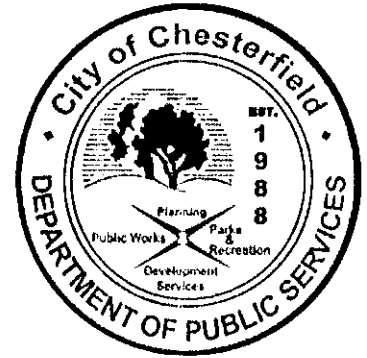


III.B.



DATE: January 16, 2013

TO: Michael G. Herring, ICMA-CM
City Administrator

FROM: James A. Eckrich, P.E.
Public Works Director / City Engineer

RE: Sewer Lateral Application Fee

Since beginning my employment with the City, I have had the chance to study and become familiar with the Sewer Lateral Program (Program). The Program is currently successful in that it provides funding for a number of sewer lateral repairs each year, while maintaining a healthy fund balance. The results of the Program from the previous three years are as follows:

	Applications	Denied	Repairs	Expenditures	Cash Balance On Dec. 31
2010	94	11	83	\$363,154	\$634,940
2011	101	12	89	\$282,556	\$727,673
2012	128	11	117	\$452,626	\$700,881

The Program is funded through a \$28 annual tax to residents which is utilized to repair or replace any sewer lateral located outside the building foundation of all single family homes, duplexes, condominiums, and multi-family building containing six or less dwelling units within the City of Chesterfield. In accordance with the Residential Sanitary Sewer Lateral Repair Policy and Procedures (Policy) adopted November 19, 2009, a resident is eligible for the Program if he/she has a:

- collapsed or broken lateral to the extent that free flow is not permitted
- severe offset of a joint that does not permit free flow
- severe blockage or belly that does not permit free flow
- severe blockage that cannot be removed by cabling

The first step taken by a resident is to contact a licensed plumber or drain layer to have the lateral line cabled. This cost is not reimbursed to the resident. If the plumber cannot correct the problem, the resident can then apply for assistance through the Program by filling out an application and submitting a \$200 application fee. After receiving the fee City staff reviews the available data, schedules a camera inspection, and, if eligible, repairs the defective section of the sewer lateral line.

In discussions with Matt Dooley, Compliance Supervisor who administers the Program, we believe the Program could be improved by reducing the fee charged to the residents. As stated above, the residents are already incurring a substantive cost to cable the lateral line. A reduction in the fee would relieve some of the financial burden to the residents and have minimal impact to the

fund balance. Over the past three years, the City has received between \$18,800 and \$25,600 in revenue from the application fee. The Sewer Lateral Fund could withstand the elimination or reduction of the application fee, as the Fund currently generates revenue of approximately \$420,000 per year, with a December 31, 2012 cash balance of \$700,881.

The current application fee was set at \$200 in an attempt to recoup the cost of the investigation and television of the sewer lateral line. While this is a reasonable approach, there is nothing which would restrict the use of the sewer lateral fund to cover a portion of the television and investigation. Accordingly, given that it appears that the sewer lateral fund can withstand the additional expenditures, Staff recommends that the application fee be reduced to \$100. We would actually prefer to recommend a further reduction, or elimination of the fee, but fear that if the fee were removed in its entirety, that additional residents without substantive sewer lateral problems may apply for the program. This would necessitate Staff denying additional applications and potentially eliminating any good will we would otherwise receive from the reduction in this fee. The City previously charged \$100 as a sewer lateral application fee, and we believe that a return to this fee would be appropriate at this time.

Should Council favor this reduction in the application fee, Staff would monitor the effect to the sewer lateral fund and report the results to the Planning and Public Works Board in March of 2014. If there are negative ramifications from the fee reduction, a different fee could be discussed at that time.

Action Recommended

< This matter should be forwarded to the Planning and Public Works Committee for its consideration of a reduction in the sewer lateral application fee from \$200 to \$100.

