

City of Ballwin

Memo

To: Robert Kuntz, City Administrator

From: Thomas H. Aiken, AICP, Assistant City Administrator / City Planner



Date: 12/3/14

Re: Sewer lateral program

Pursuant to the Board of Alderman's request for more information regarding sewer lateral fee revenues at the November 24th meeting, a review of the last four years of program history shows the following:

Number of dwelling units billed annually:	11,161
Current sewer lateral fee:	\$28
Average annual revenues received (four years):	\$312,500
Administrative cost deducted annually from fund (2015 budget)	\$33,477
Average funds available for sewer repairs:	\$279,023
Current average annual number of sewer lateral lines being repaired:	104
Maximum payment made for a repair (policy):	\$3000
Average payment per repair (four years)	\$2844
Average number of annual requests for funding:	125
Current backlog of projects waiting funding:	96
Annual revenue increase resulting from a \$50 fee:	\$245,550
Increase in administrative cost:	\$26,274
Additional revenue available for additional projects:	\$219,276
Number of additional annual repairs permitted under \$50 fee at \$2844:	77
Number or annual repairs permitted under \$50 fee at \$3000:	73

Increasing the sewer lateral fee from \$28 to \$50 would bring in an additional \$245,550 a year of additional revenues (\$558,050 total). Allowing for a similar increase in the administrative deduction, this increase would allow Ballwin to authorize 73 to 77 additional sewer lateral repairs per year. Allowing for the current annual rate of 125 requests per year for funding, this additional revenue would provide a surplus that will allow 52 - 56 of the 96 backlogged projects to be funded annually. This means that the backlog would be cleared in approximately 2 years and there would be more than sufficient annual money to fund the program going into the future, perhaps even at a higher level.

Ballwin has observed a dramatic increase in applications to the program resulting from video inspections of sewer laterals being done in conjunction with the sale of houses. These videos are frequently showing minor root infiltration into sewer lines that have no history of backups or sinkholes. Sellers, in order to placate buyers, are asking that these minor root intrusions that have no history of backups be repaired through the program. Ballwin has been doing this, but we are the only city that we know of that has been experiencing this phenomenon. Other municipal programs take the position that minor root intrusions that have not caused a backup should be outside of the scope of the program, fall into the realm of normal

maintenance and are not eligible for funding through the program. In this approach root intrusions are only considered eligible for funding if the problem recurs after cabling within one year or cannot be cleared at all at the time of initial occurrence. Evidence of more frequent than annual cabling would, however, be a justification for a root blockage to be eligible for funding

There are some sewer repairs that require work under streets, sidewalks, retaining walls, driveways, etc. The cost of such work becomes much larger than it is for a simple pipe repair in the yard. The overlaying structures have to be removed and replaced to allow the sewer to be repaired. In some cases a liner can be used to repair the failed line. This is a relatively new technology that was not specifically called out as an allowed expense in the ordinance that established this program. The addition of this process will probably not save Ballwin significant money, but it could save money for homeowners. It is recommended that the ordinance be amended accordingly.

Occasionally there is a sewer line failure under a street where a liner will not correct the problem. This requires the removal of the overlaying pavement to obtain access to the problem. This can be such an expensive proposition that homeowners frequently elect to accept the cost of frequent cabling to maintain a marginally functioning line because the funds needed to make the repair are beyond their means even with the \$3000 from the program. This happens 1-3 times per year. The proposition has been put forth that a special fund be established at the beginning of each year with some of the proceeds (maybe \$20,000) that can be drawn on to provide additional supplemental funding for these very expensive instances. The fund could only be drawn upon for work done to replace public improvements (sidewalks and streets) in the public right-of-way. No private improvements in the right-of-way or on private property would be eligible for funding under this special program. If the money in the fund is used up, a homeowner would have to wait for the subsequent round of funding for this part of the program to move forward. If money is left in this special fund at the end of the year, the money would be released into the regular program when the subsequent year's money is set aside for this fund. It is recommended that city crews be utilized if possible to do this street work. This would minimize cost and maximize the utility of the money put into this special fund.