



City of West Allis

Matter Summary

7525 W. Greenfield Ave.
West Allis, WI 53214

File Number	Title	Status
2014-0220	Communication	Introduced
Communication from the Assistant City Engineer regarding the status of the proposal to establish a Private Property Inflow/Infiltration Reduction Fund and request for public hearing. Introduced: 4/15/2014 Controlling Body: Public Works Committee		

COMMITTEE RECOMMENDATION

	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
ACTION DATE:	_____	_____	Barczak				
	_____	_____	Czaplewski				
	_____	_____	Lajsic				
	_____	_____	May				
	_____	_____	Probst				
	_____	_____	Reinke				
	_____	_____	Roadt				
	_____	_____	Sengstock				
	_____	_____	Vitale				
	_____	_____	Weigel				
			TOTAL	_____	_____	_____	_____

SIGNATURE OF COMMITTEE MEMBER

_____ Chair
 _____ Vice-Chair
 _____ Member

COMMON COUNCIL ACTION

	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
ACTION DATE:	_____	_____	Barczak				
	_____	_____	Czaplewski				
	_____	_____	Lajsic				
	_____	_____	May				
	_____	_____	Probst				
	_____	_____	Reinke				
	_____	_____	Roadt				
	_____	_____	Sengstock				
	_____	_____	Vitale				
	_____	_____	Weigel				
			TOTAL	_____	_____	_____	_____

Memorandum

TO: Administration and Finance Committee
Board of Public Works

FROM: Joseph Burtch, Assistant City Engineer

DATE: April 15, 2014

RE: Communication from the Assistant City Engineer regarding the progress on the proposal to establish a Private Property Inflow/Infiltration Reduction Fund.

The proposal to implement a Sanitary Lateral Fund (Private Property Inflow/Infiltration Reduction Fund) includes an annual fee for each residential property of forty dollars (\$40), or ten dollars per quarter, along with Special Assessment for work performed on the property. This Special Assessment on the properties that work is performed on based on the type of work done. The proposed Special Assessment for lateral rehabilitation is fifteen hundred dollars (\$1,500) and three thousand dollars (\$3,000) for emergency repair.

Attached to this memo is a program cost analysis, a one page program summary and a draft ordinance for the proposed program. I will continue to working with our Attorney's office finalize the ordinance prior to going to public hearing.

I am requesting at this time to proceed with a distribution of the proposed project information to the residential property owners followed by a public hearing for the Private Property Inflow/Infiltration Reduction Fund. A detailed program policy will be developed prior to the public hearing.

Cc: Mayor Dan Devine
Paul Ziehler, CAO
Mike Lewis, Director of Public Works/City Engineer

Memorandum

TO: West Allis Common Council
FROM: Joseph Burtch, Assistant City Engineer
DATE: April 15, 2014
RE: Cost analysis of the proposed Private Property Inflow/Infiltration Reduction Fund.

The Plumbing Permit records of recent sanitary lateral failure experiences was used to estimate future trends for failure rates. The estimated costs were established from a variety of repair costs for recent sanitary lateral failures. Because of the significant cost difference of repairs done in the street compared to repairs within the yard, an estimate for each type of repair was determined.

The estimated cost for emergency repair of a sanitary lateral in the street is \$12,000. The estimate for the repair within the yard is \$4,000. These costs would be offset by the proposed \$3,000 Special Assessment.

The following is an estimate of emergency repairs that could be expected in a "good" year, an "average" year and a "worst case" year:

<u>Failure Rate</u>	<u>In Street</u>	<u>In Yard</u>	<u>Construction Cost</u>	<u>Spec. Assess. Return</u>	<u>Total Cost</u>
Good Year -	2 failures	10 failures	\$64,000	\$36,000	\$28,000
Average Year -	4 failures	20 failures	\$128,000	\$72,000	\$56,000
Worst Case Year -	10 failures	30 failures	\$240,000	\$120,000	\$120,000

The cost for the rehabilitation of a sanitary lateral is estimated at \$5,500. This estimate was determined from contractor estimates for cured-in-place lining. A lifecycle of 110 years is estimated from current field conditions. There are 17,382 residential properties in West Allis, which means that 158 sanitary laterals should be rehabilitated annually. The cost to rehabilitate 158 laterals is \$869,000 for construction. With the \$1,500 Special Assessment total of \$237,000, the total cost estimate is \$632,000. The \$40 annual fee will generate \$695,280. After rehabilitations the remaining balance in the fund is an estimated \$63,280 for use on emergency repairs.

