

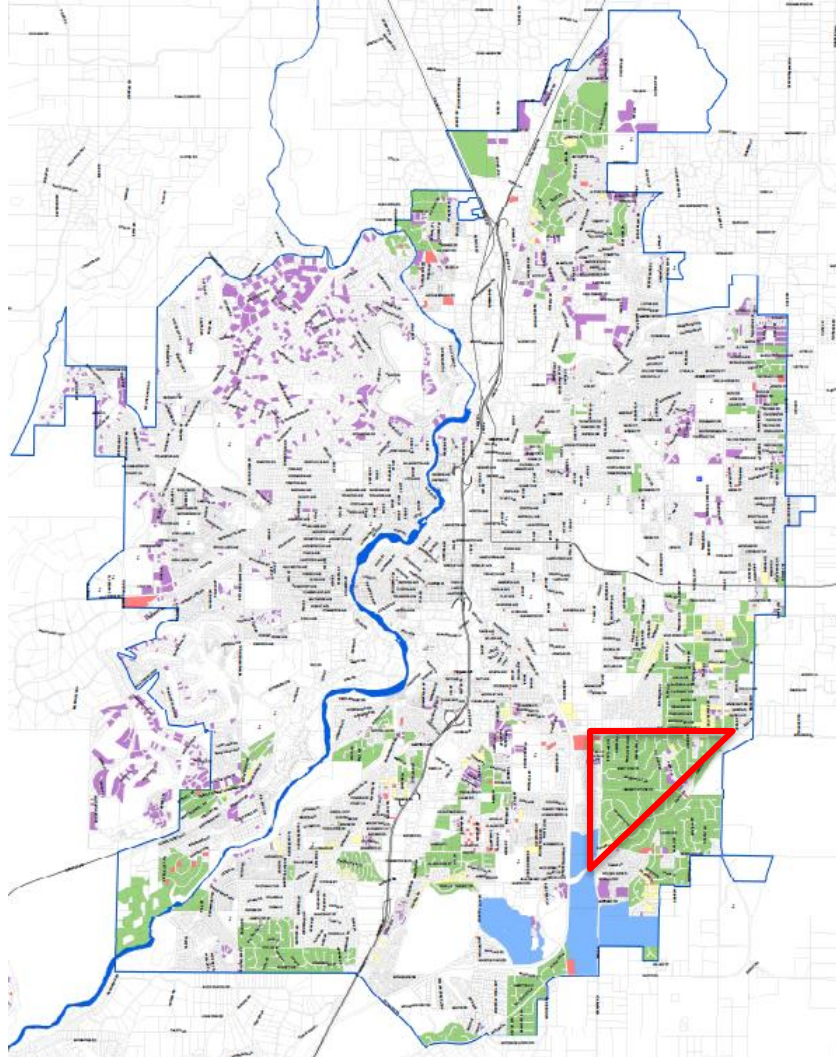


**CITYWIDE SEPTIC TO SEWER CONVERSION
PROGRAM**

ADOPTED BY COUNCIL 12/19/18

EFFECTIVE 2/1/19

HOW DID WE GET HERE?



- Roughly 2800 properties in City reliant on septic
- SIAG/Collection System Master Plan directed \$1M towards addressing issue, beginning in FY17/18
- June 2017, looked at Engineering Design, Finance Strategy for 600-lot area near SEI
- 300 foot rule big driver
- July 2018, Advisory Committee recommendations
- Public listening sessions on AC recommendations
- Sept 2018, Council direction on more of a modest, citywide approach
- December 19, 2018, Citywide Septic to Sewer Conversion Program- funded with modest rate increases, \$2.5M anticipated annually.



Neighborhood Extension Program:

- Establishes an application process and factors for consideration for neighborhoods adjacent to sewer to apply for funding for City to construct sewer down their street;
- Anticipates \$2.5M annually for the program;
- Requires a connection fee to recover all or part of the cost of laterals.

CIP Program:

- Sets a strategy for those areas with frontage along City sewer CIP projects;
- Requires a connection fee to recover all or part of the cost of laterals.



- **Establishes an assistance program/ process** for those that qualify as **low income to offset connection fees.**
- Removes references to 300 foot rule for septic systems- **does not change new development requirements to connect**

NEIGHBORHOOD EXTENSION PROJECT FUNDING FACTORS



Council adopted the following considerations to evaluate applications:

1. Cost of the sewer extension project, including design;
2. Total number of homes or properties to be connected to the public sewer system from the project;
3. Whether other City construction projects are planned for the street identified in the application;
4. The percentage of property owners who would be served by the neighborhood sewer extension project who have joined or signed onto the application;
5. The age of existing septic systems that would be replaced by the proposed neighborhood sewer extension project and evidence of failing septic systems; and
6. Other factors established by the City Manager.

