



CITY OF URBANA, ILLINOIS
DEPARTMENT OF PUBLIC WORKS
ENGINEERING DIVISION

MEMORANDUM

TO: Mayor Laurel L. Prussing and Members of the City Council
FROM: William R. Gray, Public Works Director
Bradley M. Bennett, Assistant City Engineer
Justin Swinford, Civil Engineer II
DATE: March 23, 2017
RE: Sanitary Sewer Lateral Pavement Reimbursement Program Update

Background

Ordinance 2007-12-138, approved on December 17, 2007, established a reimbursement program for property owners for the cost of sewer lateral repairs located under City streets and sidewalks. The reimbursement program was intended to ease the financial burden for property owners who have to remove and replace a City street, alley, or sidewalk to repair their sewer service laterals. The percentage of City reimbursement was set at 50%, up to a maximum reimbursement amount of \$3,000, for the removal and replacement costs of public streets, alleys, or sidewalks resulting from sewer lateral repairs.

Ordinance 2013-02-016, which was approved on March 18, 2013, repealed Ordinance 2007-12-138 and established a new reimbursement program. The percentage of City reimbursement was increased to 75%, up to a maximum reimbursement amount was increased to \$4,500, for the removal and replacement costs of public streets, alleys, or sidewalks resulting from sewer lateral repairs.

Ordinance 2013-06-050, which was approved on June 27, 2013, amended section 24-49 of the City Code to increase the percentage of the City reimbursement to 100%, up to an increased maximum reimbursement of \$5,000 for the reasonable costs of materials, equipment, and labor involved in the removal and repairs to alley or street pavement and sidewalk and necessary backfill to effectuate such removal and replacement.

Property owners are not required to obtain quotes or bids for this work, as these repairs are often time sensitive and do not allow time for owners to contact multiple sewer contractors. There is also no requirement for contractors to pay prevailing wages for the work to qualify for this reimbursement.

Engineering Division staff has reviewed the reimbursement program and analyzed historical reimbursement data with the purpose of determining whether the reimbursement level is sufficient to cover the current costs of pavement repairs, as well as evaluating possible improvements to the program.

History of Reimbursements

Engineering Division staff has compiled the reimbursement data since the reimbursement program was first established in 2007. Reimbursements were organized by year and separated into three groups, defined by the ordinance under which they were made. A summary of those reimbursements is presented below:

Ordinance	Reimbursement Amounts, by Year:		Pavement Costs		Number of Reimbursements
			< \$5,000	\$5,000 or More	
2007-12-138 \$3,000 Max. Reimbursement	2008	\$7,353.11	3	0	3
	2009	\$1,767.80	1	0	1
	2010	\$10,218.10	6	0	6
	2011	\$10,792.97	2	3	5
	2012	\$15,311.51	8	1	9
	January - March 2013	\$4,705.00	1	1	2
	2008 - March 2013 Total:	\$50,148.49	21	5	26
2013-02-016 \$4,500 Max Reim.	April - June 2013:	\$8,016.42	2	1	3
2013-06-050 \$5,000 Max. Reimbursement	July -December 2013	\$18,985.00	5	1	6
	2014	\$25,914.66	3	3	6
	2015	\$31,790.08	2	6	8
	2016	\$15,000.00	0	3	3
	July 2013 - Present Total:	\$91,689.74	10	13	23

Table 1 – Number of Reimbursements by Year

The data above displays an increase in the cost of pavement replacements as well as the amount of money spent on reimbursements following the most recent ordinance. While this does represent a greater contribution to residents for work done on the City's streets, it also represents a likely increase in the cost of doing said work that coincides with the increased maximum reimbursement.

Next, the average costs for the sewer repairs (including pavement repairs) and the average reimbursement amounts were compared:

Ordinance	Reimbursement Amounts, by Year:		Number of Reimbursements	Average Pavement Replacement Cost*	Average Reimbursement*
2007-12-138 \$3,000 Max. Reimbursement	2008	\$7,353.11	3	\$4,637.58	\$2,732.27
	2009	\$1,767.80	1	\$3,955.35	\$1,977.67
	2010	\$10,218.10	6	\$3,771.85	\$1,874.46
	2011	\$10,792.97	5	\$4,899.80	\$2,303.19
	2012	\$15,311.51	9	\$3,526.79	\$1,778.44
	January - March 2013	\$4,705.00	2	\$4,847.39	\$2,423.69
	2008 - March 2013 Total:	\$50,148.49	26	\$4,093.62	\$2,068.87
2013-02-016 \$4,500 Max Reim.	April - June 2013:	\$8,016.42	3	\$3,670.67	\$2,753.01
2013-06-050 \$5,000 Max. Reimbursement	July -December 2013	\$18,985.00	6	\$3,259.93	\$3,259.93
	2014	\$25,914.66	6	\$5,930.71	\$4,378.79
	2015	\$31,790.08	8	\$4,176.07	\$4,023.89
	2016	\$15,000.00	3	\$6,077.80	\$5,000.00
	July 2013 - Present Total:	\$91,689.74	23	\$4,642.86	\$4,044.50
Program History Total:		\$149,854.65	52	\$4,170.97	\$2,876.29

