



**CITY OF URBANA, ILLINOIS  
PUBLIC WORKS DEPARTMENT  
ENGINEERING DIVISION**

**MEMORANDUM**

**TO: Mayor Diane Wolfe Marlin 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: November 9, 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 sanitary sewer lateral (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 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 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Ordinance 2013-02-016, which was approved on March 18, 2013, repealed Ordinance 2007-12-138 and established a new reimbursement program.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 City reimbursement percentage was increased to 75% and the maximum reimbursement amount was increased to \$4,500 for the removal and replacement costs of public streets, alleys, or sidewalks resulting from 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 presented this information, as well as analysis of historical data at the March 27, 2017 Urbana City Council Meeting. Direction from Council was to 1) develop a unit price program for pavement reimbursement and 2) explore the possibility of having private sewer contractors publish their own unit prices for residents to compare.

## 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.

### **Contractor Input**

Once the preliminary program revisions were drafted, the Engineering Division sought input from private sewer contractors. Contractors that had participated in this program in the past, as well as some contractors that might participate in the future, were contacted regarding possible changes to this program. A meeting was held on June 30, 2017, and phone conversations were conducted with representatives from multiple companies.

At that time, the concept of publishing prices for sewer repairs was also discussed. All responses to that concept shared the concern of contractors becoming tied to certain prices that did not allow room for adjustments in situations where the costs could be higher. There was a more positive response to the unit price reimbursement program, as it would still allow for contractors to adjust their charges for each unique project.

### **Sanitary Sewer Lateral Pavement Reimbursement Program Revisions**

Engineering Division Staff has developed an outline for proposed changes to this program. The changes include a revised application procedure, a set of unit prices for reimbursement to property owners for pavement work, and the elimination of a maximum reimbursement amount.

## Application and Verification

Upon completion of the pavement repair, the property owner would fill out an owner information sheet and submit copies of the invoice(s) from the contractor. The quantities for reimbursement would be listed on the application and would be verified by the City's Right-of-Way (ROW) Technician. This revision to the program would reduce the responsibility of the property owner and contractor to report the cost of the pavement repair. The City's ROW Technician is responsible for inspecting pavement repairs and quantity measurement would be included in that role for future inspections.

## Unit Prices

Property owners would be reimbursed based on pre-determined unit prices for the amount of pavement replaced. Unit prices will be provided for five separate items:

- |    |                   |                       |
|----|-------------------|-----------------------|
| 1. | PCC Pavement      | \$300 per Square Yard |
| 2. | HMA Pavement      | \$255 per Square Yard |
| 3. | Brick Pavement    | \$400 per Square Yard |
| 4. | PCC Sidewalk      | \$55 per Square Foot  |
| 5. | PCC Curb & Gutter | \$110 per Linear Foot |

These quantities would be reported by the contractor on the application form and field verified by the City's ROW inspector upon completion. The unit prices are intended to cover the cost of all items incidental to the construction of the new pavement (traffic control, forms, finishing, backfill, etc.). There would no longer be a requirement for the contractor to break down the cost of the sewer repair to the items currently listed on the application form.

These prices were determined using historical data from the Sanitary Sewer Lateral Reimbursement Program, as well as current City construction project prices. Locations from previous reimbursements were revisited and quantities measured for comparison of proposed unit prices to actual pavement repair costs.

The City of Champaign offers a similarly structured unit price reimbursement program for pavement repairs incidental to lateral repairs. The City of Champaign program, however, includes prices for items such as backfill, traffic control, and mobilization. Those items are accounted for in the unit prices proposed above. A summary of the City of Champaign program is included as Attachment B.

## Elimination of Maximum Reimbursement

A unit price program would also allow for elimination of the maximum reimbursement. 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 pavement repair is made. There would be a condition for the application that the reimbursement amount cannot exceed the total cost of the sewer repair. This will ensure that property owners do not profit from the sewer repair.

Unit price reimbursements would ensure a fairer distribution of funds to property owners that are responsible for pavement repairs associated with lateral repairs, as the reimbursements would be proportional to the amount of work done, not just the cost of the work done.

**Financial Impacts to the City Budget**

The unit prices proposed in this memo were developed with the purpose of aiding in the payment of pavement repair costs without increasing the amount of money spent by the City for these repairs. For comparison, the unit prices were applied to the quantities measured for previous pavement repairs. The result of this comparison (with adjustments for inflation) showed that if reimbursements had been made at the proposed unit prices, the City would have spent approximately 0.2% more money over the course of ten years. Therefore, there is no expected impact to the budget for this program.

