

## **RESOLUTION NO. 08-02**

### **RESOLUTION OF THE UKIAH VALLEY SANITATION DISTRICT BOARD OF DIRECTORS, MENDOCINO COUNTY ADOPTING THE SEWER LATERAL REPLACEMENT/REPAIR GRANT PROGRAM AND THE GRANT PROGRAM GUIDELINES ATTACHED HERETO AS EXHIBIT "A" AND ESTABLISHING THE MAXIMUM GRANT AMOUNT**

#### **WHEREAS:**

1. The Ukiah Valley Sanitation District (District) owns a wastewater collection system within its district limits; and
2. The City of Ukiah (City) contracts with the District to operate and maintain District's wastewater collection system and to treat the District's wastewater at the City's treatment plant; and
3. In 2006 the City issued revenue bonds to finance the upgrade and expansion of the wastewater treatment plant to serve the City and the District; and
4. In November 2005 the City and the District jointly conducted a rate hearing in accordance with Cal Constitution, Article XIII.D.6 through which they revised and raised their monthly rates for sewer service to, among other things, finance the upgrade portion of the wastewater treatment plant project and to set aside funds in the sewer system budget to reduce infiltration and inflow into the combined wastewater collection system serving the District and the City; and
5. The City is required to operate and maintain District's sewer collection system in a manner that will reasonably eliminate preventable sanitary sewer overflows (SSOs) as mandated by the State Water Resources Control Board with the issuance of Order No. 2006-0003-DWQ; and
6. Infiltration of groundwater and the inflow of surface storm water (I/I) into the sewer collection system can surcharge the collection system and thereby cause SSOs; and
7. The District has entered into a Consent Decree with Northern California River Watch requiring the District to implement a Sewer Lateral Testing, Inspection, and Repair Program (the Program) whereby sewer laterals are inspected and tested and, if necessary, repaired or replaced to reduce infiltration of groundwater; and
8. The District has implemented a Sewer Lateral Testing, Inspection, and Repair Program meeting the requirements set forth in the Stipulation and Order Modifying Consent Decree approved by the United States District Court, Northern District of California, on December 19, 2007; and
9. The District and City have received the Kennedy Engineer's Report amended May 1978 which reported that rehabilitation of public sewers did not result in a substantial reduction of infiltration unless a program for sewer lateral rehabilitation was implemented in conjunction with the sewer main rehabilitation program because sewer rehabilitation work increases the groundwater table in the vicinity of the rehabilitated sewer mains thereby causing increased infiltration into the sewer laterals; and

10. The District has determined that the reduction of I/I into the sewer lateral which extends from the building served by the sewer lateral to the public sewer main directly contributes to the reduction of I/I within the District's public sewer collection system; and
11. The District Board has determined that a successful implementation of the Program will be substantially aided by using a portion of the funds set aside during the November 2005 rate hearing and or any other funds that have been identified to be an acceptable use for the Grant program to fund a portion of the repair or replacement of sewer laterals as well as the rehabilitation of sewer mains in order to reduce the financial burden on private owners and to increase compliance with the Program.

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the District Board of Directors does adopt the Sewer Lateral Replacement/Repair Grant Program as the program is described in the Guidelines attached hereto as Exhibit "A" and does establish a "Maximum Grant Amount" of \$2,000.00.

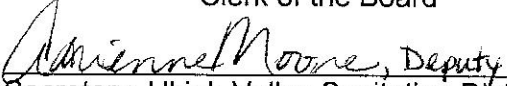
The foregoing Resolution introduced by Director Crane, seconded by Director Delbar, and carried this 28<sup>th</sup> day of February 2008, by the following vote:

AYES: Directors Delbar, Crane, and Wattenburger  
NOES: None  
ABSENT: None

WHEREUPON, the Chair declared said Resolution adopted and SO ORDERED.