CONNECTION FEES



- 50% reduction in connection fees if property owner connects within 2 years of notice of operational completion
- Following 2 years, owner pays connection fee in effect at the time (currently \$8500)
- Special provision for SEI properties that received stub outs- no connection fee if owner connects within 2 years of notice of operational completion (likely March 1, 2019 NOC date, must connect by March 1, 2021 to receive connection fee waiver.

*** All applicants also pay SDCs in effect at the time of connection, and all private costs. Connection Fee is separate charge to recover partial cost of laterals and reinvest in citywide program.**

AC RECOMMENDED COSTS VS. CITYWIDE APPROACH



	Advisory Committee Recommendation	Current Program
Public Portion of Project	\$18,000	-
Connection Fee- Connect within 2 Years	-	\$4,250
Connection Fee- Connect beyond 2 Years	-	\$8,500
SDCs (2018/2019)	-	\$4,795
Estimated Totals	\$18,000	\$9,045-\$13,295

***Private property costs can vary widely- these figures are estimates and do not include private pumps where necessary, extensive landscaping or structure relocation, County and City permits, etc.**



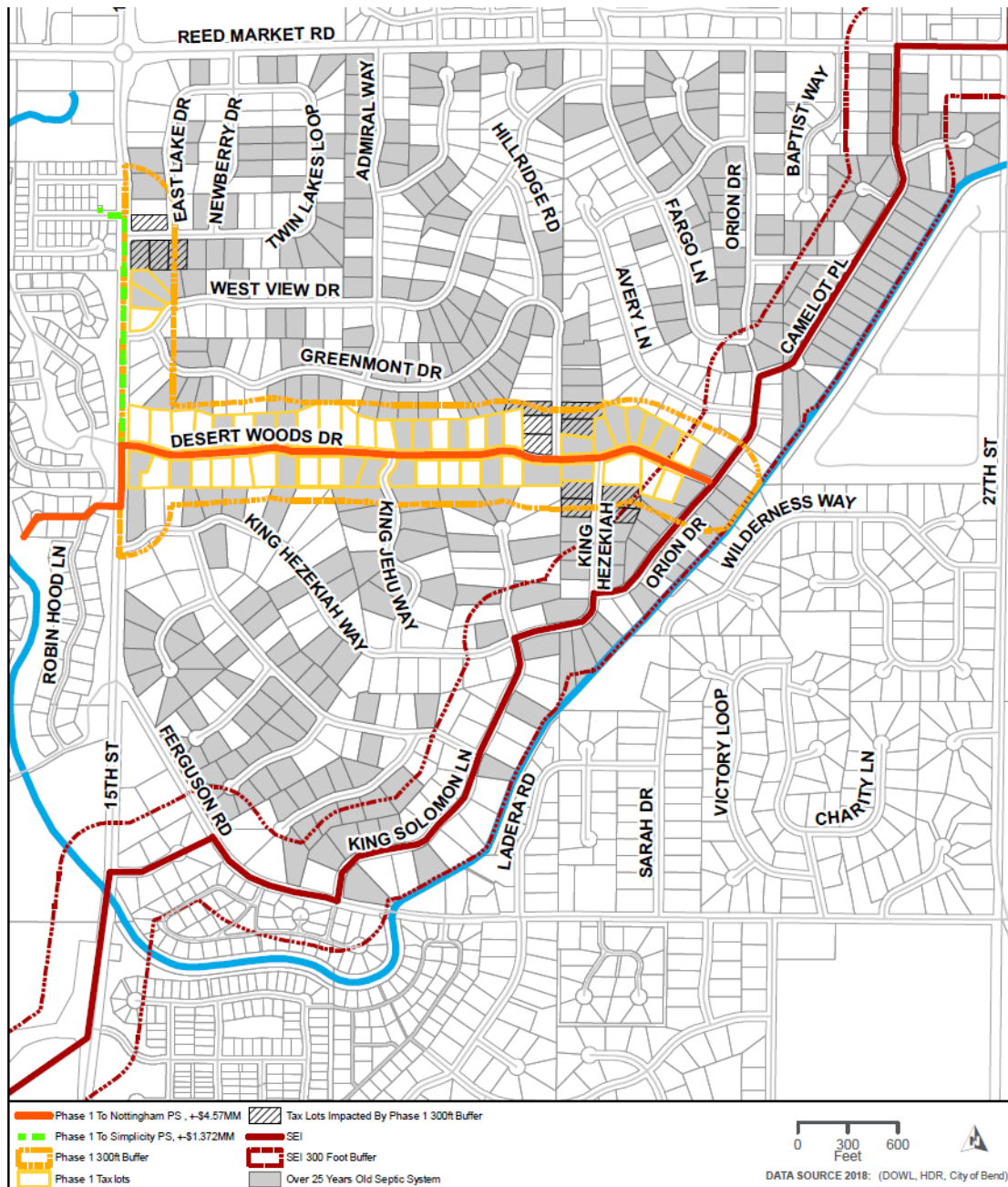
- Connection is voluntary ***except that*** it is always mandatory when either of the following occurs at any time:
 - The existing on-site septic system fails or needs repair or otherwise requires a County OAR 340 Division 71 or 73 permit, or
 - The property owner applies to the City or Deschutes County for any improvements adding capacity to the dwelling or to the existing septic system (which could be a subdivision of the property, an ADU, additions to the property, etc.).



