

## **Policy for Funding Plumbing Conversions with Sewer Relocation**

### **Background**

Historically, some early Township developments allowed installations of public sanitary sewer and / or water mains at or near the rear and side property lines, rather than within the street right of ways. Often this was done to save on initial installation cost. In addition, service laterals were connected through the back and side of homes and other buildings. As the sanitary sewer mains age and maintenance needs increase, it has become increasingly difficult to service the lines because the lines are difficult to access. Fences, trees, landscaping and out buildings are common and prevent access for maintenance, repair or replacement. When the back yard lines reach the end of their useful life, it is desirable to relocate the mains into the road right-of-way. This relocation causes properties with service laterals to relocate plumbing from the back of their property to the front or side yards.

Costs for the plumbing conversion differ for each new connection to the new sewer main with an average cost of approximately \$8,500.00.

Chapter 35 of the Madison General Ordinances requires the Sewer Utility to provide sewer service in a safe and efficient manner. The Ordinance places responsibility for service laterals to the property owners. Currently however, the City does not have a formal policy to assist property owners with the cost for plumbing conversions when sanitary sewer mains are relocated from side and rear yards to the street. Additionally, the City does not have a standard timeline for conversions to be completed. This Policy would provide for financial assistance and incentive to complete such a conversion in a timely manner.

### **Design and Plumbing Conversion Considerations**

After City Engineering identifies an area where sewer main relocation will require property plumbing conversions, notice will be sent to property owners of the upcoming construction. Engineering staff will research and survey service connection elevations to design the new sanitary sewer main to serve affected properties.

During construction, new sanitary sewer laterals will be installed from the new sewer main to the property line. Location of the lateral leads will be coordinated with the property owner. Once the City contract for this construction is completed, the property owner will be given two (2) years, beginning June 1<sup>st</sup> of the year after substantial completion, to convert their service to the new sanitary sewer main before the old sanitary main is abandoned by the City. The City will notify, by certified mail, property owners who have not converted their services by April 1<sup>st</sup> of year two after the reimbursement period begins for conversion. The property owner will be required to give the city notice of the completed work.

## **Reimbursement of Plumbing Conversions with Sewer Relocation**

The City of Madison Sanitary Sewer Utility will share costs for the relocation of sewer plumbing on private property when required due to relocation of a main from a back or side yard. Shared costs will include all items associated directly with sanitary plumbing conversion except for those items excluded by this policy. If a property owner wishes to install plumbing in advance of the City project and required conversion, the City will reimburse such itemized costs per this policy.

### **CRITERIA FOR REIMBURSEMENT:**

- The property owner shall obtain and provide three (3) cost estimates from City of Madison qualified contractors for the plumbing conversion. The City of Madison will reimburse the property owner based on the low bid. If the property owner chooses a contractor that is not the low bidder, the property owner shall pay the difference.
- The work shall be completed by a State of Wisconsin registered plumber.
- The property owner or their plumber shall obtain a permit from the City of Madison and all work shall be inspected by the City of Madison Building Inspector in accordance with City Ordinances and Policy (contractor responsibility).
- Installation shall include a properly functioning back flow prevention valve, if one does not currently exist.
- The conversion work shall be completed by June 1<sup>st</sup>, two years after project substantial completion.
- Time stamped before and after pictures shall be submitted to City Engineering at time of the reimbursement request.
- The property owner shall submit proof of payment or contractor bill 90 days after completion of work. In instances where the property owner is unable to pay the contractor due to lack of available funds, the payment on behalf of property owner to the contractor can be coordinated by City Engineering with the City issuing a check to both the property owner and the contractor.

### **ITEMS NOT REIMBURSED BY THE CITY OF MADISON:**

- The installation of landscaping including plants, trees, and shrubs.
- The installation of new carpet or the replacement of any flooring material not absolutely required for the plumbing conversion.
- Plumbing work or any work not required for the plumbing conversion.

**REIMBURSEMENT RATES:**

For the purpose of computing time in this policy, the two year reimbursement period starts on June 1st of the year following substantial completion of the City’s project to install the sanitary sewer and service lateral in the public street right of way ready to serve the property from the new location. The property owner shall have two years to complete the service lateral relocation and connect to the new service lateral in the street right of way with a portion covered by the City of Madison. After year one of the reimbursement period, the amount of reimbursement shall decrease by 5% per month per reimbursement category until June 1<sup>st</sup> of the second year if the reimbursement period.

**REIMBURSEMENT RATE TABLE:**

<b>Work Completed By</b>	<b>Available Cost Share</b>
June 1 <sup>st</sup> up to one year after reimbursement period begins.	100% (up to \$7,500) 75% (\$7,500-\$10,000) 50% (\$10,000-\$12,500) 0% (over \$12,500) <i>Up to \$10,625 possible cost share</i>
Work Completed after June 1 <sup>st</sup> , one year after reimbursement period begins.	5% reduction each month after June 1st
Work Completed after June 1 <sup>st</sup> , two years after reimbursement period begins.	No Cost Share

\*All dollar limits will rise per the national construction standard index for inflation as published in the Engineering News Record (or a similar index if that index does not exist) beginning with an increase in January 2016. All limits will be rounded up to the next \$500 increment. The construction cost value for January 1 of 2015 shall be used for the starting point to index future years. All calculations shall use the January 1, 2015 value when determining the construction cost for the current year, not the rounded values from the previous year. The value used for a particular project shall be set for that project based on the year in which the project construction first starts.

**REIMBURSEMENT EXAMPLE LANGUAGE:**

A project is constructed in 2015. The City Engineer determines on November 14, 2015 that the project is essentially complete and provides the contractor with notice of Substantial Completion. The plumbing conversion reimbursement period starts on June 1, 2016. Any property owner work completed prior to June 1, 2017 will be reimbursed in accordance with the reimbursement schedule. It shall be noted, work done prior to June 1, 2016 can also be reimbursed (a property owner can request reimbursement at any time, including a date prior to substantial completion). If a property owner completes the required work on June 15, 2017, reimbursement rates will be reduce by 5%. The 100% rate would be reduced to 95%, and the 50% rate would be reduced to 45%. If a property owner completes the work October 3, 2017, 5% will be deducted for June, July, August, September and October; the 100% reimbursement would be reduced to 75% and the 50% reimbursement will be reduced to 25%.

**REIMBURSEMENT EXAMPLE TABLE:**

A project is constructed in 2015. The City Engineer determines on November 14, 2015 that the project is essentially complete and provides the contractor with notice of Substantial Completion. The conversion two year reimbursement period starts on June 1, 2016.					
	Property Owner Work Completed BEFORE June 1, 2017: Reimbursement is 100%, up to \$7,500; 75% up to \$10,000; 50% up to \$12,500	Property Owner Work Completed AFTER June 1, 2017, but BEFORE June 1, 2018 Reimbursement is reduced by 5% each month		Property Owner Work completed AFTER June 1, 2018: No reimbursement offered	Property Owner Work not completed
		<i>Property Owner Work completed on 8/1/17</i>	<i>Property Owner Work completed on 5/1/18</i>		
<i>Cost of Conversion</i>	<b>Total Reimbursement from City</b>				
\$5,000	\$5,000	\$4,500	\$2,250	\$0	Could result in no sanitary service to property*
\$8,000	\$7,875	\$7,075	\$3,475		
\$14,000	\$10,625	\$9,375	\$3,875		

\*Failure to complete plumbing conversion before the City of Madison Sewer Utility abandons the sanitary sewer main will result in notification of non-action being sent to City of Madison Building Inspection.