

# Memorandum

## Public Works Department



**To:** City Manager  
**Subject:** Water Service and Sewer Lateral Repair Programs  
**Date:** September 14, 2015  
**Number:** 2015-166

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The staff reviewed the statistics for the Water Service Repair Program (WSRP) and the Sewer Lateral Repair Program (SLRP) for the past two years. The subscription fees are \$5.00 per month for the WSRP and \$9.00 per month for the SLRP. The WSRP pays up to \$4,000 for the plumbing charges and up to \$4,000 for the surface restoration charges and is available to residential and commercial customers. The SLRP pays up to a single cap of \$8,000 and is available to residential customers only. The programs were designed to cover the entire repair cost for most subscribers who need repairs and provide additional income for the water and sewer utilities. Most repairs are performed with in-house crews unless City crews lack the proper equipment or are involved in other emergency operations. Both programs are very successful. There are currently 2,807 SLRP subscribers and 3,606 WSRP subscribers.

There are an average of 11 Water Service repairs per year with an average cost of \$1,615 for the repairs and \$1,625 for the restoration (concrete and sod). No repairs have exceeded the benefits of the program although some restorations were very close to the \$4,000 limit. Program expenditures average \$35,640 per year. Revenue this year is projected to be \$225,000.

Sewer Lateral repairs are more frequent (an average of 25 per year) and average \$4,895 for each repair. In the past two years two repairs have exceeded the program benefits. When this happens the property owner is required to make up the difference. Program expenditures average \$122,375 per year and this year's revenue is projected to be \$300,000.

A review of the programs found three areas that would benefit from changes:

- Make the SLRP available to commercial customers in addition to residential customers. This will allow small businesses to participate.
- Change the WSRP to a total cap instead of separate caps for repair and restoration.
- Raise the cap for both programs to \$12,000. Raising the cap to \$12,000 will have little impact on the program costs but will make a big difference to those few customers that exceed the current \$8,000 limit. It will also give our programs a higher cap than competing private programs.

These changes will align the benefits of both programs. .

### **RECOMMENDATION**

The Public Works Department recommends that the City Council authorize an overall cap of \$12,000 per repair for the Sewer Lateral Repair Program and the Water Service Repair Program and that both programs be available to residential and commercial customers.

**Submitted by:** Randall D. Tweet, Public Works Director

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**Approved by:** Thomas Thomas, City Manager