  
JIM R. WATTENBURGER, Chair  
Ukiah Valley Sanitation District


ATTEST: KRISTI FURMAN  
Clerk of the Board

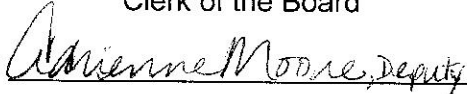
  
Adrienne Moore, Deputy  
Secretary, Ukiah Valley Sanitation District

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

KRISTI FURMAN  
Clerk of the Board

APPROVED AS TO FORM:  
JEANINE B. NADEL, County Counsel

  
Jeanine B. Nadel

By:   
Adrienne Moore, Deputy

**EXHIBIT A**  
**CITY OF UKIAH**  
**AND**  
**UKIAH VALLEY SANITATION DISTRICT**

**SEWER LATERAL REPLACEMENT/REPAIR GRANT PROGRAM GUIDELINES**

This Sewer Lateral Replacement/Repair Grant Program (Grant Program) is offered to eligible owners of property located within the City of Ukiah (City) or the Ukiah Valley Sanitation District (District) to help defray the cost of replacing or repairing a qualified defective sewer lateral. Sewer lateral repairs must meet the standards established for a 25 year Sewer Lateral Certificate of Compliance to be eligible for a grant. The City and the District reserve the right to suspend or terminate the Grant Program at any time for any reason and they will suspend or terminate the program if program funds are exhausted. The City and District reserve the right to substitute the Grant Program with a Public Work Project for street lateral rehabilitation consisting of the relining of the street lateral or utilizing other approved trenchless technology and construction of a two way sewer lateral cleanout within the public right of way or any other Cost Participating Project related to the repair or replacement of the sewer lateral in whole or in part. A determination to substitute the Grant Program with a Public Work Project or Cost Participation Project will be made on a project by project basis associated with the rehabilitation of the sewer main and such decision will be made by the governing body of the City or District.

**DEFINITIONS**

As used in this Grant Program, the following words and phrases shall have the following definitions, which need not be capitalized, when used in these Guidelines:

- A. "Application" shall mean and refer to a form and process that an eligible property owner must complete and follow in order to qualify for a grant under the Grant Program. All applications will be prioritized by the City or District and reviewed for approval.
- B. "Building Drain" shall mean and refer to that part of the lowest piping of a drainage system which receives the discharge from soil, waste, and other drainage pipes inside the walls of the building or structure and conveys it to the building sewer which begins two feet outside the exterior building wall.
- C. "Building Sewer" shall mean and refer to that portion of the sewer lateral which extends from two feet from outside the exterior building wall to the property line.
- D. "Building Wall" shall mean and refer to a component part of a structure built, erected, framed and designed for the housing, shelter, enclosure or support of persons, animals, or property of any kind.
- E. "Closed Circuit TV Inspection" or "CCTV Inspection" shall mean and refer to a process whereby a camera is placed into and run through the inside of a sewer lateral or public sewer main for the purpose of visually detecting leaks or other defects and the inspection is recorded on DVD or videotape or other approved recording medium all in accordance with the standards and specifications adopted by the City and District.

F. "Defective Sewer Lateral, Defective Building Lateral or Defective Street Lateral" shall mean and refer to any sewer lateral, building lateral, or street lateral that fails the exfiltration test or that at the sole discretion of the City or District unacceptable pipe defects are noted as a result of the CCTV Inspection.

G. "Eligible Costs" shall mean and refer to qualified expenditures made by the property owner as a result of replacing or repairing a qualified defective sewer lateral that can be reimbursed to the property owner under the Grant Program up to the maximum reimbursement amount allowed.

H. "Eligible Property Owner" shall mean and refer to any Property Owner legally connected to the City or District public sewer main by a defective sewer lateral and who is not discharging prohibited liquids and substances into the sewer lateral and illegal connections to the sewer lateral do not exist.

I. "Exfiltration Test" shall mean and refer to the static water test that is to be performed on a sewer lateral in accordance with the procedures and standards established by the City and District to determine if the lateral is defective.

J. "Grant" shall mean and refer to an amount of money that may be reimbursed by the City or District to an Eligible property Owner or his/her agent or designee and is less than or equal to 50% (fifty percent) of the Eligible Costs. The Grant amount shall not exceed the Maximum Grant Amount.

