

AGENDA REQUEST FORM

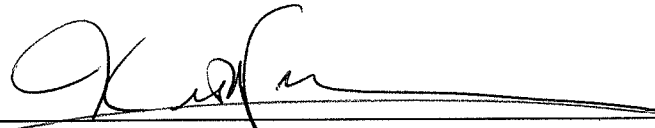
FOR: Council Meeting of August 4, 2015

FROM:
City Attorney Kit Williams

ORDINANCE OR RESOLUTION TITLE AND SUBJECT:

A RESOLUTION TO EXPRESS THE CITY COUNCIL'S AGREEMENT THAT THE CITY SHOULD FACILITATE THE CONSTRUCTION AND FINANCING OF A WATER MAIN ALONG HABBERTON ROAD BY ACCEPTING DEBT SERVICE PAYMENTS AS PART OF THE CUSTOMERS' WATER BILLS AND REMITTING THOSE PAYMENTS TO THE FINANCING ENTITY

APPROVED FOR AGENDA:



City Attorney Kit Williams

July 15, 2015
Date



DEPARTMENTAL CORRESPONDENCE



OFFICE OF THE
CITY ATTORNEY

Kit Williams
City Attorney

Blake Pennington
Assistant City Attorney

Patti Mulford
Paralegal

TO: Mayor Jordan
City Council

CC: Don Marr, Chief of Staff
Paul Becker, Finance Director
Tim Nyander, Utilities Director

FROM: Kit Williams, City Attorney

DATE: July 15, 2015

RE: Habberton Road proposed new water main

Several landowners along Habberton Road within the City's water district would like to obtain access to city water. Many established houses and a church are currently using wells which are not very satisfactory. A farm on the road was recently sold and subdivided into four large lots where it is anticipated that houses will be built. Rather than spending around \$15,000.00 or more to dig a well for each house, the residents would like to pool their resources to pay the costs of extending the water main along Habberton to reach a dozen or more new customers.

As always, money is the primary concern. While the new house purchasers and a couple other could pay their share immediately, several others would have to pay their portion over time. Engineer Mel Milholland has priced the project (a three inch main reducing to a two inch main about half way down the new run) at around \$100,000.00. Mel has had dealing with the Community Resource Group which administers the CRG Loan Fund for Water and Wastewater Lending. Jerry Kopke (4443-2700 ext. 128) is the Arkansas State Coordinator for CRG.

While the City should require that the new house builders and other residents who could pay their share immediately do so to reduce the overall debt and the City administrative costs, CRG or other financing entity would like the other new customers to be able to pay the debt to CRG by the City adding an agreed amount to the customers' water bills for a number of years. They would be responsible to secure individual written, signed agreements by each such water customer to accomplish this.

Finance Director Paul Becker has agreed, conditioned upon City Council approval, to have his department collect the extended debt payments from water customers unable to pay their portion up front for a period of not to exceed five years. A nominal fee may be assessed by our billing department for their administrative costs.

The City is not required to extend water mains (especially outside the City limits) to potential water customers within our Water District. However, the provision of good Beaver Lake water to persons within our Water District who now have only insufficient and unsatisfactory well water should be accomplished if it can be done with little or no real cost to our existing water customers.

My reading of § 159.02 **Water and Wastewater Impact Fees (A) Applicability** would require these Habberton Road new water customers (as all new water customers) to pay a water impact fee of at least \$971.00 each. This water impact fee "shall be paid at the time of installation of the water meter serving the property"

The proposal was presented to the Aldermen's Water and Sewer Committee on July 14, 2015. After discussion including Engineer Mel Miholland's presentation, the Water and Sewer Committee unanimously recommended this proposal be submitted to the full City Council and recommend its approval.