RESOLUTION NO. 2025 - 2

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITE SULPHUR SPRINGS, MONTANA ESTABLISHING A SERVICE PLAN FOR FUTURE ANNEXATIONS AS REQUIRED UNDER MONTANA CODES ANNOTATED TITLE 7, CHAPTER 2, PART 46 "ANNEXATION BY PETITION" AND PART 47 "ANNEXATION WITH PROVISION OF SERVICES."

WHEREAS, the City of White Sulphur Springs hereby recognizes that Montana State law has established municipal governments for the purpose of providing local government municipal services essential for sound urban development of communities, as well as for the protection of health, safety, and welfare in areas either already being intensively used or undergoing development for residential, commercial, industrial, institutional, and governmental purposes.

WHEREAS, "Historically, the purpose of Montana's annexation statutes has been simply to provide expanding communities with:

1. a united and effective single form of government;
2. orderly growth through uniform regulations such as subdivision, building codes, planning, and zoning standards; and
3. an equal sharing of community resources and financial responsibility for those resources by people living in an area united by social, political, and economic interests." (From *Montana's Annexation Laws: An Evaluation, November 1980, Montana Legislative Council*).

WHEREAS, the City Council must consider a plan for provision of services under §7-2-4610 MCA in order to adequately address the costs of extending infrastructure whether through a petition to annex, voter-initiated annexation, or through other statutory means.

WHEREAS, the following plan has been considered:

A. LONG RANGE PLAN

As required by MCA 7-2-4732, this plan anticipates development for a period of at least five years into the future. The 2022 Census lists the City of White Sulphur Springs's population at 1,112. At a potential growth rate of two percent (2.0%), over 20 years the City could reach a population of 1,652 by 2044. Information such as that noted below should be consulted by the City Council when reviewing proposed annexations.

1. Sewer - The City's sewage treatment facility can serve a population of 1,600 to 1,800. An analysis of the wastewater system was last completed in 2012. Resulting improvements from that analysis included upgrading the wastewater treatment lagoon system to comply with DEQ and addressing sanitary sewer overflows by lining critical sections of collection main. The collection main upgrades were completed in 2014, and the treatment facility was upgraded in 2017. The current treatment technology is effective, and the city meets the requirements of their discharge permit. The capacity of the treatment and collection systems is affected by existing inflow and infiltration into the system due to old sections of clay pipe that require replacement or lining. Additionally, much of the existing collection

system is sized smaller than current standards allow and may not be adequately sized to serve additional growth. The city will re-evaluate the collection system and treatment facility through a study to be conducted in 2025. It is anticipated that collection system improvements will be recommended and constructed in 2028.

2. Water - The City's water capacity can currently serve a population of approximately 945. Upgrades to the system would service a population of approximately 2,100. An engineering study was completed on the water system in 2024. The city's water system has a high amount of leakage due to old, deteriorated water mains. Additionally, the city is not currently able to utilize its surface water source and must rely solely on its groundwater source of supply. The city replaced 4,200 feet of 1940's era transmission main in the fall of 2024. The transmission main was believed to be the largest source of leakage in the system. With its replacement, the city has likely substantially increased the capacity of the system due to the reduced leakage from the transmission main and can likely serve a population greater than 945. The city intends to construct intake pond and surface water treatment plant improvements in 2026 and continue with water main replacements to reduce system leakage with construction projects in 2029 through 2033.
3. Roads – Future road extensions shall be designed to accommodate projected demand. Where possible, logical extensions of the City's street network will be required. It is anticipated that any new properties and/or subdivisions annexed into the City will require that the property owner or developer be responsible for constructing all new streets to City street standards. The potential exists that a property owner or developer may be responsible for assisting with the upgrade of offsite streets depending on the proportional impact of a new subdivision or development upon offsite City streets.
4. Service Providers –The current services provided by City and County entities such as the volunteer fire department, sheriff's department, emergency services, and the school district are sufficient to serve the project populations growth for the City.

B. AREAS CONSIDERED FOR ANNEXATION

Currently there are numerous areas adjacent to and lying on the perimeter of the City of White Sulphur Springs that are natural extensions of the City, but which are not presently located within the corporate boundaries of the City. Other areas are not extensively developed but, given the current growth trends in the White Sulphur Springs area, will be attractive for development in the future. It is the policy of the City of White Sulphur Springs that properties outside of the City shall not be connected to the City's water and sewer system without annexation. The City of White Sulphur Springs will attempt to timely consider any property owner petition requesting annexation of land that is contiguous with the City and eligible for annexation in accordance with State statutes. Furthermore, the City of White Sulphur Springs plans to consider annexation of new subdivision developments in a timely manner whenever a developer submits a development proposal to the City for annexation.

The following describes the areas where annexation may occur in the next five years.

1. North – Within the next five (5) years, the City anticipates potential growth along the northeastern side of the City, but it may be limited due to the presence of the floodplain of the North Fork of the Smith River.
2. South - Within the next five (5) years, the City anticipates potential growth along the Highway 89 corridor west to the irrigation ditch and eastward, including the golf course and southward to Luppold Road.

