



**Public Works Department Administrative Rule No. 687**  
**Latecomer's Fees for Privately Financed Public Water and Sanitary Sewer Infrastructure**

Adopted: May 20, 2019

Revised: \_\_\_\_\_

**PURPOSE:**

Outline the method for determining Latecomer's Fees to be charged for connections to privately financed public water and sanitary sewer infrastructure, in accordance with Sections 13.04.130 and 13.30.1020 of the Missoula Municipal Code.

**APPLICABILITY:**

City Public Works Department and Development Services Department staff involved with extensions of water and sewer mains to serve new developments.

**DISCUSSION:**

This rule outlines the procedures for a property owner ("Applicant") to establish a Latecomer's Agreement ("Agreement").

**SECTION 1: APPLICATION PROCESS**

1. To be eligible for an Agreement, Applicant must complete the request for an Agreement from the City Engineer prior to Stage 4 approval of the Development Review process.
2. Applicant shall provide the estimated costs of the water or sewer main extension, including construction and engineering expenses, with the Stage 3 documentation. This may include the cost of water system infrastructure such as pumps, storage tanks, or other facilities that provide additional capacity to a portion of the utility's system.
3. The Applicant shall also provide a map to be called Exhibit A showing the properties to be subject to the Latecomer's Agreement. Only properties that can connect new service lines to the water or sewer mains installed under this contract, or newly-connected properties that benefit from the additional capacity provided by water system infrastructure installed under this contract, will be included in the agreement. Developers further extending the main(s) to serve their properties will not be included. The properties to be included in the agreement will typically be only those fronting directly on the mains, except as described in the following section.
4. The City may allow other properties to be included where it does not see a benefit in extending mains to those properties and where service lines less than 200 feet in length could feasibly serve those properties. In addition, the City Engineer may determine that properties beyond 200 feet from the main may be included where the City Engineer concludes that a property is eligible to connect a service line to the main based on site-specific factors.
5. The Applicant shall also propose a methodology for apportioning costs between the subject properties, using one of the methods listed in Section 2 of this rule.

## **SECTION 2: PROCESS FOR APPORTIONING COSTS**

One of the following methods may be used for apportioning costs between the subject properties:

1. **Lot Frontage:** Divide the total cost of the extension by the total frontage of all lots that can connect to the main (including the Applicant's lots) to calculate a latecomer's fee per foot of lot frontage.
2. **Lot Area:** Divide the total cost of the extension by the total area of all lots (including the Applicant's lots) that can connect to the main to calculate a latecomer's fee per square foot of lot area.
3. **Total Number of Lots:** Divide the total cost of the extension by the total number of lots that can connect to the main (including the Applicant's lots) to calculate a latecomer's fee per lot.
4. **Other:** Other means agreeable to both the City Engineer and the property owners that are equitable to all parties as well as future customers subject to the agreement.

The City Engineer shall review the proposed methodology, and shall make the final decision on the methodology to be used in each case based on balancing the equity between the applicant and other property owners who may be affected. If the units used to apportion costs (feet of lot frontage, square footage, or number of parcels) increase, then the cost per unit should decrease proportionately. If the units used to apportion costs (feet of lot frontage, square footage, or number of parcels) decrease, the cost per unit should not be changed. In no event shall the total amount of reimbursement to which the Applicant is entitled be increased.

If the City Engineer agrees with the estimated costs, properties subject to the fee, and the method of apportionment, he/she will provide a draft Latecomer's Agreement with the Stage 4 approval using a template developed by the City Attorney. The Latecomer's Agreement will include Exhibit A and an Exhibit B identifying the fee that would be due from each subject property shown on Exhibit A. The City will mail a notice letter to the affected property owners shown on Exhibit A, informing them that a Latecomer's Agreement is being requested and that their property may be included within the Agreement.

## **SECTION 3: FINALIZING THE AGREEMENT**

The Latecomer's Agreement will not be finalized until the actual costs are documented by the Applicant with the Stage 6 submittal, to the satisfaction of the City Engineer. If the City Engineer reviews and approves the total costs, he/she will provide the finalized Latecomer's Agreement to the Applicant for signature. The agreement shall be executed prior to the Stage 6 acceptance.

Upon execution of the Latecomer's Agreement, the City will notify the owners of all properties subject to the Latecomer's Fee of the amount of the fee for their property. The City will add notes to those particular properties in its Accela program to prevent future water or sewer connections until the Latecomer's Fees are collected. The City will also file a Notice of Latecomer's Fee with the County Clerk and Recorder.

## **SECTION 4: PROCESSING PAYMENTS**

The City Finance Director or designee is to place the monies in a special fund and shall pay the proportionate share(s) to the Applicant or the Applicant's assignee.

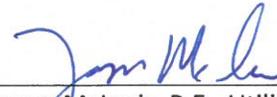
**SECTION 5: POST-WATER SYSTEM ACQUISITION WATER MAIN INSTALLATIONS**

For water mains installed after June 22, 2017, and before the date of adoption of this Rule, developers of such water mains may be eligible for a Latecomer’s Agreement for a period of 45 days following the adoption of this rule. Developers of water mains installed after June 22, 2017, and before the date of adoption of this rule must provide the materials required in Section 1 no later than 45 days following adoption of this rule, and the Agreement must be finalized pursuant to Section 3 no later than 90 days following adoption of this Rule, unless the City approves an extension in writing based on delays solely attributable to the City.

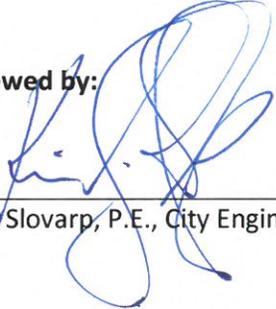
**Recommended by:**

  
Dennis Bowman, Deputy Public Works Director-  
Utilities

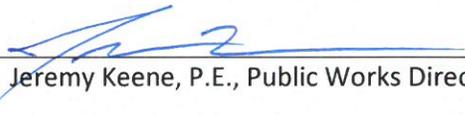
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