

LRB- RESEARCH AND ANALYSIS SECTION

PUBLIC WORKS

DECEMBER 3, 2008

ITEM 26, FILE # 081056

File # 081056 is a resolution authorizing \$600,000 in contingent borrowing for the Flow Reduction Projects capital program in the Sewer Maintenance Fund.

Background

1. This resolution seeks new borrowing authorization in the amount of \$600,000 in Contingent Borrowing for Flow Reduction Projects in the Sewer Maintenance Fund (SMF).
2. The resolution makes reference to borrowing authority of \$1,206,000 in the 2005 City Budget that was intended to support four projects: downspout disconnections, foundation footing drain disconnections, catch basin inlet restrictors, and roof restrictors.
3. The resolution notes that funds made available by this prior authorization were augmented by grants totaling \$387,500 from the Milwaukee Metropolitan Sewerage District (MMSD).
4. An amount of \$616,473 remains available in this capital borrowing account. Borrowing authority for this account will expire on December 31, 2008.
5. The analysis of the resolution states that authorized funds are intended to correct sanitary sewer laterals in the Honey Creek watershed to reduce bacterial discharges into the Honey Creek. In early 2007, leaking sewer laterals in the Honey Creek watershed were identified by MMSD as the likely source of high levels of human bacterial pollution of the Honey Creek.

Discussion

1. There are up to 37 private properties with sewer laterals in the targeted area. Assuming that all of these sewer laterals are in need of replacement or repair, the replacement costs - estimated to range from \$3,000 to \$12,000 - would not likely require expenditure of more than 50% of the proposed authorized funds.
2. Rather than replacing the laterals, the SMF proposes that the project demonstrate a new process, pioneered in Europe, that involves placing 2 chemical treatments through the laterals under high pressure. The first chemical would migrate out and around any leak and the second chemical would harden the combination into an impervious barrier.
3. Private property owners will not be assessed any charge in this demonstration project.

4. The body of the resolution does not expressly reference the Honey Creek project identified in the analysis.
5. The “Whereas” clauses in the body of the resolution state that the Department of Public Works has identified a new project “that would meet the intent” of the Flow Reduction program, “would reduce infiltration, inflow, and contaminated sanitary sewer lateral discharges into stormwater,” and “would reduce bacterial contamination into the Honey Creek.”
6. The “Resolved” clauses contain no restriction on the expenditure of the authorized \$600,000 of 2009 contingent borrowing.

Policy Issues

1. Sewer laterals on private property have historically been treated by the City as the sole responsibility of the private property owner to maintain, repair and replace. The proposed demonstration project departs from this practice.
2. The City has historically taken the position that it is not liable for sewage backups onto private properties and into private buildings caused by defective private laterals. The proposed demonstration project raises questions about potential liability of the City if treated laterals later fail.
3. State, regional and local policies make the reduction and elimination of bacterial pollution a high priority for environmental, health and safety reasons. Holding private property owners responsible for pollution resulting from defective private sewer laterals may require exploration of further regulatory measures.

Fiscal Impact

1. This resolution authorizes new borrowing and expenditure of \$600,000.
2. The fiscal note reflects no charge for debt service in 2009.

Prepared by: Richard L. Withers, ext. 8532
LRB-Research and Analysis Section
December 2, 2008

Cc: Marianne C. Walsh
W. Martin Morics
Martin Aquino
Timothy Thur
Mark Nicolini
Erick Shambarger