

# Memorandum

## Department of Public Works



**TO:** Michael O. Geisel, P.E.  
City Administrator

**FROM:** James A. Eckrich, P.E. *JA*  
Public Works Dir. / City Engineer

**DATE:** October 31, 2022

**RE:** 2022 Sewer Lateral Fund Budget Adjustment

In 2000 the voters of Chesterfield approved the collection of \$28 from every single-family home, duplex, condominium building, and multi-family building containing six or less dwelling units for the purpose of repairing defective sanitary sewer laterals. In this context, a sanitary sewer lateral is defined as the portion of the sanitary sewer which extends from outside the building foundation to the public sanitary sewer main. Eligible costs include camera investigation, excavation of the defective lateral, repair of the lateral, backfill, and site restoration. The City of Chesterfield collects approximately \$440,000 annually for this purpose.

Through the Sewer Lateral Program the City of Chesterfield oversees the repair of approximately 120 sewer laterals per year, with an average repair cost of approximately \$3,700. The program works as follows: Residents experiencing sewer lateral problems first contact a plumber of their choice to have their sewer lateral cabled. This initial cabling is a regular maintenance expense and is NOT eligible for reimbursement through the Sewer Lateral Program. If a problem is encountered, or the line cannot be opened, the resident can apply for the Sewer Lateral Program by submitting an application and a \$100 fee. As you may recall, the fee was reduced from \$200 to \$100 in 2013 due to the healthy fund balance of the Sewer Lateral Fund at that time. Once in receipt of the application and fee the City schedules a video investigation and, if eligible, coordinates the repair of the defective sewer lateral. The camera investigation and repair are completed by a plumbing contractor under contract with the City of Chesterfield. This allows the repair to be completed in the most timely and cost effective manner possible.

The Sewer Lateral Program is an excellent service which helps 100+ residents each year fund necessary repairs in order that their sanitary sewer functions properly. Updates regarding the Sewer Lateral Program are included each month within the Public Works Department Monthly Report. The benchmark for user approval of the sewer lateral program is 80%, with an actual approval rate of 98% in 2020 and 2021. This clearly is a popular program with those residents who need it.

The City of Chesterfield periodically bids investigation and repair services to ensure that we are receiving the lowest cost possible. The Department of Public Works most recently bid these services in 2021, after which the City Council authorized a contract with the low bidder, Tope Incorporated. Tope has provided excellent service to the City of Chesterfield for a number of years. The most recently approved contract includes an option for three one-year extensions at unit costs not to exceed three percent annually.

We closely monitor expenditures in the Sewer Lateral Fund and must report that to date we have spent approximately \$420,000 of the \$440,000 authorized in sewer lateral expenditures within the 2022 Budget. **Accordingly, I hereby request a 2022 Intra-Fund Budget Amendment within the Sewer Lateral Fund in the amount of \$45,000.** This can be accommodated within the current Sewer Lateral Fund – Fund Balance of \$98,000. Please note that November is the low-point of the Sewer Lateral Fund Balance as most of the revenue in that fund is received in December and January. This will have absolutely no impact on the General Fund Budget.

Sewer lateral fund expenditures will vary year-to-year and this Budget Adjustment is not necessarily cause for concern. For example, in 2021 the City only spent \$399,997 of the \$440,000 budgeted. That said, unit prices have been increasing which has promoted a full-scale analysis of the Sewer Lateral Fund and Program. That analysis will be submitted to the Planning and Public Works Committee in the first quarter of 2023.

### **Action Recommended**

This matter should be forwarded to the Planning and Public Works Committee for consideration. If PPW concurs with Staff's recommendation it should recommend to the full City Council a Budget Amendment of \$45,000 in the Sewer Lateral Fund.

Concurrence:

  
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Jeannette Kelly, Director of Finance

Please forward to PPW for review and recommendation. Will be forwarded to the full council after recommendation.

 2022-10-31