3. East - Within the next five (5) years, the City anticipates the potential annexation of portions of the hospital property surrounding the hospital campus that can easily be served by City water and sewer and potentially the properties north of the hospital property and those north of Highway 89/Highway 12.
4. West - Within the next five (5) years, the City anticipates potential annexation northwest of the City limits, but this may be limited due to the presence of the floodplain of the North Fork of the Smith River.

The City's Future Annexation Map is attached as Exhibit 1.

C. PETITION(S) FOR ANNEXATION

If a property owner(s) petitions the City to have property annexed into the City pursuant to MCA Title 7, Chapter 2, Part 46, the property owner(s) shall submit a petition(s) for annexation in a form substantially similar to the petition attached hereto as Exhibit 2. The petitioner(s) shall also provide the City with the following:

1. A map depicting all of the tracts of land proposed for annexation.
2. A certified list with the legal description, and the names and mailing addresses of the owner(s) of each tract of land in the area proposed for annexation, from the records of the Meagher County Clerk and Recorder, or a licensed title company.
3. Concurrent with a petition for annexation, the petitioner may also propose one or more zoning designations for the property to be annexed, and a site plan or preliminary plat indicating the sizes of lots, proposed land uses and density of development anticipated for the property.
4. An annexation fee established by the City Council.

D. MUNICIPAL SERVICES TO ANNEXED LAND

1. It is the plan of the City of White Sulphur Springs that municipal services will be available to property that is annexed within a reasonable time (generally not to exceed five years) on substantially the same basis and in the same manner as such services are available to the rest of the municipality. If it is likely that the area proposed to be annexed will not have municipal services available within a reasonable time, the area should not be annexed.
2. All property owners located in a newly annexed area will be required to comply with all City, State, and Federal laws, statutes, regulations, ordinances, and resolutions, including but not limited to, subdivision, zoning, building codes, fire prevention ordinance and fire codes, fireworks ordinances, dog license ordinance, business license ordinance, and all other laws, statutes, regulations, ordinances, and resolutions.

E. GENERAL POLICIES FOR PROVIDING SERVICES TO ANNEXED PROPERTY

1. The City plans to generally provide municipal services consisting of police, volunteer fire, street maintenance, parks and recreation and all general administrative services of the City of White Sulphur Springs to annexed property immediately upon annexation. The financial cost of extending such services shall generally be shared by the entire municipality through municipal revenues allocated and expended pursuant to the City's annual budget adopted each fiscal year. No new Citywide bond issue is planned for the sole purpose of financing provision of municipal services to annexed areas.

2. Parcels annexed into the City will be required to enter into a Citywide Street Maintenance District, should one be in existence at the time of annexation, and may be required to enter into an existing or future street lighting district, fire district, or other district established.
3. The developer(s) or property owner(s) of annexed property will be required to construct all infrastructure improvements, including but not limited to: water lines, sewer lines, fire hydrants, reservoirs, pump stations, lift stations, culverts, drainage systems, roadways, sidewalks, street lighting, traffic control devices, street name signs, and such other improvements as may be required by the City, at the developer's or property owner's expense. The infrastructure improvements will be constructed in accordance with the City of White Sulphur Springs Subdivision Regulations, City of White Sulphur Springs Specifications, and the most recent edition of the Montana Public Works Standard Specifications. The infrastructure improvements shall be in compliance with applicable codes and standards, and be of adequate size and design to accommodate the needs of the proposed development. All proposed infrastructure shall be reviewed and approved by the City Public Works Supervisor and/or the Mayor or designee, typically the City Engineer, and as-built drawings as required by the City Public Works Supervisor and/or the Mayor, or designee, shall be submitted to the City prior to final acceptance of the infrastructure.
4. The developer(s) or property owner(s) shall be responsible for providing fire protection appurtenances and required water flow pressures and volume, at the developer's or property owner's expense, as required by the applicable Fire Code enforced by the City and reviewed and approved by the City Volunteer Fire Chief and/or the State Fire Marshal, based on the use of land and the type of construction employed.
5. Sewer systems shall be designed in such a manner as to avoid the requirement for lift stations if feasible.
6. Properties proposed for development in areas which do not have immediate access to City water and/or sewer, but where services are in close proximity may be required to install dry sewer lines in anticipation of the extension of City water and sewer into the area within a reasonable time, generally not to exceed five years. Once adequate water and sewer facilities are within 200 feet of the site, or if a new subdivision lot is within 500 feet of City water and sewer, connection may be required at the property owner's or developer's expense. Connection includes, but is not limited to, those modifications to existing water and sewer lines necessary to effectuate the extension of the system into the property.
7. As new City streets are constructed, and as existing streets are improved, storm drainage infrastructure shall be installed or improved to City, State Department of Environmental Quality (DEQ), and Environmental Protection Agency (EPA) standards. It is the responsibility of the developer(s) or property owner(s) to convey storm water from their property to an appropriate point of disposal as approved by the City Engineer. If there is no storm sewer conveyance system available to the site, storm water generated as a result of the development shall be retained on-site in accordance with applicable DEQ and EPA regulations. Generally, the quantity and rate of runoff from a developed parcel cannot exceed that which would occur had the property remained undeveloped.
8. The developer(s) or property owner(s) shall provide all necessary right-of-way and/or easements, or additional right-of-way or easements if less than adequate right-of-way or easements exist in the property proposed for annexation.
9. In areas served by the City water system, the City may require the developer(s) or property owner(s) to properly abandon existing wells in accordance with DEQ regulations by qualified personnel. Furthermore, the City may require existing water rights to be transferred to the City.

