



CITYWIDE PRIVATE SEWER LATERAL COST SHARING PROGRAM ANNUAL REPORT 2018/2019

City of San Mateo

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SUMMARY

What is a Private Sewer Lateral?

A full sewer lateral is a pipe that exits the foundation of the property to the sewer main, including the cleanout and the wye connection. A building cleanout provides a property owner easier access to their sewer lateral, should an issue arise in the future. The wye is the connector between a sewer lateral and the City's sewer main. The property owner is responsible for the maintenance and replacement of their sewer lateral (Municipal Code 7.38.432).

Sewer Lateral Cost Sharing Program History

In 2009, the City of San Mateo was issued a Cease and Desist Order (CDO) and fined by the California Regional Water Board (Water Board) for excessive SSOs. As an alternative to paying the entire fine, Water Board allowed the City to use part of the fine money to fund a cost-sharing program designed to help property owners with a portion of the expenses incurred to repair or replace their private sewer laterals. The program, Healthy Home, initially targeted the "leakiest" sewer laterals. Structured as a grant and loan program using \$760,000 of fine monies, the program focused on owner-occupied, single-family residences with household incomes below \$82,200.

In September 2011, the City Council approved the implementation of the City of San Mateo Sewer Lateral Cost Sharing Program (Citywide Program), funded with 10% of the annual sewer maintenance and repair budget, approximately \$370,000. The Citywide Program was a grant and loan program based on the Healthy Home model, which offered a higher environmental impact by including all properties (commercial, residential, rental, etc.).

In early 2013, staff recommended the current Private Sewer Lateral Cost Sharing Program, which provides a 50% reimbursement up to a maximum of \$5,000 for a full sewer lateral replacement. By definition, a full sewer lateral replacement involves a fix of the sewer lateral from the foundation of the building up to the City sewer main, including the wye connection. The wye connection is the coupler between a private sewer lateral and the City sewer main.

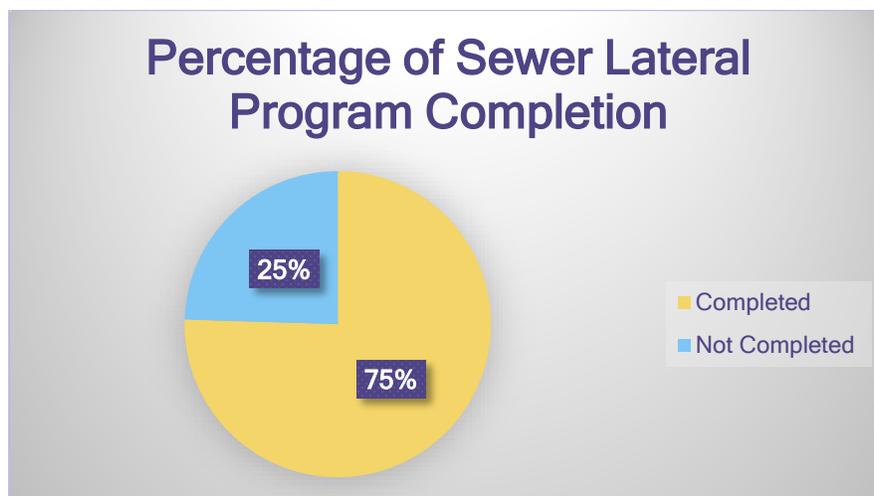
The sewer lateral program is another tool that the City is using to assist the Clean Water Program in achieving its outcomes. Inflow and infiltration from broken private sewer laterals contribute to higher possibilities of sanitary sewer overflows during wet weather storms.

How does the Sewer Lateral Cost Sharing Program Work?

The City of San Mateo's Private Sewer Lateral Cost Sharing Program (PSLCSP) is a grant assistance initiative for property owners to replace their full sewer lateral. Broken or leaking laterals present environmental concerns, undermine the integrity of public roadways, and impact inflow and infiltration, ultimately affecting the wastewater treatment system.

The City budgeted for fiscal year 2018/2019, \$750,000 for the grant program. Applications were accepted for the program starting July 1, 2018. The maximum number of participants was calculated based on the average grant reimbursement (\$4,033) from past program years. Fiscal Year 2018/2019, the City established new enhancements to the program, such as a three-month timeline for property owners to complete the program requirements and an applicant waiting list.

