

Sewer Connection Financial Assistance Program

Energy and Environment Committee

April 15, 2015

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Deputy: Adam R. Lid

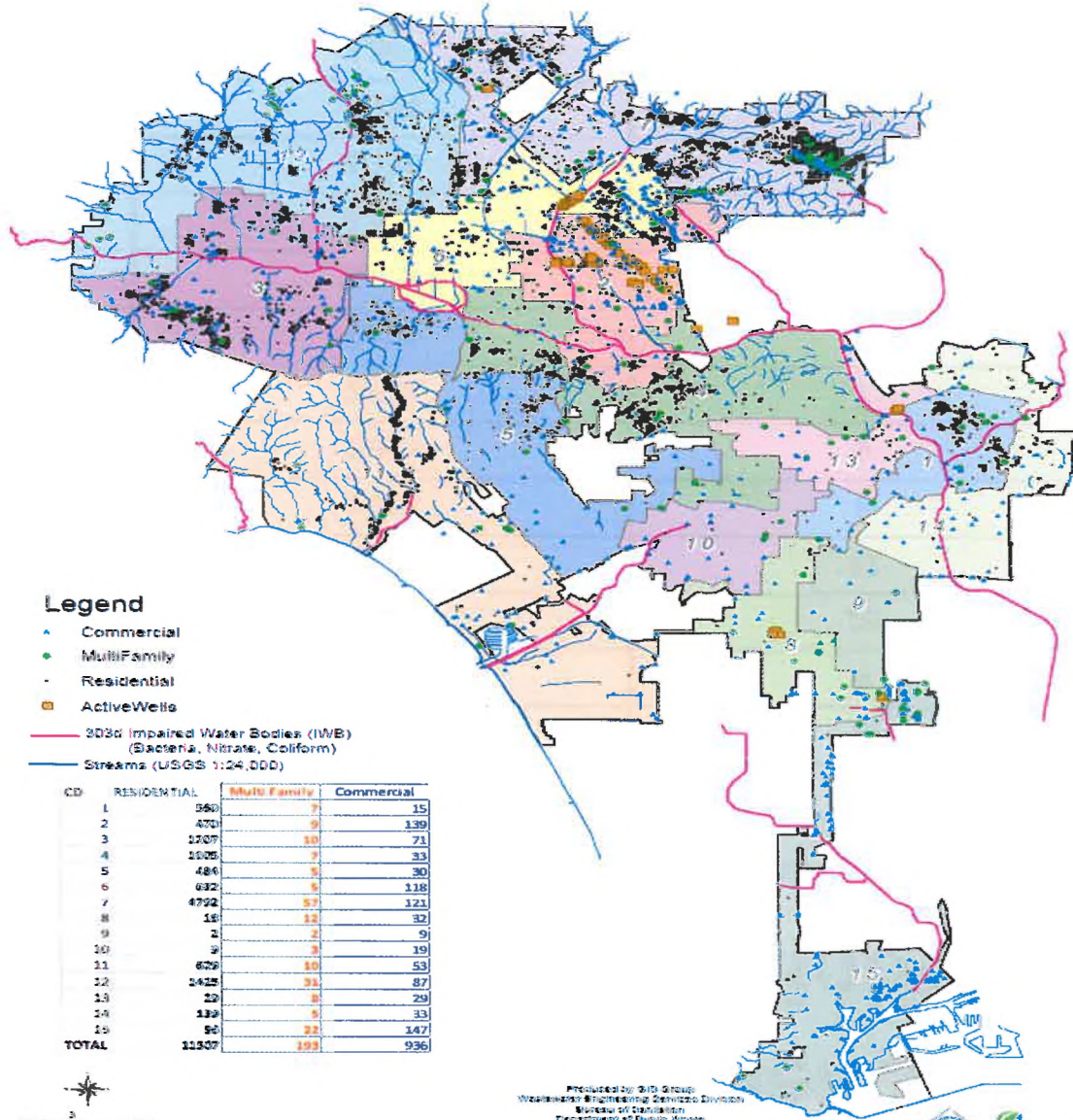
Background

- **Property owners are responsible for maintaining and repairing their sewer lateral or house connection sewer.**
- **These laterals can become damaged due to root intrusion or blockages and repairs can be costly.**
- **Property owners without sewer connections are responsible for operating and maintaining On-site Wastewater Treatment Systems (OWTS) or septic tanks.**
- **Many older OWTS are at risk for structural failure.**
- **Sewage spills from OWTS or damaged laterals can present significant risks to the environment and public health and safety.**

Laterals with Evidence of Moderate to Severe Tree Roots Intrusion

Council District	# of Defective Laterals	% of All Laterals in CD
1	2,589	16
2	4,342	13
3	3,413	8
4	8,149	20
5	7,018	17
6	2,084	8
7	2,938	9
8	2,681	7
9	1,859	11
10	3,079	11
11	8,529	18
12	3,758	7
13	3,235	14
14	4,547	16
15	3,761	9

OWTS in the City of LA



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Provided by: Data Group
 Wastewater Engineering Services Division
 Bureau of Sanitation
 Department of Public Works
 City of Los Angeles
 Updated 8/1/2014



Purpose

Sewer Connection Financial Assistance Program (SCFAP)

This program will provide low-cost financial assistance to property owners in the City to rehabilitate their sewer laterals or properly abandon their OWTS and connect the property to the City sewer system.

SCFAP Basics

- **Qualifications**

- **Technical**

- Sewer lateral in need of repair.
 - OWTS with a nearby existing City sewer.

- **Financial – must be current with:**

- Property tax status
 - Sanitation bill status
 - LA Tax Status (for businesses)



- **Process**

- **Contractors must be Licensed and Bonded.**
 - **Checks will be issued by the City, jointly payable to Property Owners and Contractors.**
 - **10% will be paid at initiation of the construction or repair; 90% balance paid after completion of construction and City inspection.**

Repayment

- **Property owners will be eligible for up to \$25,000 in assistance per property, with a cumulative cap of \$50,000/year for multiple properties.**
- **Assistance amounts will be repaid over five years with amounts greater than \$10,000 repaid over ten years. There is no penalty for early payment.**
- **The interest rate will be equal to the annual earnings of the Sewer Construction and Maintenance Fund pool of investments at the time the assistance is issued and will remain fixed for the life of the financial assistance.**
- **Repayments will occur through the property tax bill, ensuring a high repayment rate.**

Funding for SCFAP

- **Funding is being provided by 0.5% of the rate adjustments implemented between April 6, 2012 and July 1, 2015. This will generate approximately \$30 million in seed money for the program.**
- **After that period, the repayments from previous recipients and interest earnings will be used to fund the SCFAP.**
- **The use of sewer service charge revenue to provide seed money for this program was included in the Proposition 218 notice sent to all ratepayers and property owners in 2011.**

Pilot Program

- Sanitation will implement a one-year pilot program offered to approximately 50 participants representing a mix of lateral repair and OWTS abandonment and connection projects.
- Targeted Outreach: Two to Three Months
- Application Processing: Approximately Three Months
- Repayment could begin as soon as December 2015, but no later than 2016.

Pilot Program

- **Sanitation will report back to the Mayor and the City Council upon completing the following milestones:**
 - 30 days after identifying the 50 participants;
 - 60 days after completing the financial assistance application process; and
 - 30 days after financial assistance repayment has been received or recorded.
- **Report will include:**
 - goals and performance metrics
 - results of the process
 - feedback from participants
 - recommendations to improve the process