Table 2 – Average Pavement Costs and Reimbursements by Year

*dollar amounts adjusted for inflation

As expected, the average reimbursement increased by approximately 33% and then 95% with the two program revision ordinances, relative to the original program. However, the average cost of pavement removal and replacement also increased 13% following the most recent ordinance revision.

Sanitary Sewer Lateral Pavement Reimbursement Options

Engineering Division Staff has identified three potential options to address the reimbursement of property owners for costs associated with sanitary sewer lateral repairs occurring under pavement within public right-of-way (ROW). These options include:

Option 1 – No Action

No modifications would be made to current City policy on pavement replacement for sanitary service lateral repairs. Property owners would be responsible for maintaining sewer service laterals and no changes would be made to the existing sewer lateral pavement reimbursement program. Property owners would be eligible for reimbursement of 100%, up to a maximum amount of \$5,000, of pavement removal and replacement costs within the public ROW.

There would be no financial impact for this option since none of the existing City policies or programs would be modified.

Option 2 – Increase Reimbursement Maximum

The City would reimburse the full cost, up to an increased maximum amount of \$6,000 or more, to the property owner for street pavement removal, replacement, and backfill for the repair of the sanitary sewer service lateral under the pavement in a City street. The property owner would still be responsible for replacing, repairing, and maintaining their sewer service lateral. Due to prevailing wage requirements, the City could not pay the contractor directly for the pavement removal and replacement costs.

While the average cost of pavement replacement under the existing program is below the \$5,000 maximum, 8 of the 22 reimbursements made during that period exceeded \$5,000, and the average pavement replacement cost in 2016 was just over \$6,000. Each sewer repair presents a unique situation, so the average costs are not reflective of all pavement repair costs.

Depending on the increase in the maximum reimbursement, the Sewer Benefit Tax may have to be increased. The annual sum of payments under the existing program has never exceeded the \$40,000 budgeted each year. A maximum of \$6,000 or less would not require an increased budget amount if participation in the program remains at current levels.

Option 3 – Unit Price Reimbursement

The City would reimburse the property owner for the cost of the removal and replacement of the pavement and necessary backfill based on unit prices for construction items. These unit prices would be determined by the City, based on historical data, and intended to cover the average cost of pavement repairs. Unit prices would be included for items such as backfill; sidewalk pavement; concrete curb and gutter; and concrete, asphalt, or brick street pavement.

A unit price reimbursement program would also allow for an increased reimbursement maximum or elimination of the maximum altogether. The City's ROW standards dictate maximum and minimum dimensions for pavement removal and replacement, which prevent the removal and replacement of excess pavement while also requiring that a sufficiently sized repair is made.

Unit price reimbursements would ensure a fairer distribution of funds to property owners that are initially responsible for pavement repairs associated with sewer lateral repairs, as the reimbursements would be proportional to the amount of work done, not just the cost of the work done. This revision to the program would also reduce the responsibility of the property owner and contractor to report the cost of the pavement repair. The City's ROW Technician is currently responsible for inspecting this type of work and quantity measurement would be included in that role for future inspections.

The City of Champaign currently uses a unit price reimbursement program with maximum amounts depending on whether the replaced pavement is brick or other materials. A summary of that program is attached.

Recommended Action

The Public Works Department requests guidance from Council on which option to pursue regarding sanitary sewer lateral repairs within the public ROW.

Attachments: Appendix A – City of Champaign Sewer Lateral Pavement Reimbursement Program Summary

