



**City
of
Milwaukee**

City of Milwaukee
Department of Public Works

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Residential Sewer Lateral Maintenance Program Analysis for the City of Milwaukee

Summary of Report Prepared By the Robert
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Background

- Infiltration and Inflow (I/I) is the clear water entry into sanitary main sewers.
- Deteriorating and leaky sanitary laterals, which are owned by the homeowner, are a major contributing factor to the I/I problem.
- Efforts to significantly reduce I/I cannot be effective unless private sanitary sewer laterals are addressed.

Study Methodology

- A brief telephone survey of 44 U.S. cities (Phase One):

24 municipalities had some sort of private sanitary lateral program.

20 municipalities did not have any programs.

Study Methodology - Continued

- An in-depth telephone survey with 13 U.S. cities (Phase Two).

Cities from phase One were selected to conduct an in-depth survey based on their sanitary laterals policy. These cities varied in size and included larger municipalities such as Atlanta, Georgia and St. Paul, Minnesota, as well as smaller cities such as Racine, Wisconsin, Davenport, Iowa and Madison, Wisconsin.

Study Findings

- Three Alternatives were studied.
- The alternatives were analyzed based on:
 - Affordability from the City's and homeowner's perspectives
 - Political Feasibility (will present ordinances and laws apply to new policy)
 - Effectiveness (will solution be effective in attaining reduced I/I)

The three alternatives recommended were:

- The Status Quo alternative
- Insurance Program
- Loan Program

Alternative 1: The Status Quo Alternative

- **Affordability:** affordable to City since the City does not perform private lateral repairs. Not affordable to homeowner who must pay for lateral repairs (as much as \$10,000) once orders are issued by City.
- **Political Feasibility:** Politically feasible since no legal changes are required. However, new MMSD I/I reduction rules will increase public pressure.
- **Effectiveness:** Not effective at decreasing private I/I.

Alternative 2: Insurance Program

- Funded using a dedicated monthly sewer fee in the Municipal Services Bill, to be used as a premium for the insurance program.
- Additional funding would be provided by the property owner with a deductible of a set amount (for example, the city of Davenport enacted a \$5 monthly premium fee and a \$500 deductible.)
- Once the deductible is met, the full cost of repairing the lateral will be covered by the City.

Insurance Program - Continued

- **Affordability:** Affordable to City and to homeowners who have damaged laterals. However, City staff believes that a program like this would be inequitable to homeowners who do not own damaged laterals.
- **Political Feasibility:** A flat-fee program-funding mechanism like this would impact all citizens but likely benefit only those in areas of high I/I. This may raise issues of benefit equity.
- **Effectiveness:** This program would decrease I/I because it is a City-wide effort.

Alternative 3: Loan Program

- This is a revolving loan fund program (RLF).
- RLF assists residential property owners in financing sewer lateral maintenance by offering low-interest loans to help cover costs.
- As loans are repaid, the money is returned to the RLF to make additional loans.
- Racine, Wisconsin is running a program similar to this.
- The funding mechanism to establish a loan program for sewer lateral maintenance would be a bond, note or an allocation from the Sewer Maintenance Fund.

Loan Program - Continued

- The report was not clear on how a bond would be repaid.
- As repayments are made, funds become available for new loans to additional property owners. The interest paid by RLF-borrowers would support program administration so that the fund's capital base remains intact.
- Affordability: Not very affordable to the City since the challenge with establishing a RLF is securing upfront capital. Reallocating funds from the Sewer Maintenance Fund is a possibility, but might be politically difficult. Not affordable for low-income homeowners. Therefore, this option may not be politically feasible or effective in reducing I/I.

RECOMMENDATION FROM UW – LA FOLLETTE

- Alternative 2: Insurance Program offers affordability, political feasibility and a long term effective solution to the City's I/I problems.
- An educational campaign is highly recommended as part of this Alternative.