The fee and Special Assessment rates will be reviewed annually to ensure that the program is adequately funded.

Memorandum

TO: West Allis Common Council
FROM: Joseph Burtch, Assistant City Engineer
DATE: April 1, 2014
RE: Summary of the proposed Private Property Inflow/Infiltration Reduction Fund.

Purpose: The primary purpose of this fund is to provide a mechanism for improvements on residential private property to reduce excess flow in the City's sanitary sewer system.

- West Allis is under an enforcement ruling to reduce excess flows caused from I/I.
- West Allis needs to manage I/I to reduce the likelihood of future enforcements.
- Sanitary laterals and foundation drains on private property account for most of the I/I.

Benefits: This fund provides a great benefit to the residential property owners.

- Provide help to rehabilitate aging, leaking sanitary laterals. (Ave. cost \$4,000 to \$12,000.)
- Provide help for emergency repair of failed lateral. (Ave. cost \$5,000 to \$15,000.)
- Reduced risk for basement back-ups. (Reduced flows in wet weather from I/I removal.)
- Special Assessments for rehabilitations and repairs can be paid for on a 10 year plan.
- Provides a more efficient way to meet the City's flow reduction requirements.
- Can reduce future costs to expand the municipal sewer system.
- Establishes a fund that will provide a mechanism to continue to address aging infrastructure.

Residential Property Owner Responsibilities: Property owners will retain ownership of their sanitary service from the connection at the sewer main to the building. Owners are responsible for the following:

- General maintenance of the sanitary lateral
- Removal of blockages in the lateral (when removable without repair to the existing pipe)
- Cleanup from basement back-ups caused by blockages/failures in the lateral
- Inspection of the lateral (to provide proof of failure/excessive I/I)
- Special Assessment for lateral rehabilitation

Costs: The program does have a price tag which includes the proposed \$40 annual fee and the Special Assessment of \$1,500 lateral rehabilitation, or \$3,000 for emergency repairs. A Special Assessment provides the opportunity to spread the cost of a sewer repair over a ten year period, which is much easier to tolerate than having to pay immediately for work done privately.

Cc: Mayor Dan Devine
Paul Ziehler, CAO
Mike Lewis, Director of Public Works/City Engineer

ORDINANCE NO. xxx

AN ORDINANCE TO CREATE SECTION X.XXX OF THE REVISED MUNICIPAL CODE RELATING TO USER FEES FOR RESIDENTIAL PRIVATE PROPERTY SANITARY INFLOW AND INFILTRATION REDUCTION PROGRAM

BY Public Works Committee/Administration and Finance Committee

The Common Council of the City of West Allis do ordain as follows:

PART x. Section x.xxx of the Revised Municipal Code is hereby created to read:

x.xxx Residential Private Property Sanitary Inflow and Infiltration Reduction Program Fees.

(1) **Purpose.** It is determined and declared to be necessary and conducive to the protection of the public health, safety, welfare and convenience of the City to collect charges from all residential users of the City's sanitary collection system. This fee is collected under police power by the City of West Allis to satisfy the current stipulation by the State of Wisconsin to reduce Inflow and Infiltration from private property sources. The proceeds of such charges will be used solely to fund the reduction of Inflow and Infiltration in the sanitary system from residential private property sources, to include repair of structurally failed residential private sanitary laterals, the rehabilitation of private sanitary laterals in areas targeted for sanitary flow reduction, the rehabilitation of residential private sanitary laterals deemed by the City Engineer to be excessively leaking and other improvements to residential private property sanitary systems that, in the opinion of the City Engineer, will reduce or eliminate the source of clear water entering the sanitary system.

