

Meeting Summary

SE Bend Septic to Sewer Advisory Committee
Thursday, June 14, 2018



CITY OF BEND

Program Components

Attendees:

Advisory Committee

Bethann Bicknase
David Johnson
Scott Johnson
Connie Murray

Rod Cathcart
Cheryl O'Donnell
Geoff Perry
Charlie Rowells
Frank Turek
Jen VanCamp

Staff & Consultant Team

Tom Hickmann, P.E.
Susanna Julber
Skip Martin, P.E.
Anne Aurand
Eric King
Melissa Bradley
Mary Winters
Ryan Oster, P.E.

Justin Mason, P.E.
Adam Conway, P.E.
Cole Helgerson
Libby Barg
Clark Worth
Ron Hand
Linda Swearingen

City Council Liaisons

Councilor Barb Campbell
Mayor Casey Roats

Introductions

- Susanna Julber welcomed the Committee and opened introductions by Committee, staff and guests.
- The meeting summary for May 10 was approved by the Advisory Committee.
- Libby Barg reviewed the meeting agenda for the special three-hour meeting. This will include answers to members' questions from the May 10 meeting, and an update from the Advisory Committee work groups on draft recommendations. Questions and comments from guests will be held until the last part of the meeting, with more time allotted.

Local Improvement Districts (LIDs)

Mary Winters, City Attorney, continued her overview of LIDs (Local Improvement Districts) and how this financing tool might be used.

Questions and comments followed:

- When are costs determined? (After construction bids are received a preliminary notice is sent out, and then following construction, when actual costs are known. Although design and engineering costs can be included in the project cost estimate for a proposed LID, to date, we haven't included the engineering costs in this preliminary project cost- that cost has been picked up by the ratepayers so far.)
- Is there an opportunity to challenge an LID all the way through the process? (No. LIDs can be challenged only at the formation hearing by remonstrance by property owners owning 2/3 of property area within proposed district; at the final assessment hearing after construction on individual property owners can object to individual assessment for a valid reason.)

- How much lead time is required for an LID? (Not long, if there is a coordinator and the engineering has been completed. The code requires at least 10-day notice and a formation hearing, and then if formed, notice after the formation before construction. Typically, longer time is to helpful if needed to educate property owners on the LID process, the assessment amount and method, etc., before the hearing)
- Would the City's % share of public costs need to be determined first before property owners' liability is set? (Yes, at the time of the formation hearing.)
- What is the repayment period? (Typically 20-30 years.)
- Have the City's LIDs always been successful? (There have been no recent LIDs. *Staff has researched this further- the City completed 4 LIDs in the 2000s, some large (Woodriver and Romaine Village were 573 homes), and 2 smaller with 22 homeowners. The Pinebrook LID in 2004-05 did not move forward after formation (not failed) because of difficulties obtaining easements for completion of the project.*

Response to Advisory Committee Questions

Tom Hickmann, P.E. and City EIPD Director, answered questions raised at the May 10 AC meeting about opportunities to reduce costs for septic decommissioning and sewer connections on private property. The City has made contacts with contractors and has been told that private costs could vary widely, depending on the footage of the sewer lines. A coordinated program would provide certainty for property owners and might reduce total private costs. Prevailing wage might apply if the private construction was deemed to be a "public" project – but Bend's research on the issue of prevailing wage has not been able to show a significant increase in cost when prevailing wage applies.

Questions and comments from the Advisory Committee:

- Doesn't the developer usually pay the private costs, and include those in the home purchase price with no taxpayer/ratepayer involvement? (Yes – Improvements on private property are typically completed by the homebuilder, who may or may not be the developer.)

Clark Worth presented additional income data for study area households. While over half of households have significant "income producing assets" that suggests they can afford septic to sewer conversion, 27% have very low levels of assets – including about 10% who meet the federal poverty guidelines.

Questions and comments from committee members:

- What are the implications for the septic-to-sewer program?
- Many homeowners are seniors who are retired or will be soon – even those with assets may be counting on these funds for retirement.
- It would be helpful to also look at homeowners' equity. Most long-tenured owners could be assumed to have significant equity.
- What are federal poverty guidelines?

