



SEPTIC TO SEWER

OCTOBER 17 CITY COUNCIL MEETING

TOM HICKMANN, EIPD DIRECTOR

SUSANNA JULBER, SNR. PROJECT & POLICY ANALYST

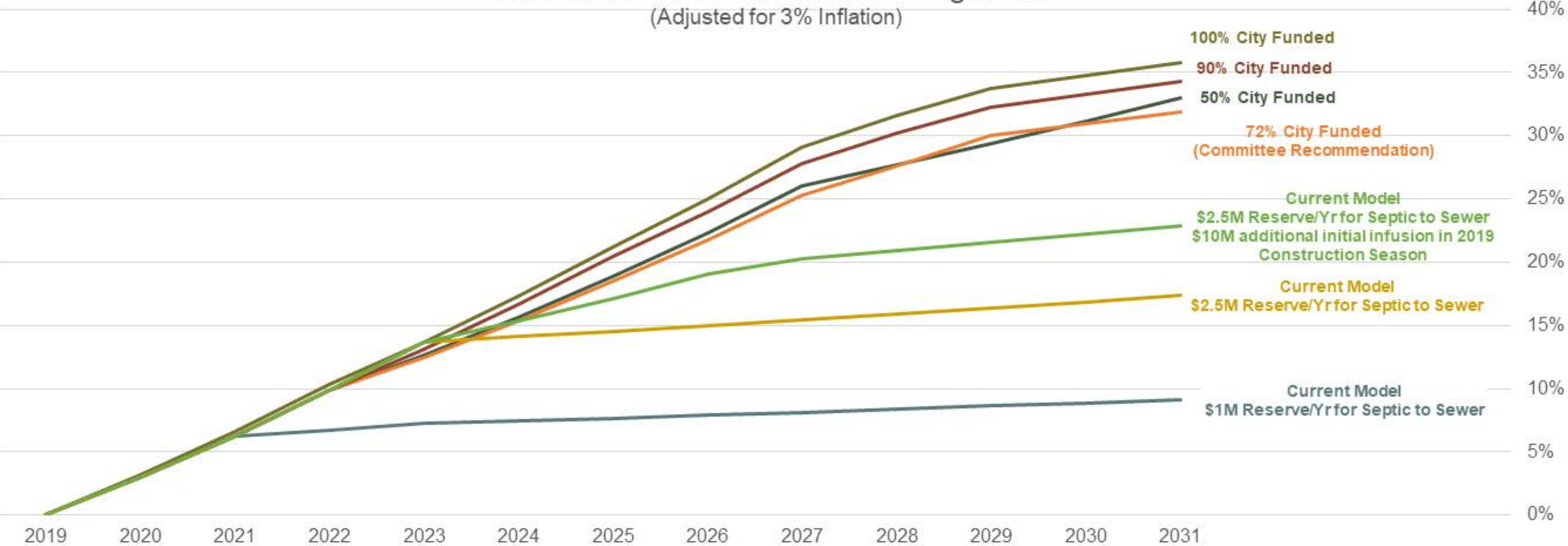


- Discuss, provide additional input on:
 - Concept for overall citywide program including:
 - Program Elements
 - Qualification Criteria
 - Infusing \$10M into project area as part of Nottingham/Simplicity/Desert Woods construction project, with \$2.5M annually following.
 - Connection fee amount.
 - Connection timing.
 - Safety net concepts and funding.
 - Hiring Program Manager to begin early 2019.
- Council direction on above at November & December meetings

RATE IMPACTS



Cumulative Rate Increases through 2031 (Adjusted for 3% Inflation)



SUMMARY OF RECOMMENDED PROGRAM



- Is consistent with many of the Advisory Committee Recommendations.
- Implements a citywide program with commitment to transition residents off septic systems.
- Establishes a connection fee.
- Begins with a \$10M initial investment to allow a portion of the project area to be transitioned, with \$2.5M allocated annually.
- Sets aside \$100k annually to assist with connection fees for qualifying low income residents.

