



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 5, 2008

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Update And Request For Additional Funding For The Sewer Lateral Inspection Program

RECOMMENDATION:

That Council receive an update from staff on the Fiscal Year 2008 Sewer Lateral Inspection Program (SLIP), and appropriate \$240,000 from Wastewater Fund Reserves to the Wastewater Fund Fiscal Year 2008 Operating Budget.

DISCUSSION:

The purpose of this report and presentation is to provide the City Council with an update on the current fiscal year SLIP, and request an allocation of funds from the Wastewater Reserves to fund the program for the remainder of Fiscal Year 2008.

The City of Santa Barbara (City) operates and maintains over 263 miles of publicly owned wastewater collection mainlines that range in size from 6 to 42 inches in diameter. This publicly owned infrastructure is aggressively maintained through our sewer rehabilitation program, which uses closed-circuit television to inspect lines and modern construction techniques to effect repairs.

Staff has estimated that there are more than 300 miles of privately owned and maintained sewer laterals that connect to these mainlines. Some of these private laterals are old, poorly maintained and damaged. Poorly maintained laterals allow roots and rainwater to enter into the sewer lines and contribute to sewer overflows into our creeks and ocean and take up valuable capacity at the El Estero Wastewater Treatment Plant.

REVIEWED BY: _____Finance _____Attorney

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On November 21, 2006, City Council passed a resolution to encourage property owners to proactively maintain their private sewer laterals by offering an incentive up to \$2,000, and paying permit fees to repair sewer laterals. The program also pays an incentive up to \$150 for inspecting sewer laterals, if they are found to be in good repair. Inspections are required for additions of 400 square feet or more of new dwelling space, or the addition of two or more new plumbing fixtures.

It was originally anticipated that the City would receive up to 100 requests for incentive payments per year, for a total program cost including staffing, permit fees and incentives, of \$490,200. To offset these additional costs to the Wastewater Fund, Council approved a 2 percent rate increase in Fiscal Year 2008 (\$235,000), and conceptually a two percent rate increase in Fiscal Year 2009 (\$484,100).

The program has been extremely successful with 156 cases resulting in 129 incentive payments in the first six months of Fiscal Year 2008. Incentives range from \$150 to \$3,452, which includes inspection and permit fees. The average cost to property owners for a lateral repair is \$5,700. Between July and December 2007, the City has paid incentives totaling \$314,707.

An amount of \$250,000 was identified in the Fiscal Year 2008 budget to fund the cost of incentives for the SLIP. An additional \$125,000 was administratively transferred from the appropriated reserves, totaling \$375,000 for incentive payments and permit costs. At the current rate of 20 requests per month for incentive payments for the next six months, the program will need an additional \$239,707 for the remainder of Fiscal Year 2008.

At this time, staff is requesting that Council allocate \$240,000 from Wastewater Unappropriated Reserves to fund the SLIP through Fiscal Year 2008. If approved, the program is estimated to provide incentives for 250 lateral repairs at a cost of \$615,000.

Because of the popularity of the program, and in order to stay within SLIP projected revenues, staff will be returning to Council during the Fiscal Year 2009 budget process to establish a fixed level of funding for incentives or, if Council desires, an increase to wastewater rates.

On January 29, the Finance Committee recommended that Council appropriate \$240,000 from Wastewater Fund Reserves to provide additional fiscal year 2008 funding for this program.

SUSTAINABILITY IMPACT:

The SLIP provides incentives for property owners to eliminate potential sources of rainwater and/or roots entering the City-owned sewer system, thereby reducing blockages and spills and protecting our creeks and ocean.

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APPROVED BY: City Administrator's Office