

ORDINANCE NO. 449

AN ORDINANCE OF THE CITY OF HAMILTON AMENDING CHAPTER 13.20 OF THE HAMILTON MUNICIPAL CODE ENTITLED “WATER AND SEWER MAIN EXTENSIONS” ALLOWING REBATE RECOVERY AGREEMENTS BASED ON WATER CONSUMPTION, SQUARE FOOTAGE OF THE PROPERTY, OR OTHER EQUITABLE BASIS.

WHEREAS, Hamilton Municipal Code (HMC) Title 13.20 - Water and Sewer Main Extensions - currently allows private property owners, with City approval, to install extensions of sewer and/or water mains to transfer to the City after completion; and

WHEREAS, Hamilton Municipal Code 13.20.030 allows those property owners to request the City Council approve a rebate program for future connections to the newly installed mains for a specified period of time; and

WHEREAS, Montana Code Annotated 7-13-4304 authorizes a municipality operating a municipal water or sewer system to establish by ordinance rates and charges on the basis of water consumption or any other equitable basis the governing body considers appropriate; and

WHEREAS, City staff have determined that the current basis for calculation of the rebate amount (square footage of the property served) set forth in HMC 13.20.060 is not the only basis upon which a rebate amount may be calculated, and is not always the most equitable basis; and,

WHEREAS, City staff recommend that the City Council amend HMC Title 30.20 to allow rebate amounts to be calculated on the most equitable basis allowed by Montana law; and

WHEREAS, the City Council held public hearings May 6, 2025, and May 20, 2025; and,

WHEREAS, the City Council held a first reading of this Ordinance on May 6, 2025; and,

WHEREAS, the City Council held a second reading of this Ordinance on May 20, 2025;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Hamilton that Chapter 13.20 of the Hamilton Municipal Code shall be amended as set forth in “Exhibit A” attached to and incorporated into this Ordinance as if fully set forth herein.

BE IT FURTHER ORDAINED that this Ordinance is adopted effective thirty (30) days following the second reading thereof on May 20, 2025.

By: _____
Dominic Farrenkopf, Mayor

Attest: _____
Rosie Ramer, City Clerk

ORDINANCE No. 449 _____
“EXHIBIT A”

Chapter 13.20 - WATER AND SEWER MAIN EXTENSIONS

13.20.010 - Purpose.

The purpose of this chapter is to allow private property owners ~~who to~~ install extensions of city sewer and/or water mains ~~and have the opportunity, for a designated period of time,~~ to recover some of the ~~ir~~ costs ~~of installation~~ when certain other properties ~~are connected~~ to the ~~is~~ main extensions.

13.20.020 - General requirements.

Private property owners may ~~install or~~ contract to install ~~a~~ public sewer or water main ~~extensions~~ within public rights-of-way or public easements at their own expense if:

- A. ~~Pre~~Approval has been obtained from both city and state authorities, including any rebate programs;
- B. The ~~main extension~~ is installed in compliance with the requirements of ~~the~~ city and state ~~law and regulation, including licensing, insurance and bonding requirements and under the direction of the director of public works;~~
- C. The property owner ~~shall obtains and grants~~ to the city any and all necessary easements required by the city for the ~~construction,~~ operation and maintenance of the sewer and/or water ~~line remain after installation is completed;~~ and
- D. The ~~sewer and/or water main extension~~ is ~~deeded~~ to the city ~~'s public sewer or water main system, upon approval of such in a form approved by the City after verification that installation has been satisfactorily completed by the director of public works.~~

13.20.030 - Establishment.

Within ninety (90) days after approval and acceptance by the city of any installed public sewer or water main, the property owner(s) who installed the main may request the establishment of a rebate program for future connections to the newly installed main. The rebate shall not be applied retroactively to properties that were connected prior to the request for the establishment of the rebate program.

13.20.040 - Application.

A written application shall be submitted to the city and include:

- A. Itemized expenses for the installation of the sewer or water main, including construction and engineering expenses;
- B. Legal description of ~~the proposed rebate~~ area ~~and identified parcels within that area~~ from which ~~the~~ charges ~~shall~~ may be recovered.

Detailed proposal for a rebate program ~~to include how the rebate amount shall be calculated and assessed, to include a five percent (5%) administration fee that will be retained by the city.~~

13.20.050 - Approval and effective date.

Any rebate program approved by the city shall ~~be reduced to a written agreement and retained by the director of public works. Rebate program agreements shall~~ remain in effect for no more than ~~tentwenty (20)~~ years after date of ~~establishment~~approval. ~~eThe City e~~Council shall have the discretion to approve, modify, ~~and approve~~ or deny any rebate ~~application~~ program ~~application~~.

13.20.060 - Calculation of rebate.

The amount of the rebate shall be calculated based on the total cost of installation of the main, excluding any ~~accrued~~ interest ~~accrued during installation~~. The costs of installing service lines ~~from connecting properties to the main~~ are also excluded.

The ~~amount of the~~ rebate ~~proportion shall~~may be ~~bas~~fixed on ~~the basis of water consumption, the square footage of the property to be served, or any other equitable basis the governing body approves, as long as the rates are as nearly as possible equitable and uniform for like services in all parts of the rebate area.~~

13.20.070 - Rebate collection and payment.

A property owner ~~within the rebate area~~ shall not be issued a sewer or water connection permit until payment of the city's applicable permit fees, as well as the ~~proportionate share of the rebate amount~~ has been paid to the city ~~plus a five percent administration fee~~. After collection of payment ~~in full of these amounts of the city's applicable permit fee and the proportionate share of time rebate~~, the city shall pay the rebate ~~payment amount~~ to the person(s) who were originally responsible for the sewer or water main installation, their heirs, successors or assigns.

13.20.080 - Extension beyond ~~rebate~~ recovery area.

The city reserves the right to extend ~~the any~~ sewer or water mains installed in ~~the~~ rebate ~~recovery~~ areas to serve other areas outside the rebate ~~recovery~~ area. The city shall have the sole authority to determine how to fund any such sewer or water main extensions to other areas outside ~~the a~~ rebate ~~recovery~~ area.

13.20.090 - Other rebate agreements.

Rebate agreements in effect prior to the adoption of the ordinance codified in this chapter shall not be affected by the terms of this chapter.