K. "Maximum Grant Amount" shall mean and refer to the maximum reimbursement that will be made by the City or District for each qualifying defective sewer lateral and this maximum reimbursement shall be set by Resolution of the Governing Body.

L. "Grant Funds" shall mean and refer to a portion of those funds designated for Inflow/Infiltration reduction within Budget Account 614.3510.810.004 for the City and, for the District, Budget Account 614.3510.811.004 and/or any other funds that have been identified to be of acceptable use for the Grant Program. The amount of Grant Funds shall be determined by the City or District on an annual basis.

M. "Public Sewer Main" shall mean and refer to the sewers owned or maintained by the City or District lying within the limits of public streets, roads, easements, reserves, non-exclusive easements or other rights of way serving or intended to serve two or more separate properties or parcels. The street lateral is not a Public Sewer Main, however, the street lateral wye connection to the sewer main shall be considered as a component of the Public Sewer Main. Any sewer lateral connection that is made to sewer main without the use of a fitting such as a wye or saddle is not a component of the Public Sewer Main.

N. "Qualified Defective Sewer Lateral" shall mean and refer to a sewer lateral that has been inspected and tested as a result of the occurrence of an event or trigger that requires the inspection and testing of the sewer lateral pursuant to the Sewer Lateral Inspection and Testing Ordinances adopted by the City or District and the sewer lateral has failed the exfiltration test or the City or District has determined as a result of the CCTV Inspection that the condition of the sewer lateral is not acceptable. A Qualified Defective Sewer lateral does not include a sewer lateral which has been tested and inspected at the discretion of the property owner or his/her agent or designee.

O. "Qualified Expenditure" or "Qualified Expense" shall mean and refer to a monetary expense for labor, materials, and equipment incurred by the property owner as a result of making permitted repairs or replacements to a qualified defective sewer lateral subsequent to receiving an approved permit to perform a sewer lateral inspection and test. A qualified expense includes the expenditures for the necessary excavation and backfill or the operations necessary for a trenchless technology related to the repair or replacement of a qualified defective sewer lateral including the reasonable restoration of improvements and landscape to a condition that existed just prior to the performance of the excavation work. A Qualified Expenditure does not include costs incurred by the property owner for permit and inspection fees and for services related to the inspection and testing of the sewer lateral. If the repair or replacement of the building sewer lateral is made by the property owner, as opposed to the employees or contractors of the property owner, a labor cost allowance will not be considered as a Qualified Expenditure.

P. "Reasonable Replacement" shall mean and refer to the in-kind replacement of overlying improvements and landscaping directly above the repaired or replaced qualified defective sewer lateral and it shall exclude any upgrade in any replaced improvement or landscape or the replacement of improvements and landscaping that were removed at the discretion of the property owner or their agent.

Q. "Sewer Lateral Repair(s)" shall mean and refer to repair methods made to the sewer lateral that meet the standards established by the City or District for obtaining a 25 year Sewer Lateral Certificate of Compliance.

R. "Street Lateral" shall mean and refer to that portion of the sewer lateral which extends from the property line to the Public Sewer Main.

## GUIDELINES FOR GRANTS TO ELIGIBLE PROPERTY OWNERS

1. The Grant Program is available only to Eligible Property Owners who are required to repair or replace a qualified defective sewer lateral because of the occurrence of an event or trigger which requires the inspection and testing of the sewer lateral in accordance with the City's or District's Sewer Lateral Inspection and Testing Ordinance including those property owners who were required to test and inspect their sewer lateral pursuant to the provisions of Ordinance No. 1091 during the suspension period from June 6, 2007 to March 6, 2008 and who have not repaired or replaced their sewer lateral as of March 6, 2008." The maximum Grant Amount for the repair or replacement of each qualified defective sewer lateral shall be set by Resolution. Because Grant Funds are limited, the Grant Program is not available to Property Owners who repair or replace their sewer lateral at their own discretion or to Property Owners who construct new structures on vacant parcels or who redevelop previously developed parcels and utilize the existing sewer lateral(s).