**A REVISED POLICY REGARDING
REIMBURSEMENT FOR SEWER CONNECTION REPAIRS**

- A. Basic Policy Statement. Each building in the City accessible to a collector sewer is required by law to be connected to the City sanitary sewer system. The City recognizes that some buildings connected to the City sanitary sewer are required to dig into City pavements to effectuate repairs and that some buildings have, for a long period of time, lacked such connection to the sanitary sewers for a wide variety of reasons. Additionally, many buildings have a non-mandatory connection to the storm sewer system, repair of which may also require digging into City pavements.
- B. Notice to City. Upon discovery of a repair to a sanitary or storm sewer connection requiring the disturbance of City pavement, or a lack of connection to a sanitary sewer, the owner of the sanitary or storm sewer shall notify the City's Public Works Department, Engineering Division, in a timely fashion.
- C. Arrangements. The owner shall make arrangements with an appropriate contractor to make such repair or connection as is required by law. The owner should request the contractor to provide a detailed estimate for work proposed prior to the commencement of work. The estimate shall include detailed costs for removal and replacement of publicly owned pavement infrastructure (i.e. sidewalks, curbs, alleys or streets) in the case of a repair. The estimate shall include detailed costs for a lawful connection in the case of a new connection to the sanitary sewer.
- D. Costs.
1. REPAIR. The property owner shall be responsible for the initial payment of all costs of repair of all private sanitary and storm sewer connections. If construction is required under City pavement between the property line and public sewer, the City will, upon submission of reasonable supporting information, reimburse the owner of the property for pavement related costs incurred for repair of the private sanitary or storm sewer connection up to the limits detailed in the following paragraph.

Reimbursement shall be limited to 100% of the reasonable costs of the publicly owned pavement infrastructure and necessary backfill to effectuate such removal and replacement up to Three Thousand Dollars (\$3,000), or up to Five Thousand Dollars (\$5,000) if the repair requires disturbance of a brick street. The City Engineer's determination of the reasonable supporting information and a reasonable cost of

construction shall be determinative of the City's reimbursement irrespective of the cost actually incurred by the owner.

2. CONNECTION. The property owner shall be responsible for the initial payment of all costs of connection. For buildings that are being connected to the sanitary sewer and which have previously been connected to a storm sewer or which have previously not been connected to the public sanitary sewer system, the City will, upon submission of reasonable supporting documentation, reimburse the owner for actual connection costs up to the limits detailed in the following paragraph.

Reimbursement shall be limited to 100% of the reasonable connection costs up to Three Thousand Dollars (\$3,000), or up to Five Thousand Dollars (\$5,000) if the connection requires disturbance of a brick street. The City Engineer's determination of the reasonable supporting information and a reasonable cost of construction shall be determinative of the City's reimbursement irrespective of the cost actually incurred by the owner.

- E. Eligibility. The City shall reimburse property owners of any property type, including and not limited to single family or multifamily residential, commercial and industrial structures.

The City will reimburse where:

- 1) Repair is needed between the property line of the building and the public sewer, and the required repairs disturb the publically owned pavement infrastructure; or
- 2) The building has never been connected to a sanitary sewer.

No sewer connected to a building constructed within 10 years of adoption of the policy shall be eligible for reimbursement, except under the repair provisions of Subsection D1, and no building shall be eligible for reimbursement under both the repair criterion and the connection criterion.

- F. Funding. All funds for reimbursement under this policy shall come from the Sanitary Sewer Fund or such other fund approved by the City Council.

- G. Retroactivity. This policy does not include retroactivity. The date of approval of this policy by the City Council shall be the effective date of the program.

- H. Loans - Wrongful Connections. The City shall offer to each person with existing sanitary service connections to a storm sewer required to make a corrected connection to the sanitary sewer the opportunity to borrow funds from the City for the remaining portion of costs not met by the reimbursement. The loan shall be secured and be for terms not to exceed ten (10) years at an interest rate of six percent (6%).



Public Works Department • Engineering Division • 702 Edgebrook Drive • Champaign IL 61820
 (217) 403-4710 • fax (217) 403-4755 • www.ci.champaign.il.us

ITEM	UNIT	MAX. Reimbursement
Oil & Chip Removal & Replacement ¹	SY	\$80/SY
Concrete Pavement Removal & Replacement ¹	SY	\$125/SY
Asphalt Pavement Removal & Replacement (full-depth asphalt pavement) ¹	SY	\$125/SY
Asphalt Pavement Removal & Replacement (asphalt surface over concrete base course) ¹	SY	\$220/SY
Brick Pavement Removal & Replacement ¹	SY	\$265/SY
Flowable Fill ²	CY	\$135/CY
Granular Backfill ²	CY	\$55/CY
Curb and Gutter Removal & Replacement	LF	\$55/LF
Sidewalk Removal & Replacement ³	SF	\$15/SF
Traffic Control ⁴	LSUM	\$750
Mobilization/Demobilization	LSUM	\$750

¹ As per City of Champaign Manual of Practice Appendix A, Section 181.00

² As per City of Champaign Manual of Practice Chapter 25, Section 25.01 B.3.b.4. and 25.03B

³ As per City of Champaign Manual of Practice Chapter 11 and Chapter 25, Section 25.02

⁴ As per City of Champaign Work Area Protection Guide

Updated: 01/09/2008

Approved by:
 City Engineer

W. Roland White 1/9/08