



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: January 4, 2018
RE: Sanitary Sewer Lateral Pavement Reimbursement Program

Background

The Sanitary Sewer Lateral Pavement Reimbursement Program was created in 2008 to assist property owners with the financial burden of removing and replacing street and sidewalk pavement when repairing or reconstructing a sanitary sewer lateral. This program was later revised from a 50% reimbursement with a \$3,000 maximum to a 100% reimbursement with a \$5,000 maximum.

An outline for proposed changes to this program was presented at the November 17, 2017 Committee of the Whole meeting. This included a shift to a unit price based reimbursement schedule and the elimination of the maximum reimbursement. The direction from Council was to develop an ordinance adopting this program, with the following comments:

1. Include a unit price for mobilization to aid in covering the costs of smaller projects
2. Incorporate a financial assistance program to cover the cost of construction between the payment of the invoice and the reimbursement date.

These comments are addressed in the following ways:

1. A lump sum unit price of \$750 was added for mobilization and demobilization. Unit prices for street pavement were adjusted to maintain the minimal budget impact. These unit prices are included in the ordinance.
2. The Community Development Department administers an income-qualified grant program, summarized below:

Emergency Grant (EG) funds may be utilized only if the repair is immediately needed to mitigate a hazardous condition. Up to \$8,000 in Emergency Grant funds are available per project. Eligible activities include only those repairs necessary to alleviate a hazardous condition that poses a threat to the health and safety of the occupant; this includes repair or replacement of defective mechanical, electrical or plumbing systems, building components, and surfaces.

For an applicant to qualify for an Emergency Grant, they must meet all of the following criteria:

- (1) The applicant has owned and resided at the residence one year prior to applying for assistance,*
- (2) The applicant must be the person or persons in whose name title to the property is vested.*
- (3) The applicant must pay all sums necessary to release outstanding liens on the property other than mortgage and tax liens in good standing*
- (4) The applicant's household annual income shall not exceed 50 percent of the median family income determined by HUD for Champaign County, using HUD Part 5 definition of annual (gross) income.*

The proposed ordinance (see attached) will amend Section 24-49 of Chapter 24 of the Urbana City Code to include the requirements of the program and the unit prices. Any future changes to these unit prices will require a similar amendment.

Financial Impact

The unit prices included in this ordinance 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 3% more in the period since the previous revision. Therefore, there is no expected impact to the budget for this program.

Recommendations

It is recommended that An Ordinance Amending Urbana City Code Chapter Twenty-Four, Section 24-49 (Reimbursement for Sanitary Sewer Repairs / 2017) be approved.

Attachments:

- A. An Ordinance Amending Urbana City Code Chapter Twenty-Four, Section 24-49

ORDINANCE NO. 2018-01-001

**AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER TWENTY-FOUR,
SECTION 24-49**

(Reimbursement for Sanitary Sewer Repairs / 2017)

WHEREAS, the City of Urbana (“City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, and the passage of this Ordinance constitutes an exercise of the City’s home rule powers and functions as granted in the Illinois Constitution, 1970; and

WHEREAS, the City Council heretofore enacted Urbana City Code Section 24-49 to establish criteria by which the City will reimburse property owners for certain costs of repairing sanitary sewer connections within the City; and

WHEREAS, the City Council, after due consideration, finds that the best interests of the City are served by amending Section 24-49 as herein provided.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. Urbana City Code Chapter 24, “Utilities,” Article II, “Sewers,” Division 4, “Illegal Discharge and Connection,” Section 24-49, “Reimbursement for sanitary sewer repairs,” is hereby amended and as amended shall read as follows:

Sec. 24-49. - Reimbursement for sanitary sewer repairs.

- (a) *Illegal sanitary sewer connections.* If an illegal sanitary sewer connection to the storm sewer system is found in a city right-of-way, the city shall reimburse the property owner up to four thousand dollars (\$4,000.00) or fifty (50) percent, whichever is lower, of 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.
- (b) *Sanitary sewer laterals.* If sanitary sewer lateral repairs are required in a city right-of-way, the city shall reimburse property owners according to the following unit prices:

Item	Unit of Measurement	Unit Price
Mobilization/Demobilization	Lump Sum	\$ 750
Brick Street Pavement	Square Yard	\$ 400
HMA Street Pavement	Square Yard	\$ 225
PCC Street Pavement	Square Yard	\$ 250
PCC Sidewalk	Square Foot	\$ 50
PCC Curb & Gutter	Linear Foot	\$ 75

The following general regulations apply to reimbursement under this subsection:

- (1) Reimbursement is limited to one time for any sanitary sewer service lateral repair.
- (2) Reimbursement is limited to 95% of the total cost of a sanitary sewer service lateral repair.
- (3) Reimbursement is subject to the city's appropriation of funds in the annual budget. The city council may change or eliminate funding levels for reimbursement at any time.
- (4) The city may apply or setoff any amount a property owner owes to the city against the amount the city pays to reimburse that property owner under this subsection.
- (5) The public works director has authority to determine eligibility for reimbursement, prioritization of requests, and compliance with this subsection. A property owner may appeal any such decision of the public works director to the city administrator; and the city administrator will be the final authority.
- (6) Reimbursement is limited to repairs required for a sewer lateral failure that occurs after expiration of any applicable warranty for such lateral.
- (7) To be eligible for reimbursement, a property owner shall report a claim to and provide the public works department with all required documentation no more than one year after the date of the sewer lateral failure for which the owner seeks reimbursement. The property owner shall provide sufficient notice and documentation to the department to prove the occurrence of a sewer lateral failure.
- (8) To be eligible for reimbursement, a property owner shall enter into a written reimbursement agreement with the city and shall release the city from all claims arising from or related to the sewer lateral failure for which the owner is receiving reimbursement and any previous sewer lateral failure.
- (9) Reimbursement is intended to be paid only to property owners. The city will not recognize a subrogation claim by an insurance company or a claim by a tenant or other third party.
- (10) The public works director shall develop such written requirements, application forms, reimbursement agreements, and other documents as may be necessary to implement this subsection and is authorized to execute reimbursement agreements under this subsection.

Section 2. Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended or repealed by this Ordinance are hereby re-enacted, and it is expressly declared to be the intention of this Ordinance not to repeal or amend any portions of the Urbana City Code other than those expressly set forth as amended or repealed in this Ordinance. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

Section 3. This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

Section 4. This Ordinance shall be in full force and effect from and after its passage.

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSTENTIONS:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Diane Wolfe Marlin, Mayor