

# **JOHNSON SUBDIVISION Local Improvement District**

Presented to City Council

January 19, 2021



# City of Greeley Project Goals

- Develop strategies to address Septic systems;
  - Vulnerable to failure
  - Required by law to connect to municipal sewer
- Current costs for Johnson Subdivision resident to connect to municipal sewer
  - **\$51,280 up to \$200,000+**
  - Wide range in cost primarily dependent on how much sewer main is required
- Reduce resident risk and cost (when septic systems fails)
- Minimize total project costs
- Allow project cost to be reimbursed to W&S
- Evaluate financing alternatives to reduce instantaneous cost to residences
- Educate residents on laws, policies, potential future costs
- Share best management practices for increasing the longevity of the septic systems



# Johnson Subdivision

Average life span of a septic system is between 15 and 40 years depending on maintenance. (EPA)

- Total Properties (43)
  - Properties on septic (36)
  - Properties converted to City Sewer (4)
  - Undeveloped Lots (3)
- Homes older than 40 years (33)
- One current failed septic system



# Greeley Municipal Code Requirements

## Section 14.12.060

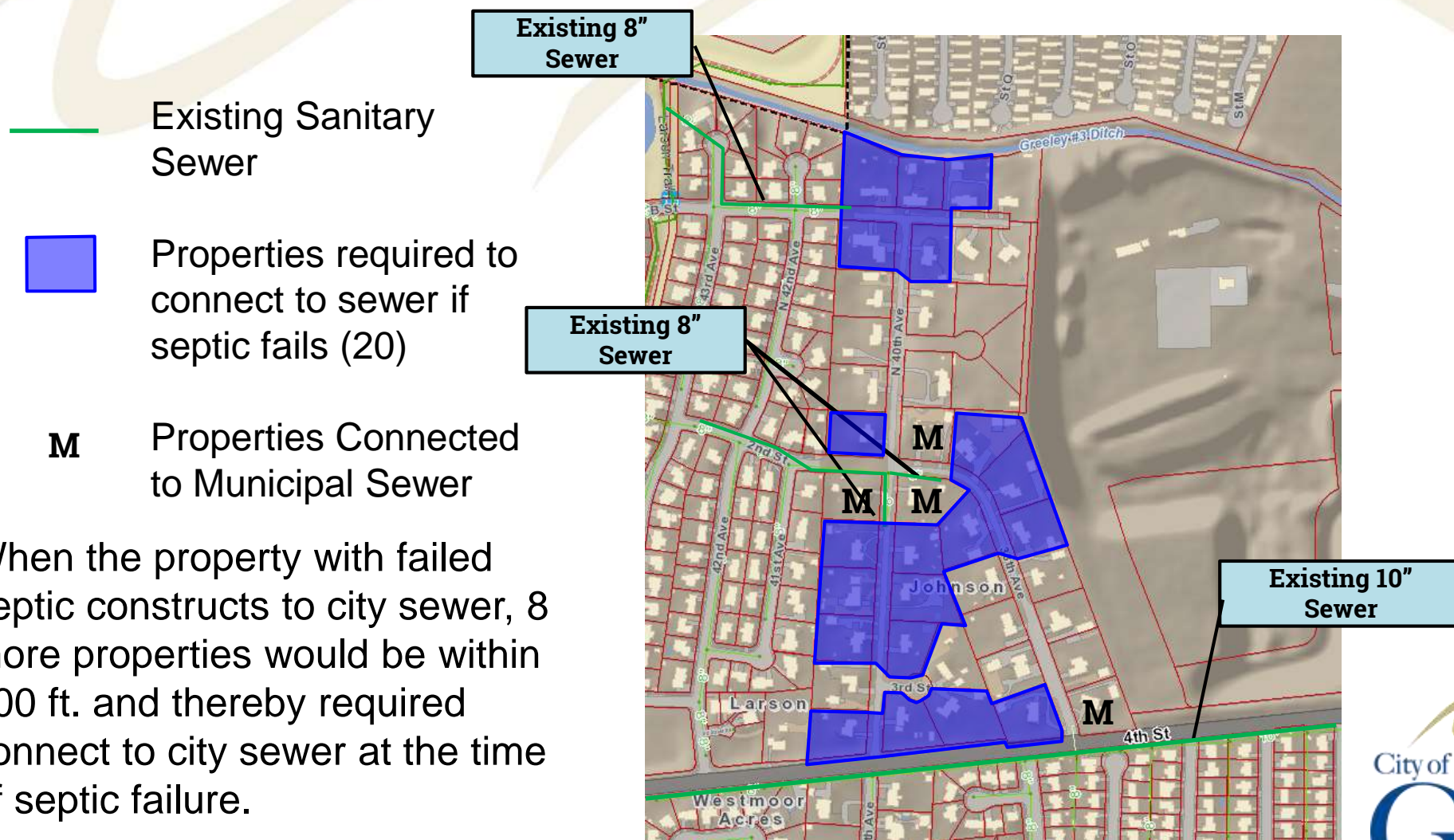
- The owner of a property within the City and abutting right-of-way in which infrastructure is located is required to connect to the municipal sanitary sewer system at his or her expense, provided the infrastructure is within 400 feet of the property

## Sections 14.12.110 and 14.12.130

- The owner of property who applies for sanitary sewer service, or is otherwise required to connect, is responsible for a sanitary sewer plant investment fee (PIF), all labor and materials required to install the sanitary sewer tap, installation of property service lines, and trenching/street repairs



# Properties Required to Connect



**In time all properties will be required to connect**



# Project Approach

Proposed project approach:

- W&S will front all cost for the improvements
- W&S Engineering Staff completes design (no design fees)
- W&S Operations staff to Install the Public Sewer Main
  - Eliminates contractor equipment, labor, overhead, and profit costs.
- Create a Local Improvement District (LID), W&S cost recovery at time of connection
- Project will not construct private sewer services

- ❖ **W&S Estimated Project Cost - \$480,000**
- ❖ **Estimated Contractor Project Cost - \$720,000**



# Project Phasing and Schedule

- Existing Sanitary Sewer
- Proposed Sanitary Sewer (Phase 1)
- Proposed Sanitary Sewer (Phase 2)

- Total Project 3,270 feet of sewer pipe

## Phase 1 –Addresses Failed Septic

- Funded by Sewer Extension BUN
- Construction February 2021
- Construction 1 to 2 weeks

## Phase 2

- Requires an Appropriation in 2021
- Construction April 2021
- Construction 6 to 8 weeks



# Cost Comparison

## Resident Cost - State Statute & City Policies

\$51,280 to \$200,000+

- Owner is responsible for all project cost at the time of septic failure
- Required to hire all consultants and contractors to complete project
- Owner takes all risk and responsibility for project completion

## Resident Cost - Proposed W&S Approach

\$23,911 to \$33,911

- Costs would only be due at time of connection to sewer
- Costs due to the City (\$18,911)
  - LID fee (estimated at \$12,631)
  - Sewer Plant Investment fee (currently \$6,000)
  - Tapping fee (\$280)
- Owner cost to install sewer service (\$5,000 to \$15,000)





# LID Assessments and PIF Payment

## LID Assessments and PIF Payment to City of Greeley

- LID assessment and PIF due to the City at time of private septic failure and subsequent connection to the municipal sanitary sewer system
- Payment could be made by property owner as a one-time payment or over the course of a payment plan (60 months)
- Payment plan would require a lien to be placed on the property
- No interest will accrue on LID assessments



# Johnson Subdivision Local Improvement District

## Questions?