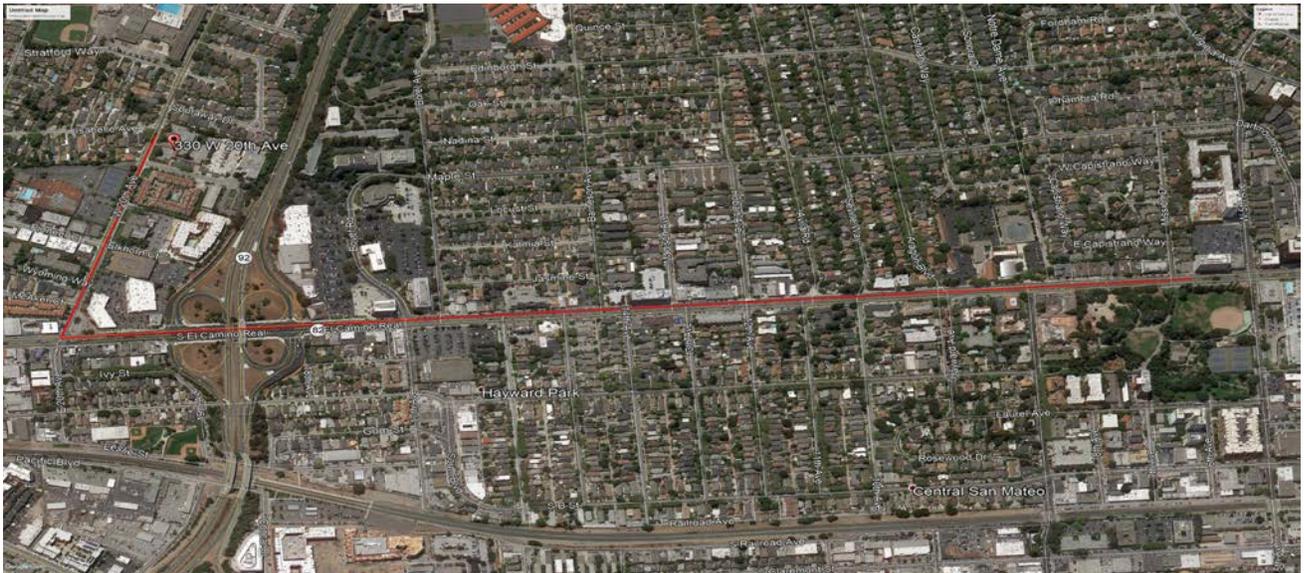
The program was fully subscribed by mid-February 2019. Of the 186 participants, 139 (75%) completed the program within the fiscal year. Due to the waiting list, an additional 18 participants were included in the program because 50 participants didn't finish the program requirements within the three-month timeline or rescinded their application. Overall the program had 204 participants; 154 (75%) completed the program within Fiscal Year 2018/2019. Of available grant funding, 84% of the total was reimbursed to participants.



Upon acceptance into the program, the property owner had three months to complete the replacement and provide their reimbursement packet to the City. If a property owner is unable to complete the work within the timeframe, their application becomes void, and they are no longer eligible to claim a reimbursement. In no point during the program was a participant waiting for a slot to open up, because of the three-month timeline restriction, everyone who applied on the waiting list entered the program. The current reimbursement is 50% of the lowest bid up to a maximum of \$5,000. Fifty participants (25%) did not complete the process.

PROGRAM HIGHLIGHTS

The PSLCSP contributed to more than 7,500 feet (1.4 miles) of sewer lateral piping replaced. The program saw a decrease of 21% of total footage replaced then Fiscal Year 2017/2018. The decline may be attributed to property owners not filling out their reimbursement forms completely. The distance is equivalent to City Hall to Central Park. Also, there were 141 building cleanouts (55% increase) and 86 wye connections (16% increase) installed.



City staff implemented another program enhancement to inform property owners through courtesy notices that a sewer rehabilitation/replacement or a road rehabilitation/reconstruction project will be impacting their street. Providing property owners with the courtesy notices allows them to check the conditions of their lateral and prepare them to repair/replace their laterals if needed. The courtesy notice also serves to inform property owners about the City's three-year trenching moratorium and how it goes into effect after project completion. The collaboration between different divisions, Clean Water Program (CWP) and Capital Improvements Program (CIP), in the Public Works department, is beneficial to all parties and potentially avoids having to make an exemption to break the moratorium.

City staff sent out 1,300 notices to property owners within the City at the beginning of Fiscal Year 2018/2019. The notice to property owners covered all CWP and CIP projects that

impacted City streets. Only twenty-two (2%) property owners responded to apply to the program from the over 1,300 notices mailed.