**COUNCIL DECISIONS ON STAFFING, SAFETY NET
QUALIFICATIONS & PROGRAM, INITIAL INVESTMENT IN PROJECT
AREA, & PROGRAM QUALIFICATION CRITERIA**



- **Program Manager-** to coordinate the program, and assist CDD/EIPD with coordination, neighborhood improvement programs.
- **1-2 Engineers (EIPD)-** dedicated to managing the 1-3 projects annually.
- **Finance support-** ongoing but likely not additional FTE unless managing individual loans.
- **Community Outreach-** managed primarily by Program Manager, with assistance from CMO's office as needed.
- **Code Enforcement-** code violations relating to hook up timing.

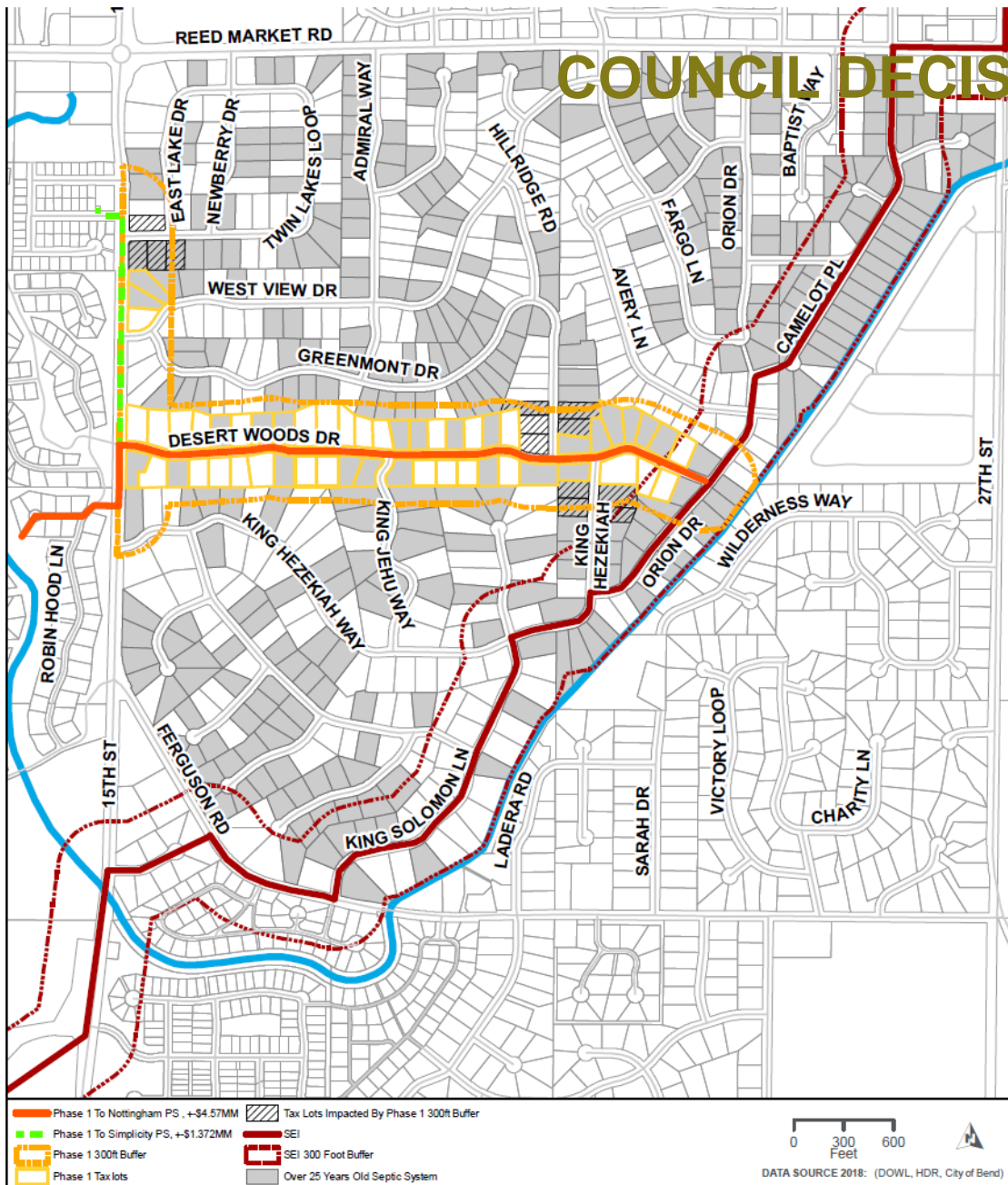
COUNCIL DECISION ON SAFETY NET



- Safety net- is Council supportive of a safety net program to offset connection fees for low income residents?
- Qualification criteria based on HUD guidelines
- \$100,000 set aside annually from initial investment



