

**BUREAU OF PUBLIC WORKS
SEWER HOUSE CONNECTION PROGRAM**

To: District Board

July 12, 2023

From: Bureau of Public Works

In 2019, the District Board established a Sewer Lateral Installation Program to assist property owners with the cost to renew or install a sewer house connection to their property by paying the District the costs over time. At the April 24, 2023 Bureau of Public Works meeting, the Bureau referred proposed ordinance revisions to the Committee on MDC Government related to changing District policy on the repair of sewer house connections on private property. The proposed ordinance revisions do not eliminate the property owner's ownership of, and maintenance responsibility for, the full length of the sewer house connection. But, if implemented the revised ordinances would permit the District to perform sewer maintenance or repair work on the private property portion of the sewer house connection. The Committee on MDC Government held a public hearing on the ordinance revisions on May 30, 2023. In addition to the forthcoming change to District policy and ordinances regarding repair of sewer house connections on private property, Staff recommends the Sewer Lateral Installation Program be discontinued and a new Sewer House Connection Program (the "Program") be established as described herein. The Program will support new sewer house connections and address failing private property sewer house connections by allowing for the installation of new or renewed (i.e., replaced or rehabilitated) sewer house connections on private property to be funded by the District.

The benefit of renewing sanitary sewer house connections is a reduction in infiltration from private property (contributing to the goals of the Clean Water Program), more effective Customer Service/Operations involvement in renewing house connections extending onto private property, and reduction of potential private property backups caused by deteriorated house connections, root intrusion, etc.

The Program includes five different scenarios, shown in the table below, based on a property owner's needs. Per MDC Sewer Ordinances § S1b, a sewer "house connection" is a pipe connecting a property to the main sewer. A "lateral" is a capped pipe laid towards a property during the original construction of a main sewer for the purpose of a future house connection for the property.

GENERAL CONDITIONS

Prior to acceptance into the Program, contracts and/or price quotes between the property owners and their contractor(s) must be submitted to Utility Services for review to verify the reasonableness of the scope of work and cost proposal. The District reserves the right to deny any price proposal. Any increase in the price due to unforeseen circumstances must be approved by the District prior to funding. The owner shall be bound to the terms of the written contract with contractor. If the contractor requires a deposit, the property owner will be responsible to pay the contractor. Monthly payments will be a separate line item on the water bill. There will be no pre-payment penalties.

PROPERTIES NOT CURRENTLY CONNECTED TO MDC SEWER **(Scenarios 1, 2 & 3)**

For new house connection installations, the property owner will have the ability to hire a private contractor to install sewer house connections on private property and fund the entire new sewer connection cost (assessment plus construction costs), with reimbursement to the District by the property owner over time. Upon satisfactory completion of the work, the District will pay the property owner's contractor for the cost of the work, up to \$10,000, and the property owner will sign a voluntary lien and repay the District over time, including interest at the same rate as sewer assessments (6%). The Program would offer property owners the ability to roll the installation costs of a new house connection into the property's assessment and for property owners to pay for the installation of house connections as part of their monthly water bill. The Program would be limited to 6-inch house connections for residential properties. Exceptions to the service size or type would be subject to approval by the Chief Executive Officer or his/her designee. Sewer house connections will only be funded if the house connection is built in accordance with District standards, permitted and inspected by the District.

For new house connection installations, the Program shall be funded from a Sewer House Connection Revolving Fund. In 2019 as part of the Sewer Lateral Installation Program, the District Board established the Sewer Lateral Revolving Fund with funds from the Assessable Sewer Fund. The Sewer Lateral Revolving Fund currently has a balance of \$1.17 million and will be renamed the Sewer House Connection Revolving Fund. Coupled with the revenue from the principal and interest payments, the Sewer House Connection Revolving Fund is expected to be self-sustaining.

PROPERTIES CURRENTLY CONNECTED TO MDC SEWER **(Scenarios 4 & 5)**

For maintenance/inspection and renewal of existing house connections, the Program will be funded from the Clean Water Program Rate Stabilization Fund and/or applicable grant funding.

Maintenance and/or Inspection of Existing House Connections

For property owners with existing sanitary house connections, the property owners are responsible for maintenance of the entire length of house connection per MDC Sewer Ordinance § S3s, "Maintenance of Sewer Connections". As part of the Program, the District will offer emergency and non-emergency maintenance and inspection services and provide funding for scheduled renewal of the house connection upon request of the Property Owner.