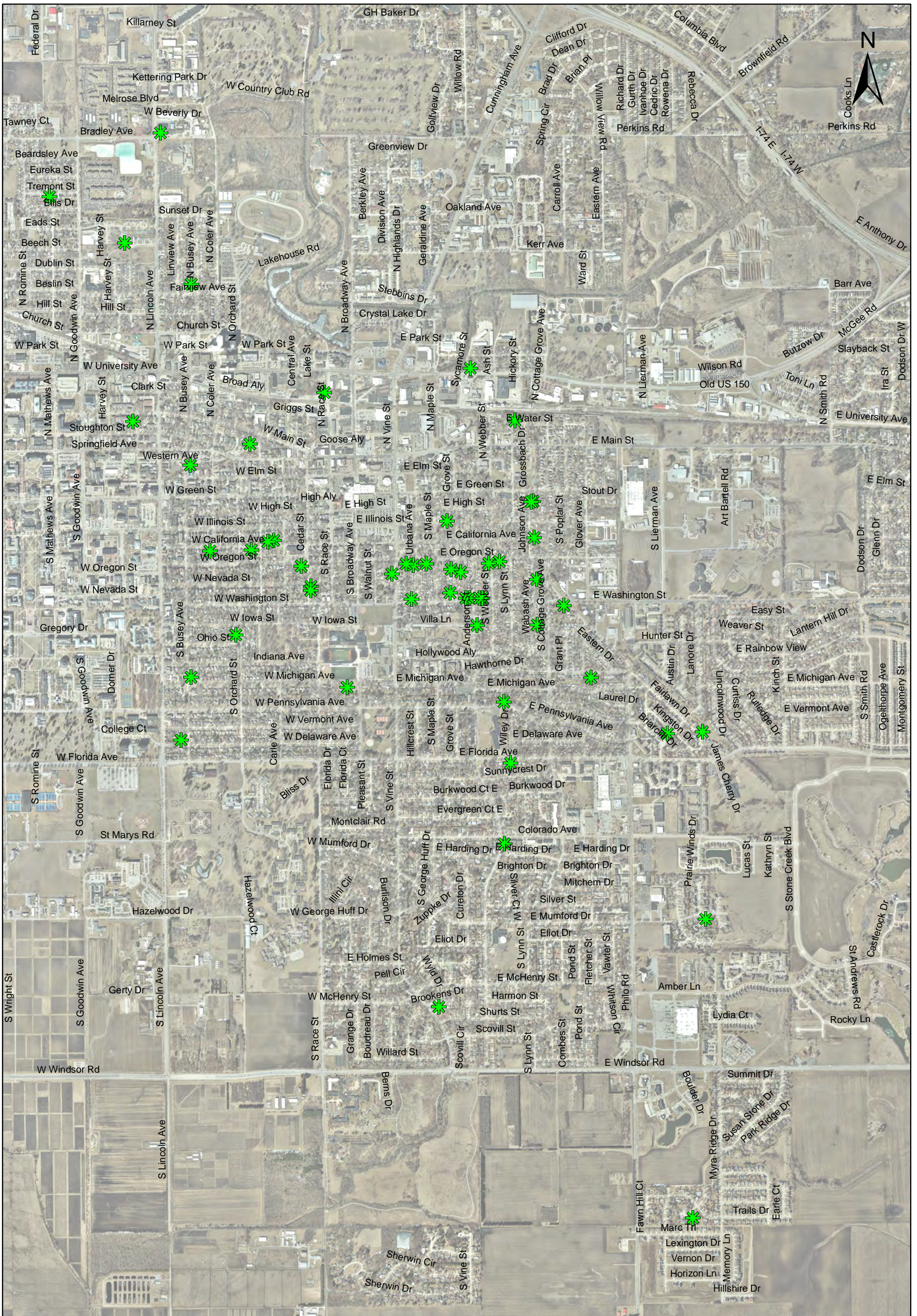
**Recommended Action**

With direction from Council, the Engineering Division will produce an ordinance adopting the recommendations of this memo to be passed at a future Committee of the Whole Meeting.

**Attachments:**

A – Sanitary Sewer Lateral Pavement Reimbursements Map

B - City of Champaign Sewer Lateral Pavement Reimbursement Program Summary



**ATTACHMENT A -**  
**SANITARY SEWER LATERAL**  
**PAVEMENT REIMBURSEMENTS**  
**2008-2016**

**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%).





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

<sup>1</sup> As per City of Champaign Manual of Practice Appendix A, Section 181.00

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

<sup>3</sup> As per City of Champaign Manual of Practice Chapter 11 and Chapter 25, Section 25.02

<sup>4</sup> As per City of Champaign Work Area Protection Guide

Updated: 01/09/2008

Approved by: W. Roland White 1/9/08  
 City Engineer