INITIAL INVESTMENT

Initial \$10M CIP project investment

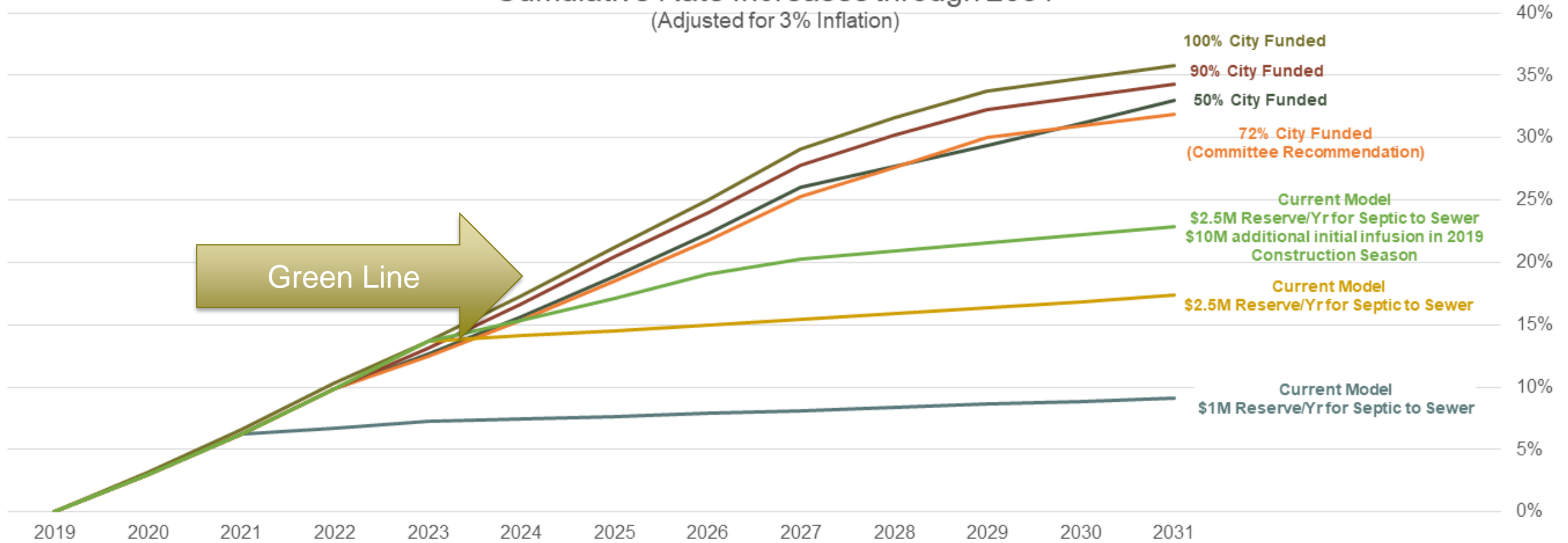
- Connects Nottingham to SEI via Desert Woods Drive
- Allows City to retire 2 pump stations
- Connects approx. 60 homes
- High concentration of aging systems
- Approx. \$6M project cost with additional funds remaining to serve another local project in first 2-3 years.



