



**SANITARY DISTRICT NO. 2  
A SUBSIDIARY DISTRICT TO THE TOWN OF CORTE MADERA  
STAFF REPORT**

**REPORT DATE:** June 29, 2020  
**MEETING DATE:** July 7, 2020

**TO:** Sanitary District No. 2 Board President and Board Members

**FROM:** R.J. Suokko, District Manager *rjs*  
Teresa Stricker, District Counsel

**SUBJECT:** Consideration to Amend the Sanitary District No. 2 Lower Lateral CIP Pilot Program and Private Sewer Lateral Pilot Grant Program; to Extend the Term of the Programs by Two Additional Years and Modify the Budgets



**RECOMMENDED ACTION:**

Adopt Resolution No. 04/2020 amending the Sanitary District No. 2 Lower Lateral CIP Pilot Program and Private Sewer Lateral Pilot Grant Program; Extending the Term of the Programs by Two Additional Years and Modifying the Budgets

**BACKGROUND:**

In June 2018, the Sanitary District No. 2 (SD2) Board adopted the Private Sewer Lateral (PSL) Ordinance No.45 requiring inspection of private sewer laterals when any one of the four (4) specific triggers are met: (1) when building improvements valued over \$50,000 are made over a 3-year span, (2) when a property is sold or title transferred, (3) when a sewage overflow or malfunction has occurred, and (4) when the adjacent sewer main is being improved or roadway is being paved as part of the Capital Improvement Program (CIP) led by the Town or Sanitary District No. 2. This ordinance went into effect in August 2018, which has led to significant improvements to the system-wide integrity and reductions in inflow and infiltration (I&I).

Since the PSL Ordinance went into effect, approximately 445 PSL's have been brought up to standard over that period of nearly two years, which represents excellent benefits to the District system but also means a higher number of property owners are being triggered to perform these costly repairs.

As a result, in May of 2019, the District Board approved a Lower Lateral CIP Pilot Program and Private Sewer Lateral Pilot Grant Program that assisted property owners with implementation and decreased their financial burden, and at the same time streamlined efforts for Public Works/District staff when implementing capital improvement projects, which are summarized below:

## I. Lower Lateral CIP Pilot Program

Under the adopted Lower Lateral CIP Pilot Program, the District incorporated the privately owned and maintained “lower lateral” section (commonly from the sewer main to behind the back of curb, to the extent practical and feasible) into the sewer main project for each property owner (see exhibit attached) as part of a one-time repair to be funded by the District, when any of the following conditions apply:

1. the lower lateral connection is within the sewer and/or paving CIP project limits,
2. the majority of the sewer main on the street (or part of the street that is within project limits) is being rehabilitated or replaced, or
3. the District Manager, or that person’s delegee, has determined it is in the best interest of the District, such as where having the District repair the “lower lateral” section as part of the CIP project will:
  - a. avoid delaying or impacting a Public project;
  - b. provide an overall cost savings to the District in the delivery of a capital project; or
  - c. provide a significant benefit to the Town or District by reducing traffic congestion (in particular on high volume roads).

Once the sewer main and lower lateral replacements were completed, the Town was able to proceed with its other planned CIP improvements, such as paving on that road. Once the CIP projects were complete, the property owners were then given a larger time window (180 days) to replace or repair their “upper laterals” at a reasonable pace, while reducing the likelihood of impacting the Town right-of-way and newly repaved roadways. The adopted facilitation of lower laterals is a common technique used by several other local sanitary districts (Alto Sanitary District, Mill Valley, and Las Galinas) and through the first year of the pilot program has yielded beneficial results to property owners, has streamlined the implementation process, and thus far appears to be financially feasible.