*ok'd
JGJ
1/21/13
→ P/PW COMMITTEE*

City of Chesterfield
Residential Sanitary Sewer Lateral Repair
Policy & Procedures
DRAFT REVISION – JANUARY 16, 2013

SECTION I - GENERAL

- A. The Owner of a single family home, duplex, condominium building, or multi-family building containing not more than six (6) dwelling units may recover one hundred percent (100%) of the authorized costs (up to \$15,000) in repairing defective lateral sewer service lines serving the property of the Owner, in compliance with the City of Chesterfield's Residential Sanitary Sewer Lateral Repair Policy and Procedures governing this program. The policy and procedures stated in this document must be followed in order to benefit from this program.
- B. Commercial and industrial properties cannot participate in the program. Multi-family and condominium developments that contain more than six dwelling units per building are not eligible for this program.
- C. Each Owner of a single family home, duplex, condominium building, or a multi-family building containing not more than six (6) dwelling units shall be assessed \$28.00 per year on their annual tax bill. Owners, who are delinquent in paying the tax bill, will not be allowed to participate in the program.
- D. A lateral sewer service line is a sewer line which extends from three to five (3-5) feet outside of the building foundation wall or exterior wall to the sewer main in the street or sewer easement. It does not include a sewer line located under any part of any building or structure. A lateral sewer line may be located in a front, side, or rear yard.
- E. Lateral sewer service lines that extend from three to five (3-5) feet outside of the building foundation wall or exterior wall to septic tanks are eligible; however, repairs to all mechanical, electrical & tank components, and the drain field, are ineligible.
- F. A defective lateral sewer service line is defined as a line that is not functioning properly due to one or more of the following reasons:
- Collapsed or broken to the extent that free flow is not permitted.
 - Severe offset of a joint that does not permit free flow.
 - Severe backfall or belly that does not permit free flow.
 - Severe blockage that can not be cabled out.

Tree roots growing through the bells and joints of the pipe are not considered to cause the line to be defective. Removal of the roots, which is a routine maintenance issue with older lateral sewer service lines, will allow the line to function properly.

SECTION II - INVESTIGATION

- A. If an Owner is experiencing a problem with their lateral sewer service line, the owner must first contact a licensed plumbing company or a licensed drainlayer to have the line cabled. (Sometimes the problem is not with the line itself, but may have become clogged by materials in the line.) As a common home maintenance expense, the cost of this cabling is not reimbursable by the Program. If the problem is not resolved by cabling of the line, the Owner should contact the City of Chesterfield Department of Planning & Public Works between the hours of 8:30 AM and 5:00 PM, Monday through Friday, to secure an application packet.

SECTION III - APPLICATION BY PROPERTY OWNER

- A. The Owner, not the tenant, must submit application for participation in the program. The application packet can be found on the City of Chesterfield's website, www.chesterfield.mo.us, or can be obtained at City Hall located at 690 Chesterfield Parkway West, between the hours of 8:30 AM and 5:00 PM, Monday through Friday.
- B. A non-refundable application fee of \$100, which covers the cost of the initial video investigation, shall apply.
- C. A completed application form is to be submitted to the Department of Planning & Public Works by the property owner with 1) \$100 application fee, 2) written documentation from a licensed plumbing company or licensed drainlayer that the line could not be opened, and 3) paid tax receipt.

SECTION IV - CITY REVIEW

- A. Department of Planning & Public Works verifies problem by use of video camera service company (annually contracted by City) and/or dye testing.
- B. The video service company will schedule an appointment with the owner to perform the video investigation and will mark on the lawn the location of the line.
- C. Department of Planning & Public Works reviews videotape and report by video company and either accepts or denies repairs.
- D. Priority for video investigations and any necessary repairs are based on a first come, first served basis.

SECTION V - REPAIR PROCEDURE

- A. The Department of Planning & Public Works shall prepare specifications and solicit bids annually to provide service under this program. The contractor who submits the most responsive, best and lowest bid, as determined by the City, shall be awarded the contract.