(2) **Definitions.** Unless the context specifically indicates otherwise, the meaning of terms used in this section shall be as follows:

- (a) "City" means the City of West Allis.
- (b) "Common Council" means the Common Council of the City.
- (c) "RPPSI/IR Program" means the Residential Private Property Sanitary Inflow and Infiltration Reduction Program. This is the program to reduce inflow and infiltration from private residential properties.
- (d) "The sanitary lateral program" means the Residential Private Property Sanitary Inflow and Infiltration Reduction Program.
- (e) "Residential unit" means a single unit or apartment providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

- (f) “Residential property” means a property with one to three dwelling units with no commercial, industrial or institutional use. (schools, churches, hospitals, fraternal organizations, municipal facilities, etc.)
- (g) “Sanitary lateral” means the sewer pipe that conveys the sanitary sewage discharge from a residential property from an accessible point outside the building foundation to the connection on the City’s public sanitary sewer main. The sanitary lateral is owned by the property owner.
- (h) “Structurally failed sanitary lateral” means a sanitary lateral that is no longer functional due to a structural failure of the pipe, such as a collapse, and cannot be cleared using traditional trenchless methods. Final determination of a structurally failed sanitary lateral shall be made by the City Engineer.
- (i) “Proof of failure of sanitary lateral” means information provided to the City Engineer by the property owner that demonstrates a sanitary lateral that is no longer functional.
- (j) “Blocked sanitary lateral” means a sanitary lateral that is no longer functional due to a blockage of the pipe caused by roots or solids that can be cleared using traditional trenchless methods.
- (k) “Fiscal year” means a twelve (12) month period commencing on the first day of January of any year.
- (l) “Operating budget” means estimated revenues and the estimated costs for the sanitary lateral program and debt service of the program for each fiscal year.
- (m) “Program costs” means the current expenses, paid or accrued, for repair, rehabilitation, foundation drain disconnection and program administration, as calculated in accordance with sound accounting practice and includes, without limiting the generality of the foregoing, insurance premiums, administrative expenses, executive compensation, the cost of construction and charges for the accumulation of appropriate reserves for current expenses not annually incurred, but which are such as may reasonably be expected to be incurred in accordance with sound accounting practice.
- (n) “User fee” means the charge established by the Common Council on residential property in the City connected to the City’s sanitary sewer system to pay the program costs for the sanitary lateral program.
- (o) “Rate” means the amount charged for the user fee on each residential property. The rate is determined by the Common Council for each fiscal year.
- (p) “Revenues” means all fees, assessments, rentals, fines or other charges or other income received by the City, in connection with the management and operation of the program, including amounts received from the investment or deposit of moneys in

any fund or account, as herein required, and any amounts contributed by the City, all as calculated in accordance with sound accounting practices.

- (q) "Debt service" means, with respect to any particular fiscal year and any particular bond series, an amount equal to the sum of (i) all interest payable on such bonds during such fiscal year, plus (ii) any principal installments of such bonds during such fiscal year.
- (r) "Infiltration" means the clear water entering the sanitary system through cracked pipes, holes in the pipes, leaking joints, etc.
- (s) "Inflow" means clear water entering the sanitary system through an illegal connection of downspouts, yard drains, foundation drains, sump pumps, etc. and the allowed connections of foundation drains from buildings constructed prior to the current sump pump regulations.
- (t) "Sewer main" means the public sanitary sewer, including the wye connection or riser pipe, which is owned by the City of West Allis. The public sanitary sewer conveys sewage from private sanitary laterals to the Milwaukee Metropolitan Sewerage District's collection system.
- (u) "Riser pipe" means the pipe rising vertically from the public sanitary sewer to connect a shallower sanitary lateral.
- (v) "Connection at sewer main" means the point at which the sanitary lateral connects to the wye pipe, or other connection such as a tee or a core on the sewer main or the connection to a riser. This point defines the division between the public sewer main and the private lateral with the connection at the sewer main being part of the public sewer.
- (w) "Inspection" means the inspection of the sanitary lateral from the connection at the sewer main to the building by closed circuit televising, recorded on a media viewable by the City Engineer, with adequate quality to make a condition assessment. An inspection will be required for lateral rehabilitation to be considered in this program.

