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Filed: 10-25-16

Sponsored by: Fishel

First Reading: _____

Second Reading: _____

COUNCIL BILL NO. 2016- 259

GENERAL ORDINANCE NO. _____

AN ORDINANCE

1 AMENDING the Springfield City Code, Chapter 98, 'Streets, Sidewalks and Public
2 Places,' by amending language in Section 98-292, 'Loan program for
3 installation of sewer laterals;' to increase the maximum loan amount to
4 \$20,000; to make lateral loans available to facilities with existing laterals
5 that are failing; and to change the annual interest rate to an interest rate
6 established by the 10-year treasury bill rate at the time a loan is made.
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9 WHEREAS, Chapter 98, 'Streets, Sidewalks and Public Places,' Article VI,
10 'Improvements,' Division 4 – 'Sewers,' Section 98-292 – 'Loan program for installation of
11 sewer laterals,' established a loan program to assist property owners with septic
12 systems to connect to public sanitary sewers, in part, to protect the environment; and
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14 WHEREAS, the City is under an Amended Consent Judgment (ACJ) to reduce
15 sanitary sewer overflows (SSOs) that are harmful to the environment, which are caused
16 in part by excessive sources of inflow and infiltration (I&I), and defective sewer laterals
17 have been shown to be a significant source of I&I in the sewer system; and
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19 WHEREAS, expanding the lateral loan program to include citizens currently
20 connected to public sanitary sewer but who also have a lateral that has failed can
21 eliminate defective laterals that will both reduce I&I requirements in accordance with the
22 ACJ, while protecting the environment; and
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24 WHEREAS, the cost of installing or replacing a sewer lateral has increased.
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26 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
27 SPRINGFIELD, MISSOURI, as follows, that:
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29 NOTE: Language to be added is underlined. Language to be deleted is ~~stricken~~.
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31 Section 1 – The Springfield City Code, Chapter 98, 'Streets, Sidewalks and
32 Public Places,' Article VI, 'Improvements,' Division 4 – 'Sewers,' Section 98-292 – 'Loan
33 program for installation of sewer laterals' is hereby amended and revised as follows:

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(a) The finance department is authorized to administer a loan program for the installation of sewer laterals to serve buildings within the city which are either served by septic systems and which have available access to public sanitary sewers, or are served by public sanitary sewer but have a failed private lateral line.

(b) The director of finance is authorized to promulgate rules and regulations to implement the program, subject to approval by the city manager and notice to the city council. Such rules and regulations shall become effective 20 days after they have been filed with the city clerk, with notice thereof to the city council.

(c) The rules and regulations shall include but not be limited to the following criteria:

(1) Installation of sewer laterals financed pursuant to this program shall be by plumbers licensed by the city, and all necessary permits to perform such work must be obtained.

(2) Disbursements of loans to borrowers shall be by check, payable jointly to the borrower and the person who licensed plumber who installed the sewer lateral, after the installation has been satisfactorily completed, inspected and accepted.

(3) The maximum amount of any loan for installation of a sewer lateral to serve a lot or tract of record shall not exceed ~~\$5,000.00~~ \$20,000.00, to be repaid in monthly payments over 120 months at an interest rate of ~~six percent per annum~~ established by the 10-year treasury bills at the time of the loan. Borrowers shall be required to execute such notes and deeds of trust as may be required by the director of finance to grant the city a secured lien on the real property served by the sewer lateral.

Notwithstanding the provisions of this subsection, the unpaid balance of the loan, together with accrued interest, shall become due and payable upon sale or transfer of such real property, whether voluntary or involuntary.

Section 3 – Savings Clause. Nothing in this ordinance shall be construed to affect any suit or proceeding now pending in any court or any rights acquired or liability incurred nor any cause or causes of action occurred or existing, under any act or ordinance repealed hereby. Nor shall any right or remedy of any character be lost, impaired, or affected by this ordinance.

Section 4 – Severability Clause. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The Council hereby declares that it would have adopted the ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

EXPLANATION TO COUNCIL BILL NO: 2016- 259

FILED: 10-25-16

ORIGINATING DEPARTMENT: Environmental Services

PURPOSE: To Amend Chapter 98 of the Springfield City Code, 'Improvements,' by revising Section 98-292 of Article VI, Division 4, entitled 'Loan program for installation of sewer laterals,' to increase the maximum loan amount in the City's loan program to assist property owners served by septic systems to connect to sanitary sewers; and to make such loans available to facilities with existing laterals that are failing; and to change the annual interest rate from 6% to an interest rate established by the 10-year treasury bills at the time of the loan.

