



**TWO  
RIVERS**  
WISCONSIN

**PUBLIC WORKS**

**Engineering Division**

1717 E. Park Street

P.O. BOX 87

Two Rivers, WI 54241-0087



## Memorandum

*Department of Public Works*

Date: May 17, 2024; Up-dated May 30, 2024

To: City Council  
Greg Buckley, City Manager

From: Matthew Heckenlaible, Public Works Director / City Engineer

Re: Lead Service Lateral / Sanitary Lateral Replacement Program Overview

Property to receive letter pertaining to project which provides process overview along with scheduling on-site meeting with contractor and city staff (water and/or engineering).

During the on-site meeting a determination of water service material is made along with an inspection of the sanitary lateral. At the time of the on-site meeting, an inspection report and associated cost estimate will be determined. The property owner will be provided a copy of the cost estimate along with a "Water Service & Sanitary Lateral Construction, Easement, and Waiver Agreement" that has serviced as the basis of a legal agreement between the City and Property owner in the past. The property needs to sign the cost estimate within ten (10) days from the date of the inspection.

Water Services -

If the water service material within the house is determined not to be lead or galvanized iron, or the service is not deemed to be defective, there is no further action required relative to the 'private' water service.

If the water service material within the house is determined to be lead or galvanized iron, or the service is deemed to be defective, a cost estimate will be generated based upon the construction unit bid prices.

If the estimated 'private' water services costs are less than \$2,500, the Safe Drinking Water Fund Loan, along with American Rescue Plan Act funds cover the initial \$2,500. The City is receiving 25% principal forgiveness on the total borrowed private water service amount, so \$625 (25% of \$2,500) of \$2,500 will be Safe Drinking Water Fund principal forgiveness and the remaining \$1,875 will be reimbursed by utilizing American Rescue Plan Act funds.



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If the estimated ‘private’ water services costs are greater than \$2,500 but less than \$2,750, the Safe Drinking Water Fund, along with American Rescue Plan Act funds cover the initial \$2,500, and the remaining balance will be paid for by the property owner within 90-days of date of invoice. In this case, the principal forgiveness is 25% of \$2,750 or \$687 and \$1,813 of the initial \$2,500 will be funded through ARPA funds. Again, the remainder of the balance would be the responsibility of the property owner.

If the estimated ‘private’ water services costs are greater than \$2,750, the Safe Drinking Water Fund, the American Rescue Plan Act funds will reimburse the first \$2,500 as demonstrated previously, and the remaining balance will be paid for by the property owner. The property owner will have the option to pay the balance in full within 90-days of the date of invoice, or in five (5) annual installments. Deferred payments to bear an interest rate of 2.25% (two percent over city’s borrowing rate, presumed to be 0.25%), per annum on the unpaid balance with the first payment due January 1<sup>st</sup> of the year following the year of installation.

Examples:

- If private water service was installed in October 2024, the first annual payment would be January 1, 2025, for the 2024 tax roll.
- If the private water service was installed March 2025, the first annual payment would be due January 1, 2026, for the 2025 tax roll.

The water service from the water main to the curb stop is deemed to be the ‘public’ water service with costs to be the responsibility of the Two Rivers Water Utility, including the pavement repair costs, except the sidewalk repair costs which are part of the ‘private’ water service costs.

Per Town and Country, pre-payment of the Safe Drinking Water Fund loan for the private water services can occur at the regular loan payment dates of June 1 or November 1. This was a question due to the larger payments being made via the ARPA funds.

Sanitary Laterals –

NOTE: That by ordinance, the sanitary lateral, from the house to the public sanitary main, is the sole responsibility of the property owner. However, during various construction projects, the city may take on costs associated with the sanitary lateral beneath the public roadway.

Sanitary laterals will be inspected at the time of the site visit. The inspection will be completed by means of a closed-circuit television unit that is inserted within a clean-out in the basement of the property and pushed to the public sanitary sewer main.



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If the sanitary sewer lateral is deemed to be of good, sound material and is not defective in any fashion, no work will be required to be completed.

If the sanitary sewer lateral is made of clay pipe material or found to be defective, the city will create a cost estimate to replace the sanitary sewer lateral from within the terrace to a point of connection within the basement of the property. This work would be strongly encouraged to be completed but is not mandatory. As this is part of a city contract, this would be deemed 'private' sanitary lateral work.

In this case, the 'public' portion of the sanitary lateral laying beneath the roadway as part of the lateral replacement contract.

If a 'public' sanitary lateral is determined that it should be replaced and is in close proximity to the water service to be replaced, the sanitary lateral shall be replaced as well. Close proximity will be determined within the field, but could be thought of as within the same concrete panel, within one to five feet of the water service, etc. The cost to replace that portion of the sanitary lateral shall be funded through WDNR Clean Water Funds. If this sanitary lateral and 'public' water service are within the same pavement repair limits, the pavement repair costs are split equally between the two funds ('public' water service and 'public' sanitary lateral).

If the sanitary lateral is not located in close proximity to the water service and the property owner wishes to have the portion outside of the roadway replaced, the city will replace that portion of the sanitary lateral beneath the roadway. The costs will be shared based upon contract unit bid costs with the roadway pavement repair costs placed onto the city portion.

If the sanitary lateral is not located in close proximity to the water service and the property owner does not wish to have the portion outside the roadway replaced, the engineer will utilize their discretion in making the determination as to replace or leave the sanitary lateral in its present condition within the street. If the sanitary lateral is not replaced at this time and it fails in the future, the entire cost of repair or replacement, including pavement repair costs, shall be the responsibility of the property owner.

'Private' sanitary lateral replacement costs are not eligible for the water service loan or American Rescue Plan Act reimbursement funds. All costs associated with the private sanitary laterals shall be paid in full within 90 days of the date on the invoice so as not to incur any interest charges. The balance of private sanitary lateral replacement costs not paid in full within 90 days, shall incur six percent (6.0%) interest on the remaining balance and shall be placed on that years property taxes as a special charge.



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Some property owners may be eligible for Community Development Block Grant funding opportunities based upon household income levels. If the property owner feels that they may qualify for this funding opportunity, additional contact information would be provided to them. It would be the property owners responsibility to apply for and secure the CDBG funding prior to any work being completed.



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