

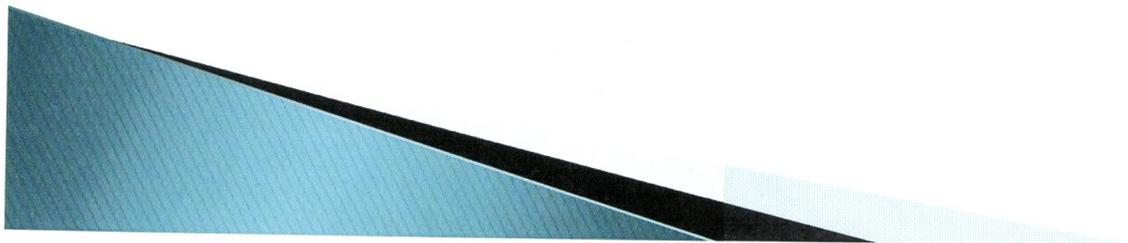


# Vista Terrace Area LID Financial Update

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# Presentation Outline

- Project Recap
- Project Area
- Financial Alternatives
- Funding Scenarios (3)
- Decisions Today
- Next Steps



# Project Recap

- Serves 53 homes and 59 properties
  - 4 homes already connected (H Street)
  - Only 17 homes with “modern” septics
  - 4,920 feet of sewer main extension
  - Two public meetings held in 2011
  - \$700,000 debt in existing sewer rate
  - Formed by ordinance 11-2786
  - Originally to be funded by bond
  - New funding can include private work
  - Planned for construction in 2014, 2015
- 



# Financial Alternatives Considered

- ▶ (1) Sewer main construction only (PWTFLL Only)

PRO	CON
Least amount of debt	City assumes all debt
No Assessment Needed	Owners pay all up front cost

- ▶ (2) Sewer main construction with GFF Relief

PRO	CON
Maximizes funding	Owners still have up front cost
Funds biggest cost to owner	Must sign up with project

- ▶ (3) Sewer main construction including all up-front cost

PRO	CON
Covers all up-front cost	Debt may exceed rate study
Most new connections	Most costly design, most risk

# (1) Sewer Main Construction Only

▶ Property Owner Up-front Cost:

- GFF \$7,024
- Tank Decommission: \$1,200
- New Service Line: ~\$4,000
- **TOTAL:** ~\$12,224

▶ Sewer Main Cost \$565,059

- No assessment to owner
- No LID to administer

▶ No DOE funding needed



## (2) Sewer Main with GFF Relief

▶ Property Owner Up-Front Cost:

- Tank Decommission: \$1,200
- New Service Line: ~\$4,000
- **TOTAL: ~\$5,200**

- **Assessment/mo. \$56.54 (20 years)**

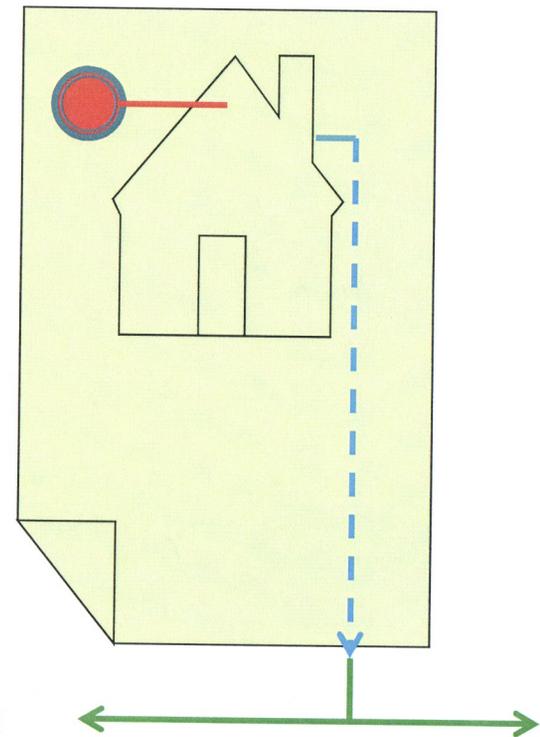
▶ Must hook up before end of 2015

- ▶ Total City Debt \$598,118



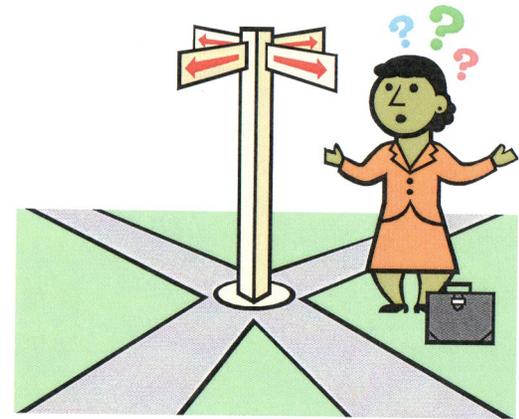
### (3) Sewer Main with Private Connections

- ▶ Property Owner Up-Front Cost: \$0.00 (savings \$12,000)
- ▶ GFFs covered by Grant
  - **Assessment/mo. 61.64 (20 years)**
  - Depends on participation
  - Debt amount may exceed assessment
- ▶ GFFs covered in Loan
  - **Assessment/mo. \$82.64 (20 years)**
  - Tied to parcel in perpetuity
  - (Original assessment estimate \$127/mo.)



# DECISIONS TO CONSIDER

- ▶ LID Assessment method or not
- ▶ Private system design contract
- ▶ Accept Grant/Loan or not
- ▶ Whether to include GFF in assessment



# Financial Alternatives Considered

- ▶ Sewer main construction only

PRO	CON
Least amount of debt	City assumes all debt
No Assessment Needed	Owners pay all up front cost

- ▶ Sewer main construction with GFFs to new connex

PRO	CON
Maximizes funding	Owners still have up front cost
Funds biggest cost to owner	Must sign up with project

- ▶ Sewer main construction including all up-front cost

PRO	CON
Covers all up-front cost	Debt may exceed rate study
Most new connections	Most costly design, most risk

## Next Steps

- Resolution to Accept DOE Funding 5/12/14
- New Professional Services Contract 5/12/14
- Public Informational Meeting
- Construction – Fall, 2014
  - Allan Street
  - Lincoln Lane – East side
- Construction 2015
  - Vista Terrace
  - Lincoln Lane – West side

TODAY!





Questions?

# Code and New Connection Cost Components

- Elements of a sewer connection
  - Construction of the sewer main – LID
  - Demo of Septic & House Connection – Owner
  - General Facility Fee - Owner
  - Utility Bill - Owner
- When is a home required to connect? BMC 13.08.392
  - Failure of the on-site septic system (no repairs are permitted)
  - Sale of the property
  - Reconstruction or improvements are greater than 50%



## Limited Income assistance

- Assistance to qualified limited income owners RCW 84.36.381
- Similar to owners who qualify for property tax exemption:
  - Must be 60 years of age
  - Must be primary residence
  - Income below specified amount
- Deferral provides up to 80% of special assessment
- Deferred balance becomes a lien on the property

