2019 -- H 6143

LC002642

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

AN ACT

RELATING TO THE CITY OF WARWICK -- SEWER AUTHORITY

Introduced By: Representatives Shekarchi, Vella-Wilkinson, Bennett, Solomon, and

Jackson

Date Introduced: May 23, 2019

Referred To: House Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. <u>Unless otherwise amended by this act, the terms, conditions, provisions and</u>

definitions of Chapter 254 of the Public Laws of 1962, as amended by Chapters 60 and 61 of the

Public Laws of 2016 are hereby incorporated by reference and shall remain in full force and

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5 SECTION 2. Sections 2, and 9 of Chapter 254 of the Public Laws of 1962 entitled "An

6 Act to Create a Sewer Authority for the City of Warwick and to Authorize said City to Plan,

Construct, Finance, Operate and Maintain Sewage Works", as amended, by Chapters 60 and 61 of

the Public Laws of 2016 are hereby further amended to read as follows:

Section 2. Sewer Authority. -- There shall be a bi-partisan sewer authority for the city

consisting of five (5) seven (7) qualified electors of the city, not more than three (3) five (5) of

whom shall be members of the same political party, to be appointed by the mayor subject to

12 confirmation by the city council. It shall be the purpose of the sewer authority to provide

wastewater collection and treatment services to the City of Warwick in a cost effective and

environmentally sound manner. The mayor shall appoint the five (5) seven (7) members of the

authority, two (2) of each from lists of not less than three (3) names submitted by the respective

chairman of the city political committees and one (1) member three (3) members without party

designation; one (1) member to hold office until one (1) year from the first day of February

preceding said appointment, one (1) member to hold office until two (2) years from the first day

of February preceding said appointment, one (1) member to hold office until three (3) years from

the first day of February preceding said appointment, one (1) member to hold office until four (4) years from the first day of February preceding said appointment, and one (1) member to hold office until five (5) years from the first day of February preceding said appointment. In the month of January preceding the expiration of the term of each of the authority's members, the mayor shall appoint one (1) member to succeed the member whose term will next expire to hold office for the term of five (5) years from the first day of February next after his appointment and until his successor is appointed and qualified in the same manner as provided in the original appointment for such term. The two (2) members added to the authority by the 2019 amendment of the enabling act shall serve for five (5) years. In case any person appointed as a member of said authority shall decline to serve or neglect to qualify within ten (10) days after his appointment, or a vacancy shall occur in said authority for any other cause, the mayor, within thirty (30) days shall appoint some person to fill such vacancy for the unexpired term in the same manner as provided in the original appointment for such term. A person holding any other office of emolument or profit under the government of the city shall not be eligible to membership on the authority and if any member of said authority shall accept any such office or shall remove from the city, his place on the authority shall immediately become vacant. The members of the authority shall be severally sworn to the faithful performance of their duties under this act. They shall elect from among their members a chairman and a secretary at the first meeting after the organization and upon the appointment of any new member for a full term and shall fill any vacancy that may occur in either office from any cause. A majority of the members of the authority shall constitute a quorum for the transaction of business. The mayor may remove any member of the authority from office for cause shown after a hearing before the city council of which such member shall be given seven (7) days' notice in writing.

The mayor, with the advice and consent of the city council, shall fix the compensation of the members of the authority and shall annually appropriate a sum sufficient to pay the same together with a sum sufficient for office expenses.

The authority may adopt by-laws governing the transaction of business by an affirmative vote of at least four (4) five (5) members, but no such by-laws shall authorize any action by the authority except by the affirmative vote of at least three (3) four (4) members thereof and with the advice and consent of the mayor.

The authority shall review the sewer survey (Facilities Plan) in order to develop procedures for the implementation of the general sewer program and to conduct preliminary studies in order to execute the administrative details contained in this act.

Such activities may include:

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- (a) The planning and programming of the various phases of the sewer project, and
- 2 (b) A review of the procedures of various financing programs in terms of charges and assessments to be instituted upon the commencement of the construction of sewers, and
 - (c) An establishment and exercise of a public information program.

The members of the authority and their duly authorized agents may enter upon any premises within the city to examine, inspect or survey the same, whenever necessary for the performance of their duties under this act.

Section 9. Apportionment of costs; sewer assessments and charges; enforcement of charges and assessments. -- The authority with the advice and consent of the mayor, shall prescribe just and equitable sewer assessment rates on account of the construction costs and the cost of principal and interest for any bonds or notes issued for sewage works, to be levied against owners of parcels abutting on that portion of any highway in which a common sewer is laid under this act and also rates of user charges on account of operation and maintenance costs and renewal and replacement funding and the cost of principal and interest for any bonds or notes issued for sewage works, to be levied against owners of parcels which are connected to a common sewer or in accordance with section 17(b).

Such assessments herein referred shall be paid by every parcel owner whose parcel abuts on that portion of any highway in which a common sewer is laid, under this act, in a manner prescribed by the authority, with the approval of the mayor and the finance director. Such annual user charges herein referred shall be paid by every parcel owner whose parcel is connected to a common sewer, or in accordance with section 17(b), in a manner prescribed by the authority, with the approval of the mayor and the finance director.