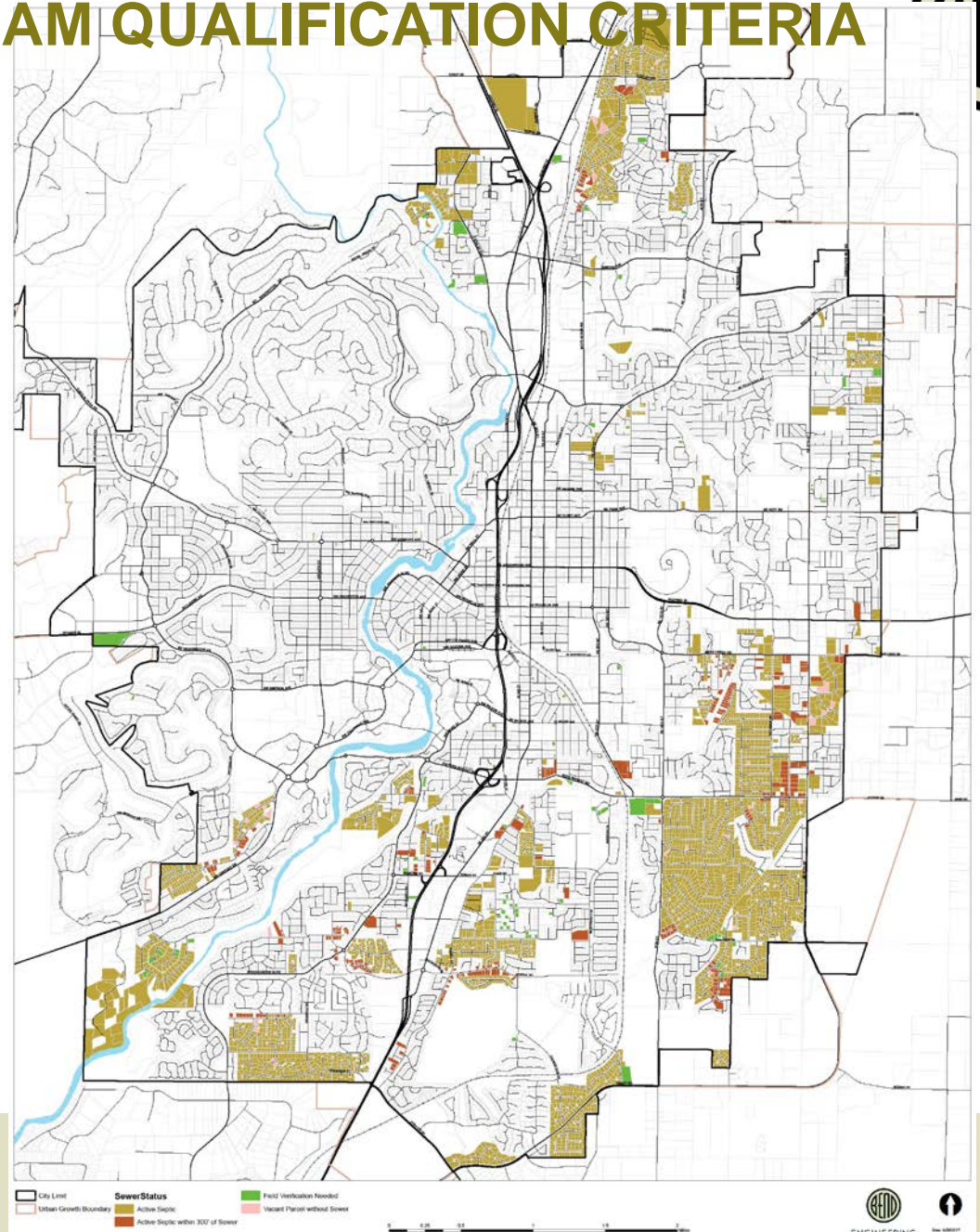
COUNCIL DECISION ON INITIAL INVESTMENT



- Initial \$10M project investment
- Connects Nottingham to SEI via Desert Woods Drive
- Allows City to retire 2 pump stations
- Connects approx. 60 homes
- High concentration of aging systems
- Approx. \$6M project cost with additional funds remaining to serve another local project in first 2-3 years.

COUNCIL DECISION ON PROGRAM QUALIFICATION CRITERIA

- ✓ **Synergy** with other EIPD projects- streets, water, other utilities- or possibly a sidewalk improvement project/ LID need that could be combined.
- ✓ Project helps **advance other connections** in the area and/or **future extensions**.
- ✓ Is there **support from multiple neighbors? 70%?**
- ✓ Is there **evidence** of an issue with **failing septic systems**, age of systems and/or history of repairs?
- ✓ Applications from neighborhoods accepted at any time, but construction schedule set by October for inclusion in CIP.