2018 Federal Poverty Guidelines	
Family Size	Gross Annual Income
1	\$12,140
2	\$16,460
3	\$20,780
4	\$25,100
5	\$29,420
6	\$33,740
7	\$38,060
8	\$42,380
Over 8 add per person:	\$4,320

Report from AC Work Groups

By a show of hands, those Advisory Committee members who live in the study area declared a potential conflict of interest (a financial benefit or detriment in the recommendation), which was all the committee members other than the chair.

Advisory Committee chair and vice-chair, Bethann Bicknase and Scott Johnson, presented the twelve revised elements of the Septic-to-Sewer draft Framework developed and updated by AC small groups. Questions and discussion followed (answers are shown in parentheses):

1. *Community-wide problems*
 - No comments
2. *STEP program*
3. What teeth does a City policy have? (City funding decisions must be reflected in Capital Improvement Plans, city codes and ordinances or other city plans to bind future councils) *STEP implementation/fee*
 - Is the recommendation for a flat amount to be paid by every ratepayer? (Yes)
- 4/5. *Benefits to City/Bend residents*
 - No comments
6. *Cost Containment*
 - Revise wording: a “hold harmless” agreement for contractors working on private property.
7. *Affordability*
 - No comments
8. *First conversion area*
 - Clarify figures; add disclaimers about data limitations
 - 8.f: clarify investments as of 2018; should include public involvement.

9. Public project financing

- Clarify: “To go toward public costs.”
- Need rewording re: ADUs and SDCs. The waiver is not permanent – only for current homeowners.
- Why not have homeowners pay the SDC amount that was in effect when the study area was annexed?
- The SDC waiver is one of the more viable ways to drive down private costs.
- This is a necessary incentive for those who sign up in a timely manner.

10. Private property financing

- 10.e needs rewording

11. Required hookup

- When would “official notice” be issued by City of Bend? (After sewer is live.)
- Reword to define official notice.
- Reword: “required” or “will” – not “should”.
- Does this coincide with state law? Any discrepancies?

12. Recommended timeline

- Is it realistically possible to start construction in 2019? (Yes)
- What is the simplest way to stage project construction?
- Should more detail be added to the schedule? (No – flexibility is needed.)

Public Comment

Additional questions and comments during public comment:

- Will the City require cast-iron for stubouts and private plumbing? (No.)
- Will backflow protection be required? (Only for homes on pressure systems – not required for gravity.)
- Steel septic tanks last 20-25 years; what’s the expected life span for concrete tanks? (Longer.)
- The most recent tanks (1995) are concrete – will those have problems? What about drainfields? (Drainfield longevity is more uncertain.)
- The interest shown by septic owners outside the study area helps keep the Citywide focus.
- Concerned that City Council could step away from the problem due to high cost.
- Which will be the next unsewered area the City focuses on? (Undecided.)
- Earlier information said the door-to-door contacts with property owners would be in May-June. What’s the current schedule? (June-July.)

- Will property owners be notified in advance? Some property owners may need time to prepare. (Yes.)
- The neighborhood associations should receive a PowerPoint presentation to highlight the recommendation.
- Will there be leniency for property owners who recently replaced their septic systems? An SEI adjacent property replaced their system 3 years ago. (Not being considered at this time.)
- Concerned about unknown costs. A neighbor reported the cost will be \$57,000 per home. (The Advisory Committee's preliminary recommendation is \$25,000 total for public and private costs vs. up to \$125,000 if property owners are forced to "go it alone":)
- An SEI adjacent property owner reports the construction communication on that project was excellent: "I couldn't ask for anyone nicer."

Announcements/Closing Remarks

- The next AC meeting is set for Thursday, July 12 (4-6 p.m.) at City Council chambers. This will focus on considering Committee's final recommendations – it may be the final AC meeting.
- Door-to-door outreach will occur in June-July.
- City Council dates: work session (July 18 at 4:30 p.m.); Listening session (August 15, time TBD).

The meeting was adjourned at 6:00 p.m.