

SUBJECT: Repeal Of On-Site Water Assessment Charges

REQUESTED BY: Public Works

PREPARED BY: Public Works

DATE: January 25, 2001

FOR AGENDA OF: February 12, 2001

SUMMARY:

Resolution Serial No. 01-02 repeals Council Resolution 99-27 by extending water utility off-site assessment payments and eliminating on-site assessment charges. The extension of off-site assessment payments from twelve (12) months to ninety-six (96) months and elimination of on-site assessments will allow more potential users to afford the cost of obtaining City water services. A larger customer base will bring increased revenues to the City and lower the share of operating and maintenance costs to each customer over the long run.

The historic reason for on-site assessments is somewhat arbitrary. A 1999 letter to the City from the Wasilla City Engineer, employed in 1980/1, stated the reason for this assessment was to bear the cost of installing 6" mains to a property for potable water and fire service. He further stated that off-site assessments were to cover community-wide improvements: wells, reservoirs and oversized transmission lines. However, all of this infrastructure has been paid almost totally through various State and federal grants while both on and off site assessments have been retained in the general fund for other purposes.


The retention of off-site assessments can be argued if these revenues are used to fund the replacement of obsolescent infrastructure in the future through establishment of a sinking fund. The cost of operations and maintenance will be addressed before the City Council in the future; most likely through a proposed increase in user fees.

FISCAL IMPACT: No Yes

RECOMMENDED ACTION:

Administration recommends that Council approve Resolution Serial No. 01-02 to eliminate on-site assessments and extend the off-site assessment payment schedule from one year to eight years.

MAYOR REVIEW/COMMENT:


Reviewed by: SARAH PALIN, Mayor

Presented with: Reso. 01-02
Date: 2/12/01 Verified by: W.