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RESOLUTION NO. 2004

TITLE: ESTABLISHMENT OF A POLICY FOR THE USE OF SEWER CONNECTION FEES RECEIVED UNDER THE PROVISIONS OF ALBANY MUNICIPAL CODE SECTION 10.08.040

WHEREAS, Section 10.08.040 of the Albany Municipal Code provides that at the time of connection to the City's sewer, the applicant for a sewer connection shall pay certain fees which will be expended by the City only for the purpose of making major emergency repairs, extending or oversizing of sewers, and construction of additions to the treatment plant and interceptor systems, and

WHEREAS, a policy for the use of sewer connection fees should be established so that funds will be available for treatment plant expansion, pump stations, and sewer expansion when said additions become necessary, now, therefor,

BE IT HEREBY RESOLVED by the Council of the City of Albany that the following principles be established as a policy for sewer extension, and use of funds generated from sewer connection fees:

1. Pending assessments provisions shall not be used for sewer extension for property not eligible for immediate assessment.
2. The City shall establish its own priorities for use of oversizing funds regardless of prior requests by any developer.
3. The staff shall prepare an annual report for the City Council showing the recommended uses of sewer connection fees as a percentage of the allocations for use at the Wastewater Treatment Plant and a percentage for sewerage systems extension or oversizing.
4. The City of Albany will continue to pay for trunk and interceptor oversizing, including pump station construction, as funds are available. Should funds be available in excess of the City priority needs, extension or oversizing requests from developers will be considered on a "first come - first served" basis.
5. Should City funds not be available or insufficient to cover the oversizing needs in any one fiscal year, a sewer customer will be allowed to pay the oversizing costs with the following conditions.
 - 5.1 For a period of five years, after construction of the sewer extension is completed, a portion of any subsequent connection fees collected from new customers served by the system extension shall be refunded to the developer. The amount refunded the developer shall not exceed 100% of the final oversizing cost minus 10% for the City's cost of administering the reimbursement program.
 - 5.2 Each fiscal year, the staff shall recommend to the Council what percentage of the connection fee shall be refunded to the developer during that fiscal year.

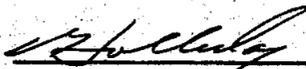
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Any connection fees collected in that fiscal year from new customers of the system extension shall be refunded to the developer based on the above described percentage.

- 5.3 After five years have passed from the time the sewer extension is completed, all subsequent connection fees shall be retained by the City of Albany for sewerage extension oversizing.
- 5.4 No developer shall be permitted to pay the project oversizing costs unless a contract between the developer and the City is signed containing at least provisions 5.1, 5.2, and 5.3.
6. A developer shall not be entitled to have the City fund, in any manner, more than one oversizing project in any one year period unless the projects are on the City's priority list described in Section 2 above and there are no other projects pending which would require City funds. Further, a developer shall not be permitted to submit a request for oversizing except within a current fiscal year or to reserve City fundings for the future.
7. Should circumstances require, a developer may pay 8" equivalent costs on behalf of land not immediately assessable by the City under the following conditions:
 - 7.1 At the time an unassessed property makes use of the sewer for which a developer has paid the 8" equivalent costs, the City will assess such property a proportionate share of the 8" equivalent cost.
 - 7.2 For a period of five years after construction of the sewer extension is completed, the City shall refund a pre-determined percentage of any prepaid 8" equivalent costs to the developer from funds collected from unassessed property making use of the sewer extension. Such pre-determined percentage shall be determined as in 5.1 and 5.2 above.
 - 7.3 After five years have passed from the time the sewer is completed, all subsequent 8" equivalent assessments shall be retained by the City for sewer extensions.
 - 7.4 Sewer connection fees shall be collected from the unassessed property but such connection fees shall not be used to repay 8" equivalent costs.
 - 7.5 No developer shall be permitted to pay the project 8" equivalent costs unless a contract between the developer and the City is signed containing at least provisions 7.1, 7.2 and 7.3.

DATED this 11th day of October, 1978.

ATTEST:





Mayor

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