## II. PSL Pilot Grant Program

Furthermore, in efforts to be equitable to other rate payers within the District and to promote the benefits of the PSL ordinance by reducing inflow and infiltration (I&I), the District Board also adopted a PSL Pilot Grant Program. This program provided any property owner within the District who currently does not pass a pressure test and whose household has not received District funds from any of the other District assistance programs within the last ten (10) years, the opportunity to apply for 50% match in District funds, with an amount not to exceed \$1,500 total from the District, to pay for sewer improvements needed to allow the property owner’s PSL to pass a pressure test. In other words, no “double dipping” from the Lower Lateral CIP Pilot Program or the PSL Pilot Grant Program was allowed. Similar grant assistance programs had been implemented by other local sanitary districts (Ross Valley and Sanitation Agency of Southern Marin) with positive results and through the first year staff believes these matching funds have encouraged property owners to bring their PSL’s to standard with improved results.

In addition, in May 2019 it was noted if these programs are successful and financially feasible, staff may return to the Board with options to make these programs permanent and the Board should be aware that a future decision to make the program permanent could also trigger raising District

sewer fees since they have been unchanged since 2010 and more importantly, in order to streamline CIP delivery and assist property owners financially, the Districts revenue stream will need augmentation.

## **DISCUSSION:**

Through the initial year of the Lower Lateral CIP Pilot Program and Private Sewer Lateral Pilot Grant Program, staff has observed that they have been effective in serving the purposes as originally intended; (1) expedite District sewer projects and Town and District Capital Improvement Program (“CIP”) projects, (2) minimize unnecessary delays in public construction projects negatively impacting District residents, and/or (3) save District or Town resources, including staff time.

However, staff is still looking for additional opportunities to further optimize and streamline the goals of the programs and thus is proposing some minor modifications, while also extending the term of the pilot programs by two additional years so they can be further analyzed and justified with respect to the overall costs to benefits provided to the District and rate payers.

In fiscal year 2019-2020, the Board allocated \$500,000 for each program, for a combined total of \$1,000,000 for both programs, during fiscal year 2019-2020, however based on those results and projecting forward to future sewer rehabilitation projects, staff is recommending that the net contribution of \$1,000,000 per year remain consistent (for a combined amount of \$2,000,000 over the next two fiscal years) but that \$700,000 be applied to the Lower Lateral CIP Pilot Program due to its greater demand, whereas the remaining \$300,000 would be applied to the PSL Grant Program each year, which still should be adequate.

In addition, one of the larger takeaways from the 2019 Sewer Rehabilitation Project was that staff observed that it was infeasible to identify and obtain “opt-in” signatures for the Lower Lateral CIP Pilot Program, from all affected property owners (over a hundred per project) due to the uncertainty of information available in design and the reality that not all property owners reside within their Corte Madera residences and/or are willing to engage in the process. For example, in several instances five or more attempts were made to obtain these “opt-in” signatures from property owners to receive improvements to their PSL at no out of pocket costs to them. This inefficiency in the prior process coupled with the limited downside of a property owner essentially receiving a material benefit at no cost has led staff to propose an “opt-out” process instead, where the impacted property owners would be given fifteen (15) calendar days to respond to the District’s notice should they choose to not be included in the Lower Lateral CIP Pilot Program, which would vastly streamline the coordination effort and would reduce the risk of delays to the District’s construction project.

Lastly, given the unexpected nature that a CIP project could impose on the property owners when compared to the other more common PSL Ordinance triggers such as; when building improvements valued over \$50,000 are made over a 3-year span, or when a property is sold or title transferred; Town/District staff are recommending that permit fees that are triggered by CIP projects and that require property owners to comply with the Ordinance be “waived” or issued at no cost to the permittee. Permit applications that are not triggered by CIP projects would still be required to pay the standard permit fees established by the Town and/or District.

**FISCAL IMPACT:**

Staff is recommending that \$700,000 per fiscal year from the District’s capital budget be allocated to fund the Lower Lateral CIP Pilot Program for fiscal years 2020-2021 and 2021-2022.

