntary participation and financial incentives
- Defers mandatory connection unless a clear health or redevelopment trigger occurs

**Pros:**

- Lowest immediate burden
- High public acceptance

**Cons:**

- Slowest participation and connection rate
- Least predictable revenue and cost recovery
- May delay full utilization of existing sewer infrastructure
- Shifts long-term financial burden to existing ratepayers due to delayed system participation
- Creates uncertainty in long-term capital planning and debt management
- Less consistent with common practices among Washington cities, where connection is typically required at some point when sewer is available
- May result in uneven application, where some properties connect and others remain on septic indefinitely despite having access

- Potential for future policy conflict, requiring additional regulatory action if public health concerns emerge later
- May require future Council action to revisit or strengthen requirements if voluntary participation remains low

### **Key Policy Shift**

- Removes penalty-based enforcement
- Replaces with clear timelines, flexibility, and defined triggers
- Provides a more transparent policy framework for property owners
- Provides clear and consistent expectations
- Supports Long-term system sustainability

### **Staff Recommendation**

Based on the considerations outlined above, Option 2 – Managed Connection with Flexibility is recommended as it provides the best balance between:

- Public health protection
- Financial sustainability of the sewer system
- Practical implementation

This approach aligns most closely with common practices among Washington cities while incorporating additional safeguards, including incentives, extended timelines, and cost-based variance provisions.

### **Requested Council Direction**

Council is asked to:

- Select a preferred policy approach (Option 1, 2, or 3)
- Provide direction on:
  - Connection timelines
  - SDC waiver duration (recommended: up to 2 years)
  - Use of payment plans and financing tools
  - Application of the 5% cost-based variance
- Confirm whether to proceed with:
- Option 2 as presented, or
  - Option 2 with modifications
- Direct staff to:
  - Conduct targeted outreach to affected property owners
  - Return with draft ordinance language for adoption

### **What Happens Next**

- April 2026: Finalize direction
- May 2026: Return with draft ordinance language
- June 2026: First reading of revised ordinance
- July 2026: Final adoption and implementation planning

**Closing Statement:**

The intent of this proposal is not to impose a one-size-fits-all solution, but to provide a clear, consistent framework that acknowledges real-world constraints while allowing the City to move forward responsibly with its infrastructure investments.

## At-a-Glance Comparison of Policy Options

Category	Current Ordinance “General Incentives” Future connections	Current Ordinance “Limited Incentives” (~25 people)	Option 1 Trigger-Based Connection (Reactive Model)	Option 2 Managed Transition with Phased Connection (Recommended)	Option 3 Voluntary / Incentive-Based Participation Model
Policy Intent	Encourage early connection through increasing cost over time	Accelerate connection in existing service areas	Allow connection when conditions change	Transition properties onto system over time	Minimize burden and rely on voluntary participation
When Connection is Required	Sewer available; applies broadly to new and future connections	Sewer already available as of ordinance effective date	Septic failure, redevelopment, or major remodel (if Sewer service available at or adjacent to the property line)	Sewer service available at or adjacent to the property line	Only upon septic failure or health risk
Connection Timeline	Not fixed; tied to incentive schedule with decreasing benefits over time	Short, fixed timeline with accelerated deadlines due to existing service availability	12 months from trigger (up to 24 months with extension)	18–24 months from availability, with (3) 1-year extensions and deferrals	No defined timeline unless triggered by failure or redevelopment
Penalties or Stub Fees issued	Penalties begin after initial incentive period; increases over time until full sewer rate is charged	Penalties Begin sooner due to shorter timeline; escalates more quickly to full sewer rate	Stub fee after grace period	Stub fee after defined timeline	Stub fee only if access exists
Level of Flexibility	Low	Low	Moderate	High	Very High
Incentive structure	Time-based, decreases over time	Time-based, shorter window	Limited	Optional + targeted	No incentives
Cost-Based Variance	Yes – one-time variance if cost exceeds 5% of assessed value	Yes – one-time variance if cost exceeds 5% of assessed value	Yes – one-time variance if cost exceeds 5% of assessed value	Yes – one-time variance if cost exceeds 5% of assessed value	Yes – one-time variance if cost exceeds 5% of assessed value

Impact on Property Owners	Higher immediate pressure to connect early to maximize incentives and avoid escalating costs	Highest pressure due to shorter timelines and faster loss of incentives	Lower immediate impact	Moderate, with reduced upfront cost due to SDC waiver	Lowest immediate impact
Public Health Protection	Proactive (encourages early system connection)	Proactive (more immediate connection expectation)	Proactive (phased system connection)	Proactive (phased system connection)	Reactive (primarily failure-based)
Financial Sustainability	Strong if participation occurs early	Strongest due to more immediate participation expectation	Lower predictability	Strongest / most predictable (with phased participation)	Least predictable
Alignment with Common WA Practice	More aggressive than typical timelines	More aggressive due to shorter timelines	Common	Most typical approach	Less common (but used in some areas)
Overall Approach	Reactive / Trigger-Based (connect when conditions change)	Reactive / Trigger-Based (accelerated timelines)	Reactive / Trigger-Based with Standard Grace Period	Managed Transition with Phased Connection (Recommended)	Voluntary / Market-Driven Participation