2. To become eligible to receive a Grant, an Eligible Property Owner must first submit a completed Grant Application along with evidence that the sewer lateral is a qualified defective sewer lateral. The Grant Application may either be submitted prior to the start or after the

completion of the sewer lateral repair or replacement work. In either case, the sewer lateral repair or replacement work must be performed under a permit issued by the City or the District.

- a. If the Grant Application is submitted prior to the start of the repair or replacement of a qualified defective sewer lateral, the Eligible Property Owner shall obtain at least one bid or cost quotation for the repair or replacement work. All bids or cost quotations shall be obtained from contractors licensed with the State of California to perform work on private sewer laterals. In the case of repairs to the sewer lateral, the scope of work contained in the bid or quote shall be sufficient to ensure that the repair work, once completed and tested, will meet the standards established for a 25 year Sewer Lateral Certificate of Compliance. All bids shall be submitted with the Grant Application to the City or District for review and confirmation of Eligible Costs. After the Grant Application has been approved by the City or the District and the sewer lateral repair or replacement work is completed within 60 days from the approval date of the Grant Application and the repaired or replaced sewer lateral passes the Exfiltration Test, payment of the approved eligible costs up to the maximum amount allowed for the grant is guaranteed. Payment of the Grant amount will be made to the Eligible Property Owner after the permit is finalized and within the City's and District's normal time frame for processing warrants. Should the sewer lateral repair or replacement work not be completed within the time frame stipulated on the approved Grant Application, the application will be processed as if the sewer lateral repair or replacement work had been completed prior to receiving an approved Grant Application.
- b. If the Grant Application is submitted subsequent to the completion of the sewer lateral repair or replacement work, the Eligible Property Owner shall submit with the Grant Application copies of all invoices from the licensed contractor who performed the work or, if the work was self performed by the Eligible Property Owner, copies of the material and equipment payment receipts. After receipt of a complete Grant Application, the City or District will determine which costs are Eligible Costs and any cost(s) which appear to be unreasonable for the type of work performed will be subject to revision to be considered Eligible Costs. If sufficient funds are available within the Grant Fund and the repaired or replaced sewer lateral has passed the Exfiltration Test and the Permit finalized, the Grant Application will be approved. Payment of the Grant amount will be made to the Eligible Property Owner within the City's and District's normal time frame for processing warrants. The submittal date of a complete Grant Application will determine its order to be considered for any available grant funding.
- c. If an Eligible Property owner elects to self perform the repair or replacement of a qualified defective sewer lateral, the Grant Application process must follow the process described in sub-paragraph b, above. Unless the Eligible Property Owner is a licensed Contractor with the State of California and is qualified to perform work on a private sewer lateral, the Eligible Property Owner cannot self perform work on the street lateral.
- d. Grant funds not exceeding the maximum Grant Amounts shall be set aside by the City or District and reserved for Property Owners who become Eligible as a result of the rehabilitation or replacement of the sewer main for one year commencing with the date of the Notice of Completion of the sewer main work. After the one year period, the approval of the Grant Application will be subject to available funds and processed as indicated in either sub-paragraphs a or b, above.



3. Only the following shall constitute evidence that a sewer lateral is a qualified defective sewer lateral:

- a. A CCTV inspection and an Exfiltration Test were performed as required by the City's or District's Sewer Lateral Inspection and Testing Ordinance, and
- b. The CCTV inspection indicates that the sewer lateral is a defective sewer lateral. The following shall constitute a defective sewer lateral.
  - i. Either any one of the following three conditions of the sewer lateral:
    - a) The pipe section has been altered as a result of a partial or complete pipe collapse and flow blockages have or can occur as a result of the altered pipe section;
    - b) A severe belly or sump within the sewer lateral causes the settlement of solids thereby increasing the risk of flow blockages;
    - c) An offset in a pipe joint which can restrict the flow of solids and cause flow blockages; or
  - ii. The sewer lateral fails the Exfiltration Test.

