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Utility Advisory Committee

Wastewater Regulation Changes

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Title

Wastewater Regulation Changes

Report

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Background and Analysis:

The wastewater utility has been drafting and implementing regulation changes in three areas:

Side Sewer Ownership and Maintenance

The previous side sewer ownership regulations were problematic for the utility. The average side sewer is 40 years old with some as old as 100 years. Many side sewers are deeper than eight feet, with the deepest part under public streets. This makes maintenance and repairs difficult and expensive. Repairs often took many months or even years to complete due to disputes with property owners. Disagreements were common about what caused a break, exactly where the break was located, and who was required to make the repair and pay for it. Staff has spent extensive time ensuring property owners make needed repairs. More than once, the situation has resulted in a lawsuit between property owners and the City.

Problems with side sewers have caused sinkholes and sewer leaks. Expedient repair is sometimes needed to protect public health and safety. In addition, work within the right-of-way is often difficult and hazardous. Repairs by private contractors, who were hired by property owners, have resulted in unsafe excavations, roadway settlement, and damage to utilities. These problems are not always found during construction, leading to issues months or years later. Therefore, the utility changed the regulation in March 2017.

Under the new regulations, the utility owns and maintains side sewers in the right-of-way, if there is a cleanout located at the property line. So far, two owners have installed cleanouts to transfer ownership of part of the side sewer. One of these will result in a re-route of the side sewer to correct a sag that was installed originally and was causing sewer backups. The other one resulted in the City cleaning and removing roots from the side sewer in the right-of-way, alleviating sewer backups in

multiple buildings.

It is anticipated that 1-2 side sewer repairs will be needed each year. Some of these will be constructed by City crews. Others will be contracted.

Septic to Sewer Program

The City first created the Septic to Sewer program in 2008. It provided support and incentives for the conversion from a septic system to sewer. It resulted in an increase of conversions for 4 or 5 years and then tapered off. The 2013 Wastewater Management Plan proposed expanding the program. Staff recently took the proposed changes to City Council who adopted them. The changes to the program, which become effective November 3, are:

- Revise the part of the program that constructs small-scale sewer extensions by reducing the reimbursement required from property owners who connect to the new sewer.
 - The current program typically requires each property owner to reimburse the City over \$20,000. The proposed program would typically require less than \$10,000 per property. The payment mechanism would also be simpler than the one created in 2008.
- Add septic tank effluent pumping (STEP) systems and lift stations to the sewer infrastructure the City may construct.
- Identify the criteria by which the utility will prioritize sewer extension projects with public health risk being the highest priority.
- Change the mechanism for allowing the payment of City General Facility Charges (GFCs) for OSS conversions.
 - The current program allows payment in installments each year with a yearly fee. The proposed changes allow for monthly payments with interest.
- Allow new property owners to qualify for a GFC waiver if they connect to sewer within two years of purchasing the property. Also, allow property owners to qualify for a GFC waiver if they qualify for a partial rebate of the LOTT capacity development charge (CDC).

In addition, early in 2017, the LOTT Clean Water Alliance implemented their new Septic Conversion Incentive Pilot Program. It provides for a 50-75% instant rebate on the capacity development charge (CDC) for septic conversions. The interest in the program has been high. So far, eleven property owners have applied for a rebate. This represents 37 equivalent residential units (ERUs) and almost \$120,000 in rebates committed. Of those properties, two have been connected so far. It is expected many more will connect this year and into next year.

S.T.E.P. (Septic Tank Effluent Pumping) Systems

The 2007 Wastewater Management Plan significantly restricted the use of S.T.E.P. systems. Restrictions on S.T.E.P. systems were based on additional maintenance costs per service connection and odor and corrosion problems associated with elevated hydrogen sulfide concentrations. Current City regulations permit the use of S.T.E.P. systems only to serve existing lots adjacent to existing S.T.E.P. mains. This has left a number of otherwise subdividable properties and small investors stranded without sewer service for the foreseeable future.

The 2013 Wastewater Management Plan proposed allowing new S.T.E.P. systems for infill. The proposed changes are summarized below:

- Clarifying that S.T.E.P sewer connections are not permitted where a gravity sewer is available to the property.

- Allowing S.T.E.P. connections for properties created through a short plat after the date of adoption of the revisions.
- Stating that only one short plat shall be allowed per property in existence at the time of adoption of the revisions.
- Allowing connection to S.T.E.P. force mains extended as part of the Septic to Sewer program.

Short plats would allow infill on small properties. Larger properties could move forward with limited development under the proposed scenario but would eventually be required to construct a regional sewer pump station and subdivide through the long plat process. The proposed revision would allow additional infill to help achieve growth management densities.

This proposal was presented to the Planning Commission in September 2017 and a public hearing was held. The Planning Commission recommended the City Council pass the changes. The next step is to take the changes to Council.

Financial Impact:

Side Sewer Ownership and Maintenance

Changes will initially increase sewer pipe infrastructure by approximately 6 percent. Staff proposes increasing the spot repairs project in the Capital Facilities Plan by \$25,000, approximately 6 percent, to account for the additional pipe.

The number of repairs will likely be small. Based on recent permit records of repairs in the public right-of-way, there were seven known issues between 2010 and 2015. We can estimate 1-2 repairs per year, based on permit records.

Changing the regulation will save staff considerable time due to decreased disputes with property owners. This savings will free up staff to work on other utility priorities.

Septic to Sewer Program

City funding already exists for a number of small-scale sewer extension projects to assist residents in converting from OSS to public sewer. The current annual allocation in the Capital Facilities Plan is \$341,000.

If the utility were to spend the full CFP allocation in a given year, the average cost to each existing ratepayer would be just under \$1 per month.

S.T.E.P. (Septic Tank Effluent Pumping) Systems

The revision would result in additional maintenance costs to the utility due to the increased number of S.T.E.P. systems. The exact cost will depend on the number of additional systems. Maintenance staff can maintain additional S.T.E.P. systems without a significant increase in resources. Staff would continue to monitor the number and determine if additional financial resources are needed in the future.

The financial impact to property owners would be positive; development would occur in areas where it is has not been financially feasible.

Attachments:

Side Sewer Ordinance

Draft STEP Ordinance

Septic to Sewer Ordinance