For maintenance and inspection services, the District will offer the property owner a qualified registered contractor to perform sewer rodding and/or CCTV inspection services at no cost to the property owner. Alternatively, the property owner may hire their own contractor to perform the services and the District will reimburse the property owner up to \$200 for a sewer rodding and/or \$300 per CCTV inspection. Reimbursement is

contingent upon the property owner obtaining a permit from Utility Services and arranging for an inspector to be on-site to witness the maintenance. Increases in reimbursement amounts will be subject to approval of the Chief Executive Officer or his/her designee. If the property owner chooses to utilize the District's qualified registered contractor, prior to the District's contractor performing any maintenance or inspection services the property owner will be required, in writing, to authorize the District and its contractor to perform the sewer rodding and/or CCTV inspection and release the District from any claims and liability for any damages incurred at the property that resulted from, or were caused by, a blockage within or the condition of the property's sewer house connection. The property owner shall also acknowledge in writing that the District is not assuming control or ownership over the house connection.

Following the maintenance and inspection services, the District will provide the property owner a report detailing the condition of the house connection based on the inspection. The District will utilize NASSCO guidelines, or other comparable industry guidelines, for assessment of the pipe's condition. If the condition report indicates that the house connection presently requires repair, then the District will schedule renewal of the house connection. The timeline for performing the renewal will be based on the condition of the pipe and the District's contractors' availability. The Property Owner must fully participate in the Backwater Valve and Private Property Inflow Disconnect Program before the District will perform renewal of the house connection.

If the condition report indicates that renewal of the house connection is not presently needed and routine maintenance can be performed to extend the life of the house connection, the District will provide the property owner with written instructions for a future maintenance plan including appropriate maintenance activities with suggested frequencies. Execution of the maintenance plan, including power rodding and/or CCTVing, will be the responsibility of the property owner at his/her own cost. The District will provide an estimated timeline for future inspection of the house connection based on the condition of the pipe and the potential likelihood of the house connection needing renewal in the future. Such timeline will be consistent with and based on criteria from the District's Capacity Management, Operations and Maintenance (CMOM) program for public sewer mains.

Renewal of Existing House Connections

Scenarios 4 & 5 relate to house connection renewals which may include pipe lining, pipe bursting or pipe replacement. Renewals must be for the full length of the house connection piping rather than only a damaged portion. If the property owner wants to point repair only a damaged section of the house connection, it will not be eligible for the Program.

For Scenario 4, the District will provide funding up to \$10,000 for the property owner to renew the private portion of the house connection. The property owner will be responsible for contracting with a licensed drainlayer or qualified, bonded and insured contractor. The District will provide the property owner its list of qualified contractors. Following completion and acceptance of the renewal work, the District will pay the contractor up to \$10,000.

For Scenario 5, if the District is rehabilitating or replacing a main line sewer under a construction contract, private property owners may participate in this program and have their house connection renewed at no cost. For circumstances where the length of the house connection or other factors make full renewal exceed \$10,000 in cost, the District reserves the right to renew the house connection under Scenario 4 where the District pays \$10,000 and the property owner would be required to pay for any work in excess of the \$10,000 limit.

At a meeting of the Bureau of Public Works held on July 12, 2023, it was:

VOTED: That the Bureau of Public Works recommends to the District Board passage of the following resolution:

RESOLVED: That the Sewer Lateral Installation Program approved in 2019 is hereby discontinued and the Sewer House Connection Program as described above and herein is hereby established:

Scenario	Sewer Type	New 6-inch House Connection in Public Right of Way	New 6-inch House Connection in Private Property	House Connection Renewal **
1	New sewer main – Layout & Assessment	District installs as part of the project, cost to property owner \$4,420* plus frontage and dwelling unit assessment	Property owner responsible for actual cost. District pays contractor and property owner repays District over time	N/A
2	Existing sewer main with existing lateral in ROW	District installed as part of the previous project, cost to property owner \$4,420* plus frontage and dwelling unit assessment	Property owner responsible for actual cost. District pays contractor and property owner repays District over time.	District responsible for public portion within the ROW.
3	Existing sewer main with no lateral in ROW	Property owner responsible for actual cost plus any assessment or connection charges due. District pays contractor and property owner repays District over time.	Property owner responsible for actual cost. District pays contractor and property owner repays District over time.	N/A

4	Existing sewer main with existing house connection to be renewed or replaced not under MDC construction contract	N/A	N/A	<p>Property Owner hires contractor to renew or replace house connection and District will pay contractor up to \$10,000.</p> <p>Property owner must fully participate in BWV Program, as determined by the District, to qualify.</p>
5	Existing sewer main with existing house connection to be renewed or replaced under MDC construction contract	N/A	N/A	<p>With Property Owner permission, the District or its contractor will renew or replace house connection at no cost to property owner.</p> <p>Property owner must fully participate in BWV Program, as determined by the District, to qualify.</p>

*\$4,420 – prevailing rate per lateral or inlet

** Renewals to include lining of lateral, require Private Property Inflow Disconnect work with prequalified contractors

Criteria of House Connection Program Scenarios 1, 2 & 3 (New House Connections):

- Properties requiring a new sanitary sewer house connection of 6” abutting an MDC sewer main. Exceptions to the lateral size or type is subject to approval of the Chief Executive Officer or his/her designee.
- Sewer house connections must be built to MDC standards by qualified, licensed, bonded and insured contractors.
- Limit of \$10,000 per property for sewer house connection installation for all work in public right-of-way and private property. Amount owed by property owner will be paid to District over fifteen years with same interest rate as sewer assessments (6%).
- Contracts and/or price quotes between the property owners and their contractors must be submitted to Utility Services for review to verify the reasonableness of the scope of work and/or cost proposal. The District reserves the right to deny any cost proposal. Any increase in the price of construction must be approved by

District in order for property owner to receive any increase of District payment to contractor.