Staff is recommending that \$300,000 per fiscal year from the District’s capital budget be allocated to fund the PSL Grant Assistance Grant Program for fiscal years 2020-2021 and 2021-2022.

The combined total amount of \$2,000,000 over the next two fiscal years for the two programs will be allocated from the District’s capital budget.

For both programs, funds will be made available at the beginning of each fiscal year on a first-come-first-serve basis until funds run out.

**ENVIRONMENTAL IMPACT:**

This activity is not a project within the meaning of CEQA because it creates only a funding mechanism and does not involve a commitment to any specific project that may result in a physical change in the environment. (Section 15378(b)(4) CEQA Guidelines.)

**OPTIONS:**

1. Adopt the resolution as presented.
2. Take no action at this time.

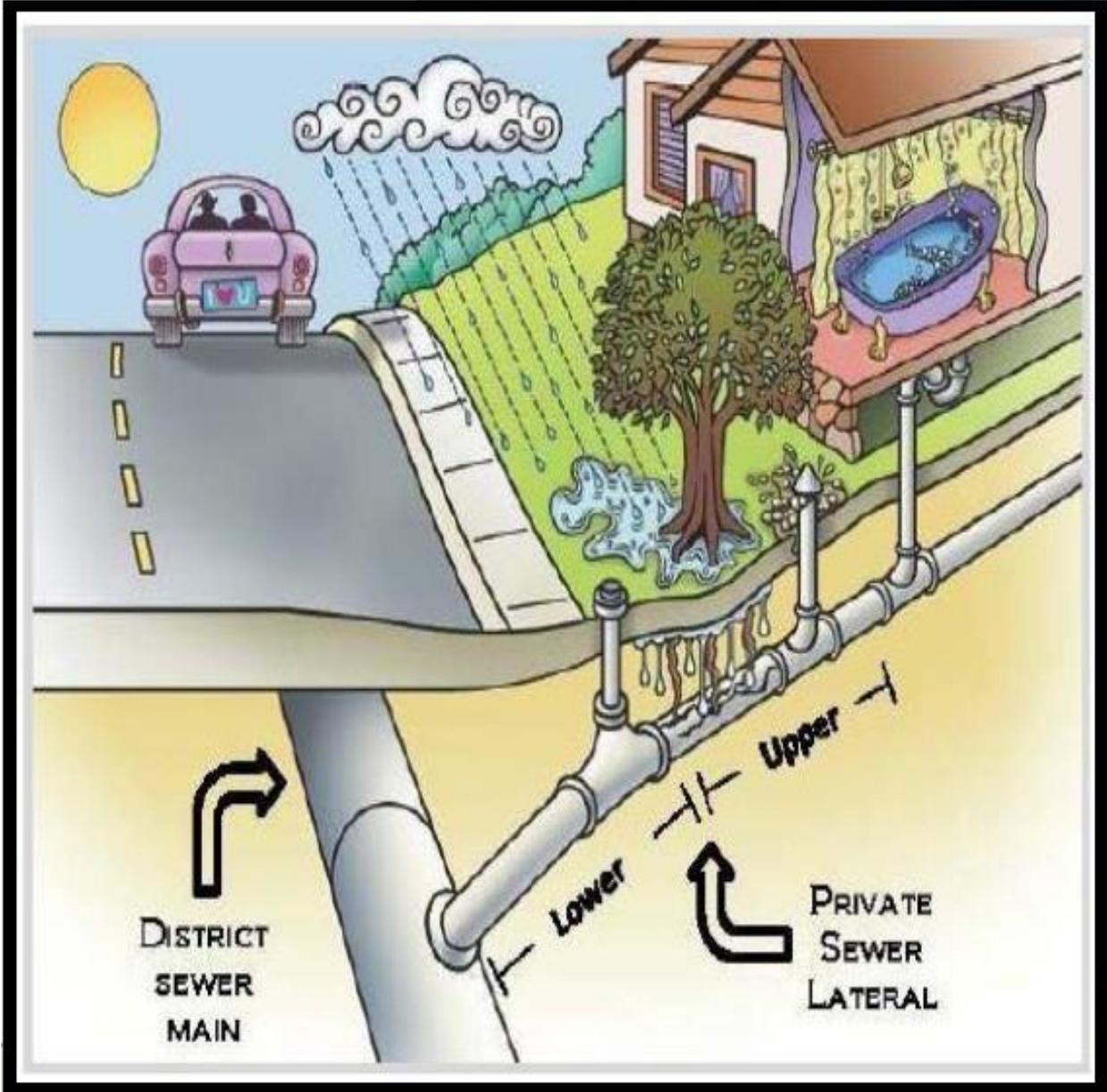
**ATTACHMENTS:**

1. Attachment 1 – Lower Lateral versus Upper Lateral Exhibit
2. Attachment 2 - Draft Resolution No. 04/2020
3. Attachment 3 – May 21, 2019 Staff Report & Resolution No. 02/2019

THIS ITEM HAS BEEN REVIEWED AND APPROVED BY THE DISTRICT MANAGER.

**ATTACHMENT 1**

Lower Lateral versus Upper Lateral Exhibit



**ATTACHMENT 2**

Draft Resolution No. 04/2020

**RESOLUTION NO. 04/2020**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF SANITARY DISTRICT NO. 2 OF MARIN COUNTY AMENDING AND EXTENDING THE LOWER LATERAL CIP PILOT PROGRAM AND PRIVATE SEWER LATERAL PILOT GRANT PROGRAM**

---

WHEREAS, Title 21 of the Corte Madera Municipal Code has been adopted by the Sanitary District No. 2 of Marin County, a Subsidiary District to the Town of Corte Madera, (“District”) to provide rules and regulations for the use and construction of sanitary sewer facilities installed, altered or repaired within the District; and

