



PUBLIC WORKS – UTILITY OPERATIONS

DATE: February 19, 2020
FROM: Michelle Klose, P.E., Director of Utility Operations
ITEM: Report on the Hagen Avenue Septic System Consideration

REQUEST

Receive report on the special assessments of past sewer trunkline fees on the Hamburg Industrial Park Subdivision (Hagen Avenue).

Please place this item on the February 25, 2020 City Commission meeting.

BACKGROUND INFORMATION

During the November 26, 2019 City Commission meeting, the Commission requested Utility Operations to contact the developers and property owners to gauge interest in connection to city sewer and interest in how previously-paid trunkline fees and vested capacity were treated. Letters were sent on December 19, 2019, to the 29 property owners asking for their input and providing information on their remaining balances.

Out of the 29 owners, 20% replied to date. All replies did not have interest in connection to City sewer nor an interest in a sewer trunkline fee assessed to the property.

I will be available at the meeting to respond to any questions.

RECOMMENDED CITY COMMISSION ACTION

Receive report on the Hagen Avenue septic system consideration.

STAFF CONTACT INFORMATION

Michelle Klose, P.E., Director of Utility Operations
mklose@bismarcknd.gov 701-355-1700

Bismarck *Department of Public Works*

December 17, 2019

BOGO HOLDINGS LLC
4241 HIGH CREEK RD
BISMARCK ND 58503-0235

Re: Hagen Avenue Septic System

Dear Customer:

On November 26, 2019, I asked the Bismarck City Commission to review the special assessment of sewer trunkline fees on the Hamburg Industrial Park 1st, 2nd and 3rd Addition (Hagen Avenue). There were new assessments placed on properties within the 1st Addition that did not have sewer trunkline fees assessed, which allows vesting of sewer capacity under the fee structure in place at the time of the property's annexation. The memo presented to the Commission with additional background is attached.

The City Commission requested that all developers and property owners be contacted regarding the Hagen Avenue sanitary sewer situation to gain a better understanding of your preferences. Your input would be appreciated. **Please choose from the options below** and reply by emailing Kim Bohrer at kbohrer@bismarcknd.gov, a facsimile to 701.222.6470, hand delivery to 601 South 26th Street, or mail Public Works – Utility Operations, PO Box 5503, Bismarck, ND 58506-5503.

This is to gauge your interest in future connection to City sewer and to gain an understanding of how you would want your previously paid trunkline fees and vested capacity treated. Keep in mind that future costs for capital charges are likely only to increase over time. Below are the two questions.

1. Interest in connection to City Sewer

- Interested in connection to City sewer service in near future (within 10 years), with understanding the property owners within the development are required to cover the needed lift station and piping costs.
- Not interested in connection to City sewer service at any point in the future, remain on existing private system. With understanding that if City sewer services are within 200 feet, the ND State Plumbing Code requires connection to city services if the private system fails.
- Other. Please specify: _____

2. Sewer Trunkline Fee Assessed to Property

- Interested in keeping the vested sewer capacity from the trunkline fee assessed to my property. (If you want City sewer service in the near future, the vested capacity would be a lower cost to you by keeping the trunkline assessment. Keep in mind, the cost of the construction of the lift station and piping connection to the City sewer infrastructure is a development cost borne by the property owners within the development.)
- Not interested in any vested sewer capacity with the City sewer system, and interested in the trunkline fees previously paid to the City being reimbursed. (If no vested sewer capacity, then any future connection to the City sewer system would require a capital charge payment under the capital charge amount at the time of the sewer connection.)

Please note the original assessments for sewer trunkline fees as well as the remaining balances for each property.

Property Address	Assessed Amount	Remaining Principal Balance
4100 HAGEN AVE 4100-A	\$376.27	\$351.19
4140 HAGEN AVE 4140-B	\$146.98	\$137.19

In comparison, the capital charge which varies based on the capacity of the meter size serving the property would be \$1,552 for a ¾-inch meter and \$8,278 for a 2-inch meter.

Thank you in advance for providing us with this information. If you have any questions, please contact me at 701.355.1700.

Sincerely,



Michelle Klose, PE
Director of Utility Operations

Enclosure



Public Works Utility Operations Department

DATE: November 19, 2019

FROM: Michelle Klose, Utility Operations Director

ITEM: Hagen Avenue Septic System Consideration

REQUEST

Request for review of special assessment of past sewer trunkline fees on the Hamburg Industrial Park Subdivision (Hagen Avenue), which is served by septic systems and very likely to remain on septic systems.

Please place this item on the 11/26/2019 City Commission meeting agenda.

BACKGROUND INFORMATION

Letters involving corrections to the trunk line special assessments were sent to properties within Hamburg Industrial Park 1st Addition (Hagen Avenue) to address areas that had not paid sewer trunkline fees in the previous utility fee system. The intent was to allow vesting of sewer capacity using the system in place at the time these properties were annexed, which is at a lower vesting cost and was able to be special assessed over 10 years.

The parcels along Hagen Avenue came into the city as three separate additions (Hamburg Industrial Park 1st addition in 2013, Hamburg Industrial Park 2nd Addition in 2015, and Hamburg Industrial Park 3rd Addition in 2018). While the area was contiguous to the city, sewer service was not readily available and the development is responsible for the cost of the piping and lift station needed within the development to get the flows to the sanitary system.

At the time of annexation for these additions, a septic system had been accepted to provide the long-term service to this area. The first addition was charged water trunkline fees and not sewer trunkline fees. The second and third additions were charged both water and sewer trunkline fees.

The recent addition of trunkline fees to the first addition properties on Hagen Avenue was to provide equal treatment between the additions and provide the same vesting of capacity for these properties if they were connected to the sanitary system in the future.

If the Commission does not support Sewer Utility charges for the Hagen Avenue properties to provide vesting in the new Utility Capital Charges due to the unique circumstances with the septic system providing the long-term sanitary facilities for this previously-annexed property, we ask that a motion be made to provide direction. If the recent sewer trunkline assessments are voided, does the Commission also void the previous trunkline assessments on the second and third additions? My recommendation is to treat these properties in a similar manner.

The removal of the trunkline assessment would remove the vesting of sewer capacity in the new utility fee system and it would be noted within our tracking system. If at some point in the future these parcel owners complete the lift station and internal piping within the development required for sewer service, they would also be responsible for the related Sewer Capital Charges.

RECOMMENDED CITY COMMISSION ACTION

Review the special assessment of past sewer trunkline fees on the Hagen Avenue development and provide direction.

STAFF CONTACT INFORMATION

Michelle Klose, PE | Utility Operations Director, 355-1700 or mklose@bismarcknd.gov.
I will be available at the meeting to respond to questions.