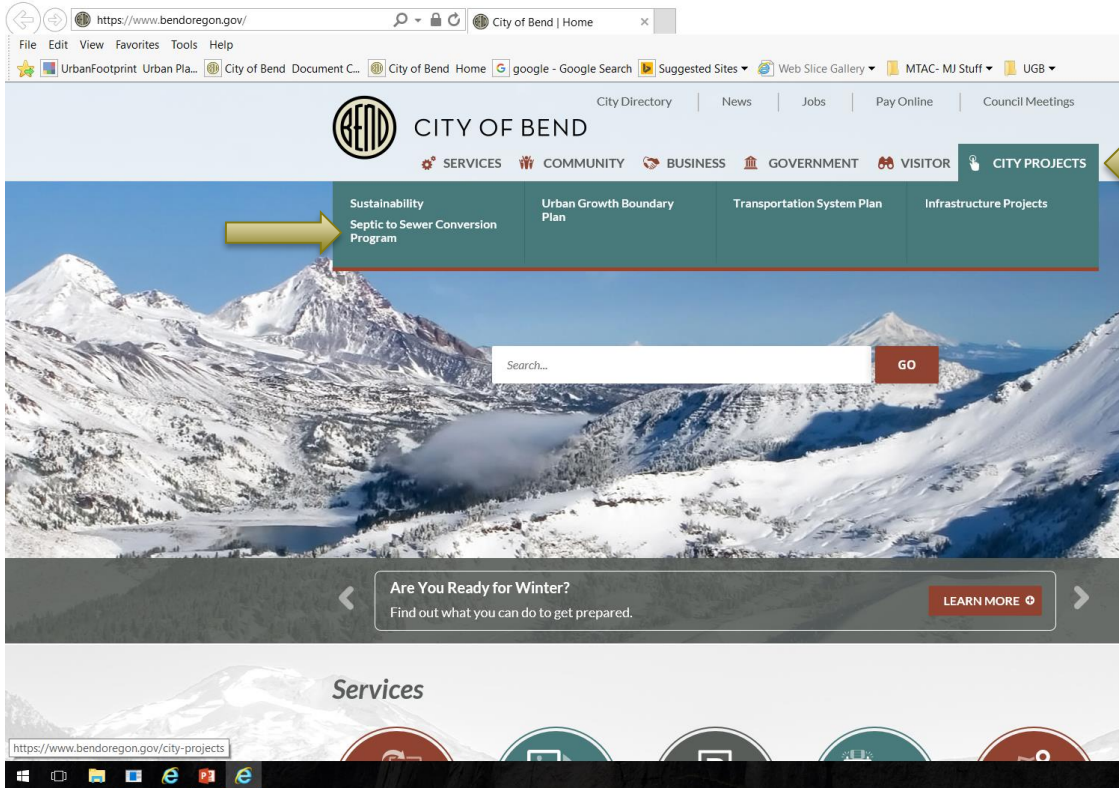
HOW IS THIS PROGRAM FUNDED? RATE IMPACTS



Cumulative Rate Increases through 2031
(Adjusted for 3% Inflation)



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The Citywide Septic to Sewer Conversion Program provides an avenue for neighborhoods to apply for funding for the City to extend sewer into areas that are reliant on septic systems.

The Bend City Council adopted amendments to the Bend Code on December 19, 2018, to establish the Citywide Septic to Sewer Conversion Program ([Link to Bend Code Ordinance](#)). The program is the result of 18 months of work with the [Septic to Sewer Advisory Committee](#) and recommendations from the committee. The program is funded through utility rate revenues, and allows residents to apply for roughly \$2.5M annually to extend sewer lines into neighborhoods through a Neighborhood Extension Project. The program becomes effective on February 1, 2019. Applications for 2019 are due on February 15, 2019 for construction anticipated during the 2019 construction season.

If selected for funding, property owners are responsible for their own private property costs, septic decommissioning, and other associated permits, a Connection Fee, Systems Development Charges, and other permit charges. The City pays, through ratepayer revenues, extension of sewer and laterals ('stub outs') to property lines. Please see the FAQ section for details on Connection Fees, evaluation criteria, etc.

[Neighborhood Extension Program Application](#)

FAQS

[Expand/Contract Questions and Answers](#)

1. What is the Septic to Sewer Conversion Program?
2. How much money is available for the Septic to Sewer Conversion Projects, and what can the money be used for?
3. What are the benefits of converting to City sewer?

IMPLEMENTATION: NEXT STEPS



- Citywide Septic to Sewer Conversion program code goes into effect Feb. 1
- Neighborhood Extension Program applications due Feb. 15
- “Heads up” postcard to SEI adjacent property owners; Public Meeting for them Feb. 5, 6 pm in Council Chambers
- Notice of Operational Completion for SEI lots effective March 1, 2019. Waiver on connection fee if connection by March 1, 2021. Notice will be recorded with County- runs with the land.
- Desert Woods Project – more communication coming soon. Construction summer/fall/winter (open houses, newsletter, door to door outreach)
- In background: City staff implementing application processes and necessary ties to lots, GIS data, etc.