File #: 20-281, **Version:** 1

Sanitary Sewer Infiltration and Inflow Program

RECOMMENDED ACTION (Motion):
Staff is seeking Commission direction on proceeding with the I/I Program and which fee schedule to propose.

EXECUTIVE SUMMARY:
A Sanitary Sewer Infiltration and Inflow Program is proposed to reduce stormwater from entering the sanitary sewer system. The program requires revisions to City Code and the Sanitary Sewer Design Standards. The program would also create a policy on how to work with private property to reduce infiltration and inflow (I/I). The policy will require private properties to disconnect direct connections of stormwater pipes and repair or replace their sanitary sewer service laterals. Participation will be required either on their own or through a City cost sharing program.

BACKGROUND:
The City's 2014 Sanitary Sewer Master Plan (SSMP) recommended further investigative work to reduce sewer Infiltration and Inflow (I/I) in Oregon City. Over the course of four years, CCTV inspection, smoke testing, and additional flow monitoring were performed for continuation of the study work recommended in the SSMP. The investigations have identified areas of the sanitary sewer collection system that show leakage and excessive flow resulting from I/I. Reducing I/I provides benefits to the public by resolving capacity issues for treatment at the Tri-City Wastewater Treatment Plant.

The City is currently under contract with Murraysmith, Inc. for services related to the City's I/I reduction program. Murraysmith has provided engineering assistance for further interpretation of testing results, assistance with planning further pipe condition assessment efforts, and development of short, medium, and long-term correction capital improvement project programs. Tasks also include developing policy and construction standards for rehabilitation or replacement of private laterals and disconnection of inflow sources such as gutter downspouts and foundation drains.

The I/I policy requires City Municipal Code changes. Those changes require Planning Commission and City Commission hearings through a legislative process. Public Works Engineering staff have presented the draft policy to the Development Stakeholder Group in November 2019 and to the Citizen Involvement Committee in December 2019. No negative comments were received, and both groups supported the I/I policy. Upon City Commission guidance, we anticipate presenting the policy to the two targeted neighborhoods that produce the most I/I in the City: Rivercrest and McLoughlin. Staff wants to confirm that the program should move forward and be implemented through various code changes and adoption, resolutions, and fee schedules later this year.

The private sanitary sewer service lateral policy and downspout disconnection policy was previously presented to the City Commission in May 2019 by Murraysmith. The direction of the City Commission

given regarding the private lateral repair portion of the program was to move forward with a cost-sharing mechanism with the homeowner and the City. Three options for customer fee of the private lateral are now proposed: Flat Rates, Tiered Rates, or Variable Rates. The flat rate is a base rate for all customers; tiered rate is a range of rates based on lateral length ranges; and variable rate is determined by the actual linear feet of lateral. Any option selected will allow two types of payment for the repair: pay in full or pay through an installment agreement over a period of time along with an administrative fee. To simplify the program and meet the abilities of the City's financial software, staff is seeking direction on which fee type to implement and what level (percentage) of fee should be used for the cost share of the private property owner.

The average repair cost for a sewer lateral on private property is approximately $8,400. This takes into account the average private-side lateral length in the City of 40 feet, and the average cost of repair per linear foot to be $210. This creates the following possible scenarios for cost sharing:

Flat Rate:
- Customer responsibility at 25% = $2,100;
- Customer responsibility at 33% = $2,775;
- Customer responsibility at 50% = $4,200

Tiered Rate:
- Customer responsibility at 25% = $1,050 (small laterals 0'-30');
- Customer responsibility at 25% = $1,840 (medium laterals 30'-40');
- Customer responsibility at 25% = $2,890 (large laterals greater than 40').

- Customer responsibility at 33% = $1,390 (small);
- Customer responsibility at 33% = $2,430 (medium);
- Customer responsibility at 33% = $3,815 (large).

- Customer responsibility at 50% = $2,100 (small);
- Customer responsibility at 50% = $3,675 (medium);
- Customer responsibility at 50% = $5,775 (large).

Variable Rate:
- Cost to customer varies by linear feet of lateral at 25%, 33% or 50%.

The City is currently projected to spend $10.4 million over the next five years for the Sewer 5-Year Capital Improvement Plan Program. With the assumption of sharing costs for the private lateral repair with the property owner, the City would reduce the amount of capital allocation for private sewer laterals by $750,000 to $1.5 million with the Flat Rate, or up to $2.1 million with the Tiered Rate (at highest level) within the 5-Year Capital Improvement Plan Program.

OPTIONS:
1. Continue or discontinue efforts to implement the Infiltration and Inflow Reduction Program
2. Customer Fee Options of Private Lateral Repair: Flat Rate, Tiered Rate, or Variable Rate
3. Cost Share of Private Lateral Repair: 25%, 33% or 50%
4. Payment Terms: yes or no; 24-48 months

BUDGET IMPACT:
Amount: Varies
FY(s): 2020-2024
Funding Source: Sewer Fund

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