Notwithstanding the foregoing, the authority may defer sewer assessments against parcels that are undeveloped or not developed to the extent permissible by city zoning ordinances; provided, that such parcels remain subject to assessment upon the development or redevelopment of such parcels in accordance with the authority's rules and regulations. The authority may shall defer sewer assessments against any parcels, if the owner of a parcel has installed a new a functioning septic, ISDS, or OWTS that was installed within twenty (20) years of sewer service initially becoming operational, provided that such parcel shall remain subject to assessment and shall begin paying such assessment twenty (20) years from the date of the installation of the septic, ISDS or OWTS or when the septic, ISDS, or OWTS stops functioning, or upon connection to the sewer system, whichever occurs first.

The sewer assessments shall be determined by a method(s) adopted by the sewer authority that assesses charges for use of the sewers and the sewer systems in an amount that

bears a reasonable relation to the cost of construction to the city and authority of the service rendered to the users, which method(s) may include, but is not limited to, the frontage along the highway of each parcel of land abutting on a common sewer, the area of such land within a fixed depth from the highway, or other alternative methods. The sewer authority with the advice and consent of the mayor may, from time to time, redetermine the rates fixed for sewer assessments, if construction costs warrant, and may redetermine rates for user charges if costs so warrant.

The sewer assessments herein referred to shall be paid by every parcel owner whose parcel is abutting on that portion of any highway in which a common sewer is laid under this act or is connected to the city's sewage works.

Sewer assessments levied hereunder may shall be paid in as many as thirty (30) annual installments in accordance with the terms of the loan secured for sewer construction, upon application by the parcel owner and approval of the sewer authority. In the case of installment payments, at a simple interest at a rate not to exceed a maximum rate of one and twenty-five hundredths percent (1.25%) above the average interest rate the authority is charged on the loan used to fund the construction of the sewers shall be charged annually on the unpaid balance of the total sewer assessment. Such annual installment payments may be paid on a quarterly basis.

Sewer assessments shall be levied at a uniform rate based upon the final cost of constructing all sewers, sewer service connections and other sewage works belonging to the city. Sewer assessment revenues shall be used for the payment of the principal and interest costs for any bonds or notes issued for sewage works.

User charges shall be levied upon every parcel owner or institution whose parcel is connected to the city's sewage system. The charge shall be computed as annual rates based upon water consumption or other factors deemed equitable by the sewer authority. The user charge shall be set at a level sufficient to support operation and maintenance costs of the sewer system and the wastewater treatment plant, the renewal and replacement fund and the principal and interest for any bonds or notes issued for sewage works. The revenues to be raised by user charges will be reduced by revenues generated by sewer assessments.

The authority shall annually certify to the finance director and to the mayor all the charges and sewer assessments made by it under the authority of this act. Each charge or assessment made by the authority pursuant to this act shall be a lien upon the parcels, lands, buildings and improvements upon which it is made in the same way and manner as taxes assessed on real estate, but such liens shall not expire until the charge or assessment with all interest, costs and penalties thereon is paid in full, and, if the charge or assessment is not paid as required, it shall be collected in the same manner that taxes assessed on real estate are by law collected. The

| finance director, after receiving a list of charges or assessments under this act, shall forthwith, at |
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| the expense of the authority, send to each person assessed or charged notice of the amount of his |
| assessment or charge. The notice shall substantially identify the person assessed, state the amount |
| of the assessment or charge and refer to the remedy available under section 19 of this act. The |
| notice shall be mailed postpaid and directed to the last known address of the person assessed. If |
| there are persons whose addresses are unknown, a similar notice covering the assessments against |
| such persons shall be published in a newspaper of general circulation in the city and such |
| published notice may be a single collective notice for all such persons. No irregularity in the |
| notice required by this section shall excuse the nonpayment of the assessment or charge or affect |
| its validity or any proceedings for the collection thereof as long as there is substantial compliance |
| with the provision hereof. No deficiency in the notice to the person assessed shall excuse the |
| nonpayment by others of the assessment or charges assessed against them or affect the validity |
| thereof or any proceedings for the collection thereof. The finance director shall without further |
| warrant collect such charges and assessments in the same manner as the regular taxes of the city |
| may be payable. Interest at the rate per annum fixed for nonpayment of city taxes shall be charged |
| and collected upon all overdue charges and assessments from the date they become payable until |
| paid, provided however, that the total overdue charge for non-payment of installment of sewer |
| assessments shall be applied to past due installments and not the total assessment; and provided |
| further, that there shall be no penalty on installment assessments deferred by reason of income |
| subject to rules and regulations that the Warwick City Council may prescribe by ordinance. |

The authority with the advice and consent of the mayor may at any time modify in whole or in part any charge or assessment to the extent the authority determines such charge or assessment to have been improperly imposed.

SECTION 3. This act shall take effect upon passage and the sewer authority shall adopt rules and regulations within one year thereafter in accordance with this act.

LC002642

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

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RELATING TO THE CITY OF WARWICK -- SEWER AUTHORITY

| 1 | This act would modify the enabling act for the Warwick Sewer Authority by: expanding |
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| 2 | the number of authority members to seven (7); increasing the number of votes for changes to by- |
| 3 | laws; providing for as many as thirty (30) year installment payments on sewer connections; and, |
| 4 | relieving parcel owners with functioning septic systems from paying sewer assessments for 20 |
| 5 | years provided their systems remain functioning. |
| 5 | This act would take effect upon passage and the sewer authority would adopt rules and |
| 7 | regulations within one year thereafter in accordance with this act. |
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