- B. If it is determined by the video investigation that the lateral sewer service line is defective, the City will authorize the contractor to make the necessary repair.
- C. At their sole discretion, the Owner may solicit bids for the necessary repair work. Bids must be solicited from at least three (3) contractors, who shall be Master Drainlayers, licensed by St. Louis County. A list of licensed Master Drainlayers will be provided to the Owner to assist them in selecting three (3) contractors to solicit bids from. The Department of Planning & Public Works will provide a packet of information to the Owner which outlines the bidding process and requirements.
- D. The corrective work which is subject to reimbursement under the Program is limited to the excavation and repair of the lateral sewer service line, backfilling in a workmanlike manner, repairing sidewalks, driveways, and street pavement, and sodding of all disturbed areas. Additional work not covered by the program and shall be done at the Owners expense.
- E. The cost associated with the repair of street pavement and sidewalks located within public or private right-of-way shall not be included within the \$15,000 limit.
- F. In the event that accessory structures such as, sheds, garages, porches, decks, etc. or fences, patios, landscaping, mailboxes, underground sprinkler systems, underground dog fences and retaining walls, are in the path of the lateral sewer service line and lie over the damaged portion of the line, the Owner will be responsible for moving, and/or relocating any of these items, and will also be responsible for any and all costs associated with moving, and/or relocation of these items.

SECTION VI - ELIGIBLE REIMBURSEMENT COSTS

The following costs are authorized for reimbursement under the program:

- A. The cost of dye testing and/or further video investigation of the sanitary lateral sewer service line to determine the location and cause of the blockage or leak.
- B. The cost of excavation, backfill, and repair or replacement of the defective lateral sewer service line. This program does not cover excavation and repair of a defective lateral sewer service line which is located under the building or structure.
- C. Site restoration is limited to re-establishment of a reasonable grade using materials on-site, and sodding of all disturbed areas.
- D. The cost of restoration of street pavement or sidewalk located on public or private right-of-way, and driveways and sidewalk located on private property, in accordance with paragraph F of Section V, Repair & Reimbursement Procedure.
- E. Administrative costs incurred by the City including but not limited to bidding, contract management costs, cost of materials and labor for repair to public infrastructure and other

offsite work done by the City under this policy. Such costs shall include recovery of the proportional amount of salary and benefits costs incurred in administration of this program. Such costs shall be reimbursed to the General Fund of the City as miscellaneous income.

SECTION VII - NON-ELIGIBLE COSTS

The following costs are not authorized for reimbursement under the program:

- A. The cost of interior clean-up or other damage to the interior of the home or personal property caused by sanitary sewer back-ups resulting from the failure of the sanitary sewer lateral.
- B. The cost of lost wages or income to the home occupant due to absence from work necessary to work with the City or contractors to complete the repairs necessary under the program.
- C. The initial cost of cabling or other similar methods to attempt to clear the blockage prior to repair, in accordance with paragraph A of Section II, Investigation.
- D. The cost of repair, replacement, relocation, or damage to mailboxes, underground sprinkler systems, underground dog fences, trees, shrubs, landscaping, retaining walls, fences, patios, porches, decks, accessory structures, or any damage caused by the performance of the contractor.
- E. All costs, if it is determined that the need for such repair or replacement of the sanitary sewer lateral is determined to be the result of a natural disaster, negligence or damage during the course of other excavation or construction on the site.

SECTION VIII - PROGRAM'S FUND

- A. No individual repair shall be charged against the fund in an amount in excess of Fifteen Thousand Dollars and No Cents (\$15,000.00). Any costs in excess of this amount shall be the responsibility of the Owner.
- B. The City shall invest the money collected for this Fund until needed. Any interest earned shall be added to the Fund. The money in this Fund is dedicated to and shall be used only for sewer lateral repairs, including all administrative costs incurred by the City, in accordance with paragraph E of Section VI, Eligible Reimbursement Costs.
- C. As stated in Section 2 of Ordinance No. 1814, the Planning and Public Works Committee may periodically amend these guidelines in the best interests of the City and its homeowners, except as state law may restrict them.