F. POLICIES FOR PROVIDING SERVICES IN EXISTING DEVELOPED AREAS

1. As a general policy, property that is proposed for annexation that has existing infrastructure shall be required to upgrade the infrastructure to City standards as a condition of annexation.
2. Prior to annexation, the City may require the developer(s) or property owner(s) to provide the City with a report describing the following:
    a. The approximate year or period in which the existing area was developed.
    b. The location, size, and condition of the existing infrastructure, including but not limited to, water and sewer lines, fire hydrants, streets, and storm drainage. This may include disclosure of the materials used, if known or as may be determined through available testing methods.
    c. The size and location and legal purpose of all existing rights-of-way and easements.
    d. The report shall also include the estimated costs associated with correcting the deficiencies and bringing the utility or improvement to City standards. The City may require such a report to be prepared by a professional engineer at the cost of the developer(s) or property owner(s).
3. In certain instances, it may be appropriate to require areas within the City limits, including recently annexed areas, to connect to City services which are available over a stated period of time, generally not to exceed five years. This would provide the opportunity to phase out individual and private systems utilizing on-site facilities or other antiquated systems, which operate at a marginal level and which may not be compatible with City Standards.

G. OFF-SITE INFRASTRUCTURE REQUIREMENTS

1. In the event that annexation creates impacts requiring off-site infrastructure improvements, the developer(s) or property owner(s) of the property proposed for annexation will be responsible for bearing the costs of such improvements, unless otherwise determined by the City Council.
2. The City may require reimbursement from a developer(s) or property owner(s) for City financed infrastructure that was installed in anticipation of future development on property that is proposed for annexation.
3. It shall be the responsibility of the developer(s) or property owner(s) to extend all roadways and utilities from the existing City facilities to the site of development in accordance with all City standards and specifications, including the provision for appropriate easements. It shall further be the responsibility of the developer(s) or property owner(s) to construct all streets and utilities to the furthest boundary of the property to be developed or annexed when it is deemed appropriate by the City Council or City Engineer in order to facilitate future development.

H. SPECIAL IMPROVEMENT DISTRICTS

The City Council, in its discretion, may approve the formation of a Special Improvement District to pay for the installation, construction and upgrading of infrastructure improvements. The boundaries of the Special Improvement District shall be the area benefiting from the improvements in accordance with the laws of the State of Montana.

I. PAYBACK AGREEMENT

If a developer(s) or property owner(s) of property annexed pays the entire cost of infrastructure improvements, and such improvements will benefit other property that may be developed or annexed in the future, the City Council may, in its discretion, authorize a Payback Agreement. The Payback Agreement may provide that developer(s) or property owner(s) that connect to the infrastructure improvements in the future shall reimburse the developer(s) or property owner(s) that initially paid for the improvement a portion of the cost of the improvement. The Payback Agreement shall include a method of calculating the amount of reimbursement. The method of reimbursement may be based upon lot size, front footage, or other means that the City Council deems reasonable. The payback period shall not exceed 10 years from the date of completion of construction or installation of the improvement. The Payback Agreement shall set forth the specific area that may benefit from the improvement and that will be subject to the Payback Agreement. The costs that may be reimbursed under a Payback Agreement may include engineering, design, and inspection fees. Any and all terms and conditions of a Payback Agreement are subject to approval by the City Council.

NOW, THEREFORE BE IT ORDAINED AND RESOLVED BY THE CITY OF WHITE SULPHUR SPRINGS, MONTANA, the City Council hereby establishes the above service plan for future annexations as required by Montana Code Annotated Title 7, Chapter 2, Part 46 "Annexation by Petition" and Part 47 "Annexation with Provision of Services" on the date below entered at a regular scheduled meeting of the White Sulphur Springs City Council in its Chambers at 105 West Hampton, White Sulphur Springs, Montana. Such Service Plan shall be updated as necessary, but at least once every five (5) years.

PASSED by the City Council and the City of White Sulphur Springs, Montana, on first reading at a regular session thereof held on the 5th day of May, 2025.

Rick Nelson, Mayor

ATTEST:

Michelle Stidham, City Clerk

APPROVED AS TO FORM:

Susan L. Wordal, City Attorney