BACKGROUND INFORMATION: In 1997, the City established a sewer lateral loan program to assist property owners that are served by septic systems to connect to the City's sanitary sewer system. The purpose of the program was to eliminate potential environmental contamination coming from failing septic systems. In 2015, the City received Missouri Department of Natural Resources (MDNR) approval of an Amended Consent Judgment (ACJ) and Overflow Control Plan (OCP) with the goal of reducing Sanitary Sewer Overflows (SSOs), in part, by reducing the sources of Inflow and Infiltration (I&I) into the sewer system. Defective sewer laterals have been shown to be a significant source of I&I in the sewer system, as well as a source of environmental contamination.

Due to rising cost of lateral replacement and the public benefit realized by replacing defective laterals, the Department of Environmental Services is proposing to expand the program to include citizens who are currently connected to sanitary sewer, but who also have a lateral that has failed; and to raise the maximum loan amount for sewer lateral system installation from \$5,000 to \$20,000. Environmental Services also proposes to set an internal policy of an annual cap of \$500,000 to be spent on lateral loans in any one fiscal year. The cash for this loan program will be provided by the Environmental Services Clean Water Enterprise Fund. Lateral loans are not an "expense" and are recorded as an amount due from the property owners since the loans are repaid back to the Clean Water Enterprise Fund. Therefore, no budget adjustment is needed for this Council bill.

The rules for implementing this program shall include, but not be limited to:

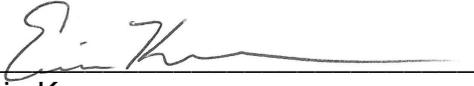
1. Installation of sewer laterals financed pursuant to this program shall be by plumbers licensed by the City of Springfield, and all necessary permits to perform such work must be obtained.

2. Disbursements of loans to borrowers shall be by check, payable jointly to the borrower and the licensed plumber who installed the sewer lateral, after the installation has been satisfactorily completed, inspected and accepted.
3. The maximum amount of any loan for installation of a sewer lateral to serve a lot or tract of record shall not exceed \$20,000.00, to be repaid in monthly payments over 120 months at an interest rate established by the 10-year treasury bills at the time of the loan. Borrowers shall be required to execute such note(s) and deed(s) of trust, as may be required by the director of finance to grant the city a secured lien on the real property served by the sewer lateral. Notwithstanding the provisions of this subsection, the unpaid balance of the loan, together with the accrued interest, shall become due and payable upon sale or transfer of such real property whether voluntary or involuntary.

This Ordinance supports the following Field Guide 2030 goal: Chapter 8, Natural Environment; Major Goal 15, Renew and replace aging wastewater infrastructure, prepare for community growth, provide higher levels of service, and maintain regulatory compliance. Optimize existing sanitary sewer system capacity by efficiently operating and effectively operating and maintaining the sewer collection system and treatment facilities, reduce infiltration and inflow (I&I) into the collection system, and provide a high level of service; Objective 15a, Reduce Sanitary Sewer Overflows - Reduce Sanitary Sewer Overflows (SSOs) and bypasses by controlling Infiltration and Inflow (I&I) into the Sanitary Sewer Collection System. Increase the frequency of collection system preventive maintenance sewer cleaning. Develop and implement a long-term Overflow Control Plan to provide adequate wet weather capacity and reduce SSOs by conducting a cost-effective analysis to identify the best combination of relief sewers, sewer rehabilitation, and treatment improvements to optimize collection/conveyance, and treatment needs of the wastewater utility. Review and update sanitary sewer design, construction, and rehabilitation standards and procedures for inspection of completed work; Maintain an effective contingency plan to manage unavoidable SSOs including those occurring from unpreventable vandalism, blockages, extreme rainstorms, and acts of nature such as earthquakes, floods, etc.; Rehabilitate vitrified clay pipes (VCP) in select sub-basins, conduct flow monitoring to measure the amount of I&I reduction achieved, and update the long-term Overflow Control Plan based upon the results of these activities. Find public and private sources of rainwater that do not belong in the sanitary sewer system, and take corrective action to remove those sources of rainwater I&I so our system doesn't overflow, and the treatment plants don't treat excess rainwater; and Inform the public about how they can help identify and eliminate private I&I flows into the collection system and reduce system operation costs, and maintenance costs, and future system capital improvement costs for additional capacity.

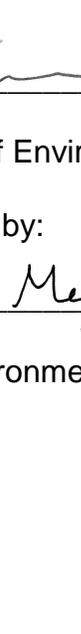
REMARKS: This Council bill will assist citizens in connecting to the sanitary sewer system when it becomes available, will assist citizens in replacing their lateral when it becomes defective, and will provide a cost effective approach to removing Inflow and Infiltration from the sewer system. Environmental Services recommends passing this Ordinance.

Submitted by:



Errin Kemper,
Asst. Director of Environmental Services

Recommended by:



Steve Meyer,
Director of Environmental Services

Approved by:



Greg Burris,
City Manager