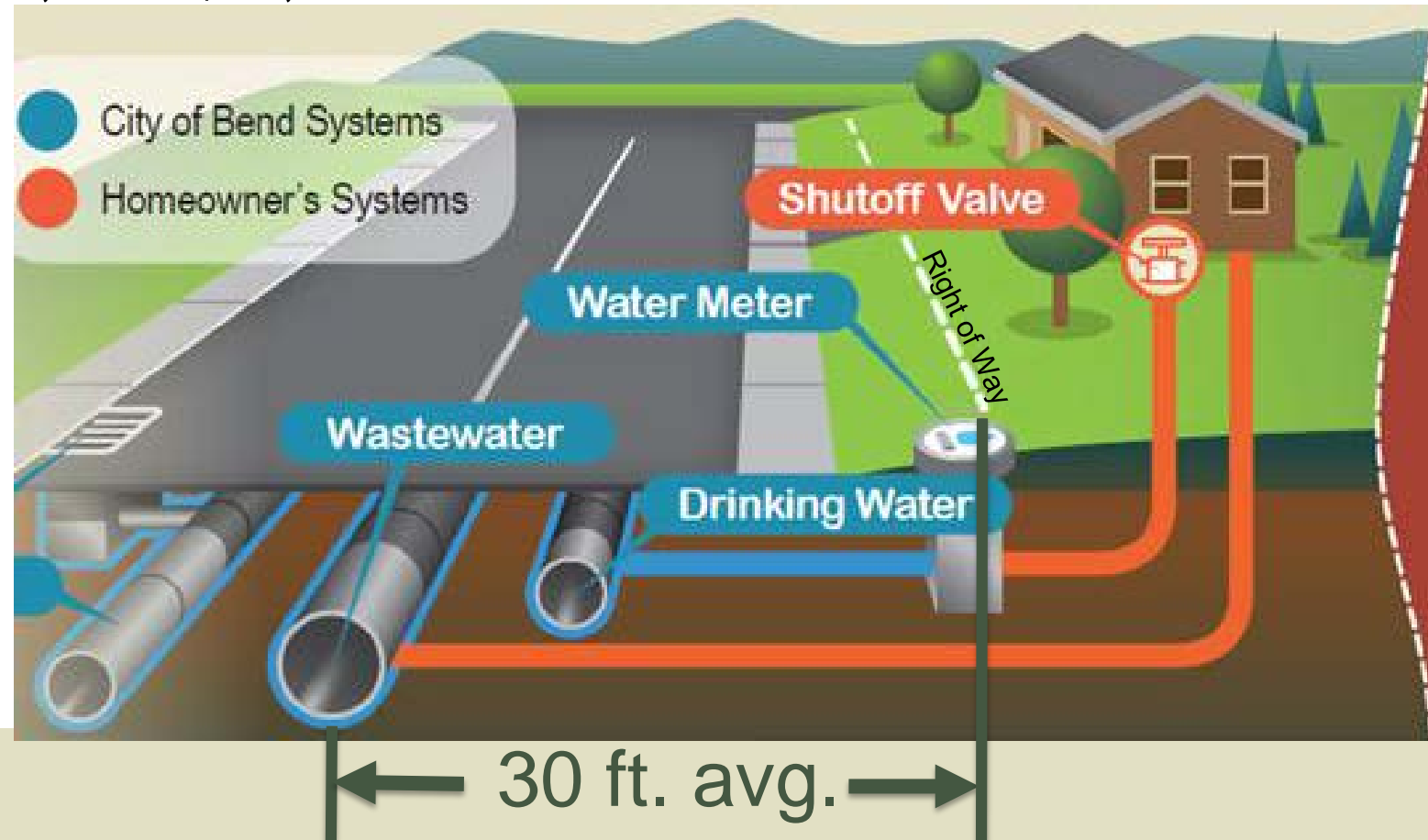


COUNCIL DECISION ON CONNECTION FEES & CONNECTION TIMING

SERVICE CONNECTION FEE



- Residential street right-of-way is typically 60 ft. wide
 - 30 ft. assumed average service
 - SEI Service costs = \$250 - \$350 /ft.
 - Potential Connection Fee = \$7,500 - \$10,000
 - Main line in street - City ratepayers paying \$800-\$2000/ft.



COUNCIL DECISION ON CONNECTION FEES



- Connection fees
 - Tiered
 - \$7,500 when provided stub out as part of system-wide infrastructure project (ie, SEI)
 - \$10,000 when provided as a local/neighborhood project
 - Should fees be reduced with an early connection? A model could be:

	Base Connection Fee*	Connect & Pay During 1st Year of Availability (50% discount)	Beyond Year 1
System-wide sewer infrastructure	\$7,500	\$3,750	Base Fee
Neighborhood Project	\$10,000	\$5,000	Base Fee

*Note: Connection fee is an estimate; actual fee may be higher or lower, based on cost of service studies and inflation.

AC RECOMMENDED COSTS VS. CITYWIDE APPROACH



	Advisory Committee Recommendation	Stub Out as part of a Local Project	Stub Out Provided as Part of a System-Wide Project
Public Portion of Project	\$18,000	-	-
Connection Fee- Connect within 1 Year	-	\$5,000	\$3,750
Connection Fee- Connect beyond 1 Year	-	\$10,000	\$7,500
SDCs (2018/2019)	-	\$4,655	\$4,655
Estimated Totals	\$18,000	\$9,655 to \$14,655	\$8,405 to \$12,155

***Private property costs can vary widely- these figures are estimates and do not include private pumps where necessary, extensive landscaping or structure relocation, etc.**

COUNCIL DECISION ON CONNECTION FEE STRUCTURE



- Connection fee
 - Tiered amount based on system-wide vs. locally initiated project
 - Incentivized fee for early connection
 - Should the City adopt a policy for mandatory connection?
 - If so, what time frame?

NEXT STEPS

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- Develop program details based on Council input and revise as necessary.
- Return with details November 7th with motions that give staff direction based on what we've heard tonight.
- Advertise for Program Manager.
- Motions will give staff specific direction on:
 - Long term Citywide program
 - Program criteria
 - Idea of a connection and incentive for early hookup
 - Moving forward with Nottingham/ Simplicity and \$10M investment in that neighborhood
 - Timing of connection- does Council want to require people to connect after a certain amount of time? Or do you want people to connect after failure?
 - Clarity on definition of when sewer is legally available - DEQ rule
- Public comment on the proposed council direction