4. Subsequent to the finalization of the Permit for sewer lateral repair or replacement, a Sewer Lateral Certificate of Compliance shall be issued by the City or District in accordance with the City's or District's Sewer Lateral Inspection and Testing Ordinances. A sewer lateral will not be eligible for another Grant until the Certificate of Compliance for that lateral has expired.

5. Prior to performing any work within the public right of way, an encroachment permit must be obtained from the agency having jurisdiction.

6. The following types of repair or replacements are reimbursable under the Grant Program:

- a. Open trench repair of the sewer lateral.
- b. Either partial or complete open trench replacement of the sewer lateral.
- c. Trenchless technologies such as pipe bursting and pipe relining. Pipe relining may be partial or for the entire length of the sewer lateral.
- d. Other method which is approved by the City or District prior to implementation.

7. The expenditures for the following type of work items related to the repair or replacement of the sewer lateral are to be considered qualifying expenditures:

- a. Contractor's mobilization and demobilization.
- b. Sawcutting of asphalt and Portland cement concrete and other hard surfaces to be removed to gain access to the sewer lateral.
- c. Traffic control related to the repair or replacement of the street lateral.
- d. Removal and replacement of public improvements over the street lateral.
- e. Reasonable removal and replacement of private improvements such as landscape, concrete, brick, or stone walkways and landscape irrigation.
- f. Removing and resetting portable landscape features such as small fountains and statues.
- g. Removing and resetting brick or concrete block planters and walls directly over the sewer lateral.

- h. Sewer lateral pipe materials including fittings and gaskets or glue.
  - i. Excavation and backfill for open trench repair or replacement or for access pits needed for pipe bursting.
  - j. All equipment used to excavate, backfill, pipe burst or reline the sewer lateral.
  - k. Cleanup, hauling, and disposal of excavated materials including landfill or transfer station disposal fees.
8. The expenditures for the following type of items related to the repair or replacement of the sewer lateral are not to be considered qualifying expenditures:
- a. CCTV inspections and Exfiltration Tests.
  - b. Fees for permits and inspections.
  - c. Installation of a sewer lateral cleanout needed to perform the CCTV inspection or to comply with the Plumbing Code.
  - d. Tree and/or stump removal.
  - e. Removal, replacement, or repair of in ground ponds or pools.
  - f. Obtaining estimates, bids, or quotes.
  - g. Acquisition of tools to perform the work.
  - h. Labor allowances and vehicle fuel, depreciation, mileage allowance, maintenance and all other vehicle expenses incurred in the course of material, equipment, and tool acquisitions and debris hauling and disposal when the work is self performed by the Eligible Property Owner.
9. In the event that there is an unresolved dispute between City or District Staff and the Grant Applicant regarding a determination made by staff, the following dispute resolution procedure shall be followed:
- a. In the City, the Grant Applicant must first file a written request for resolution of the dispute to the Public Utilities Director. If a satisfactory resolution is not achieved within 15 calendar days, the Grant Applicant may file a claim with the City Clerk and the claim will be submitted to the City Council for resolution at the next regular City Council meeting occurring not less than 10 days following the filing of the claim with the City Clerk. The City Council shall provide an opportunity at the meeting for the Grant Applicant to make a presentation in support of his or her claim. It shall allow an opportunity for staff to present its position and shall hear from any other interested parties. The City Council shall have the final decision in the resolution of the dispute.
  - b. In the District, the Grant Applicant must first file a written request for resolution of the dispute to the District Manager or to the CEO or his designee if a District Manager has not been appointed. If a satisfactory resolution is not achieved within 15 calendar days, the Grant Applicant may submit a request to the CEO or his designee that the written dispute be placed on the agenda for the next District Board meeting. The District Board shall provide an opportunity at the meeting for the Grant Applicant to make a presentation in support of his or her claim. It shall allow an opportunity for staff to present its position and shall hear from any other interested parties. The District Board shall have the final decision in the resolution of the dispute.

Adopted by the Ukiah City Council on Feb. 6, 2008

Amended by the Ukiah City Council on Feb 20, 2008 (Paragraph 1 amended)

Adopted as amended by the UVSD Board of Directors on Feb. 28, 2008 (Paragraph L amended)