- Property owner bound to terms of the written contract with contractor.
- The property owner will be required to provide written acceptance of the completed work in order for the District to issue payment to the contractor. Failure by the property owner to provide written acceptance will not alleviate the property owner's responsibility to pay the contractor for the completed work.
- Property owner shall indemnify the District for all claims for damages arising out of the work performed at the property.
- Property owner will sign a voluntary lien to be recorded on the land records and repay the District by monthly payments as a separate line item on the water bill.
- Any deposit required by the contractor will be the sole responsibility of the property owner.
- No pre-payment penalties
- Funded from a revolving fund in the Assessable Sewer Fund

Criteria of House Connection Program Scenarios 4 & 5 (Existing House Connections)

Maintenance and/or Inspection of Existing House Connections

- The District will offer the property owner a qualified registered contractor to perform sewer rodding and/or CCTV inspection services at no cost to the property owner. Alternatively, the property owner may hire their own contractor to perform the services and the District will reimburse the property owner up to \$200 for a sewer rodding and/or \$300 per CCTV inspection. Reimbursement is contingent upon the property owner contacting Utility Services to arrange for an inspector to be on-site to witness the maintenance. Increases in reimbursement amounts will be subject to approval of the Chief Executive Officer or his/her designee.
- If the property owner chooses to utilize the District's qualified registered contractor, prior to the District's contractor performing any maintenance or inspection services the property owner will be required, in writing, to authorize the District and its contractor to perform the sewer rodding and/or CCTV inspection and release the District from any claims and liability for any damages incurred at the property that resulted from, or were caused by, a blockage within or the condition of the property's sewer house connection.
- The property owner shall also acknowledge in writing that the District is not assuming control or ownership over the house connection.
- Property owner must fully participate in BWV Program, as determined by the District, to qualify.
- Renewals shall be installed for the full length of house connection pipe. Point repairs do not qualify for the Program.
- Sewer house connections renewals must be built to MDC standards by qualified, bonded and insured contractors.

Scenario 4

- Limit of \$10,000 per property for sewer house connection renewal for all work in private property. Any costs above \$10,000 will be the property owner's

responsibility and either paid at the time of work or the property owner can enter a payment plan with the District and sign a voluntary lien to be recorded on the land records.

- Contracts and/or price quotes between the property owners and their contractors must be submitted to Utility Services for review to verify the reasonableness of the scope of work and cost proposal. The District reserves the right to deny any cost proposal. Any increase in price of construction must be approved by District in order for property owner to receive increase of District payment to contractor.
- Owner bound to terms of the written contract with Contractor.
- The property owner will be required to provide written acceptance of the completed work in order for the District to issue payment to the Contractor. Failure by the property owner to provide written acceptance will not alleviate the property owner's responsibility to pay the Contractor for the completed work.
- Property owner shall indemnify the District for all claims for damages arising out of the work performed at the property.

Scenario 5

- If the District is rehabilitating or replacing a main line sewer under a construction contract, private property owners may participate in this program and have their house connection renewed at no cost to the property owner.
- For circumstances where the length of the house connection or other factors make full renewal exceed \$10,000 in cost, the District reserves the right to renew the house connection under Scenario 4 where the District pays \$10,000 and the property owner would be required to pay for any work in excess of the \$10,000 limit.
- For Scenario 5, contracts and/or price quotes between the property owners and their contractors must be submitted to Utility Services for review to verify the reasonableness of the scope of work and cost proposal. The District reserves the right to deny any price proposal. Any increase in price of construction must be approved by District in order for property owner to receive increase of District payment to contractor.

FURTHER

RESOLVED: The District's Sewer Lateral Revolving Fund, established in 2019, shall be renamed the Sewer House Connection Revolving Fund. Funding for Scenarios 1, 2 & 3 of the Sewer House Connection Program is authorized from the Sewer House Connection Revolving Fund.

FURTHER

RESOLVED: Funding for Scenarios 4 & 5 of the Sewer House Connection Program is authorized from the Clean Water Program Rate Stabilization Fund and use of any applicable grant money is hereby authorized.

Respectfully submitted,



John S. Mirtle, Esq.
District Clerk