(3) **Property Owner Responsibilities.** Property owner retains ownership of the sanitary service from the connection at the sewer main to the building. The following are the responsibilities of the property owner:

- General maintenance of the service. (cleaning and inspection)
- Removal of blockages in the service (a blockage is debris lodged in the service that can be removed without repair to the existing pipe)
- Cleanup from basement back-ups caused by blockages/failures in the service

- Inspection of the service to show proof of failure and/or need of rehabilitation. Inspection is required to provide proof of service failure or excessive inflow and infiltration to the City Engineer. (ie. Video of inspection or evidence from plumbing/pipe cleaning professional) (note: No scheduled inspections are required by the City.)

(4) **Residential Private Property Inflow and Infiltration Reduction Fund Provisions.**
The City of West Allis Residential Private Property Sanitary Inflow and Infiltration Reduction Program Fund will provide the following services as deemed necessary by the City Engineer:

- Repair of structurally failed sanitary lateral between the main to an accessible point outside of building (requires proof of failure from owner and levy of Special Assessment)
- Full rehabilitation of failing/leaking sanitary service from the main to an accessible point outside of building as deemed necessary by the City Engineer (Requires proof of excessive leaking from owner unless property is part of a flow reduction project and levy of Special Assessment) Schedule of rehabilitations shall be prioritized by the City Engineer.

(5) **Disposition of Revenue.**

(a) The user fees hereunder shall generate adequate annual revenues to pay costs for the Residential Private Property Sanitary Inflow and Infiltration Reduction Program.

(b) The portion of the total user fees collected which are designated for sanitary lateral repair, sanitary lateral rehabilitation, foundation drain disconnection and debt service, shall be deposited in a separate non-lapsing fund known as the "Sanitary Lateral Program Fund" and will be kept in three (3) primary accounts as follows:

- (i) An account designated for the specific purpose of defraying emergency repair of a failed sanitary lateral costs. (sanitary lateral repair account).
- (ii) An account designated for the specific purpose of sanitary lateral rehabilitation and foundation drain disconnection. (sanitary lateral rehabilitation account).
- (iii) An account designated for the specific purpose of payment of debt service (debt service account). The City may credit from this account to the general fund of the City sums to be expended for the retirement of outstanding sanitary lateral program indebtedness of the City.

(c) Fiscal year end balances in the sanitary lateral repair account, the sanitary lateral rehabilitation account and debt service account shall be carried over to the same accounts in the subsequent fiscal year and shall be used for no other purpose than those designated for these accounts. Moneys which have been transferred from other sources to meet temporary shortages in the sanitary lateral repair, sanitary lateral rehabilitation and debt service accounts shall be returned to their respective accounts upon appropriated adjustment of the user fee rates. The user fee rate shall be adjusted such that the transferred monies will be returned to their respective accounts within the fiscal year following the fiscal year in which the monies were borrowed.

(6) **User Fees and Rates.**

(a) **User Fee.** The Common Council shall require that adequate revenues are generated through user fees to provide for a balanced operating budget. A user fee shall be charged per sanitary lateral. The Common Council hereby authorizes the imposition of user fees on all developed residential property with sanitary service to the City's sanitary sewer system.

(b) **Rates.** The Common Council will establish rates for each fiscal year. All rates established by the Common Council will be fair and reasonable and calculated to achieve a balanced operating budget for the program. Current rates will be on file in the office of the City Clerk/Treasurer.

(7) **Billing and Payment.** Bills for the user fee shall be rendered as part of the water bill for the property and become due and payable on the same date as the water bill. A penalty of one and one-half percent (1- 1/2%) per month shall be added to bills not paid by the due date.

(8) **Lien.** All user fees established hereunder shall be a lien upon the property served pursuant to secs. 66.0821(4)(d) and 66.08xx of the Wisconsin Statutes and shall be collected in the manner therein provided.

Scott, which provision would you recommend, or feel is most appropriate?

(9) **Severability.** If any provision or part of this section is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this section shall not be effective thereby.

PART II. All ordinances or parts of ordinances contravening the provisions of this ordinance are hereby repealed.

PART III. This ordinance shall take effect and be in force from and after xxx x, 2013, following its passage and publication.

PASSED: XXber X, 2013

/s/ Paul Ziehler

CAO/City Clerk/Treasurer

APPROVED: XXXber X, 2013

/s/ Dan Devine, Mayor