WHEREAS, on May 21, 2019, the Board adopted the Lower Lateral CIP Pilot Program and Private Sewer Lateral (“PSL”) Pilot Grant Program to allow the District to determine whether adopting such programs long-term will (1) expedite District sewer projects and Town and District Capital Improvement Program (“CIP”) projects, (2) minimize unnecessary delays in public construction projects negatively impacting District residents, and/or (3) save District or Town resources, including staff time; and

WHEREAS, the Board allocated \$500,000 for each program, for a combined total of \$1,000,000 for both programs, during fiscal year 2019-2020; and

WHEREAS, based on the success of both programs during the 2019-2020 fiscal year, the Board desires to extend the Lower Lateral CIP Pilot Program and PSL Pilot Grant Program during fiscal years 2020-2021 and 2021-2022 to further analyze and determine the long-term benefits of those programs, and continue to approve \$1,000,000 per year (for a combined total amount of \$2,000,000 over the next two fiscal years) for the two programs.

WHEREAS, based on the greater demand for the Lower Lateral CIP Pilot Program funds then PSL Pilot Grant Program funds during fiscal year 2019-2020, the Board desires to allocate \$700,000 per year for the Lower Lateral CIP Pilot Program and \$300,000 per year for the Private Sewer Lateral Pilot Grant Program for each fiscal year 2020-2021 and fiscal year 2021-2022.

WHEREAS, this Lower Lateral CIP Pilot Program will facilitate and fund replacement or repair of the “lower” portion of PSLs through the end of fiscal year 2021-2022 at the District’s expense for certain qualified property owners, unless the funds the District Board has allocated for the Lower Lateral CIP Pilot Program have been exhausted; and

WHEREAS, the PSL Pilot Grant Program will authorize District staff to use District funds to reimburse fifty percent of the cost of replacing PSLs, up to a maximum District contribution of one thousand five hundred dollars (\$1,500) for certain qualified applicants through the end of fiscal year 2021-22 unless the funds the Board has allocated for the program have been exhausted:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Sanitary District No. 2 does hereby find and resolve as follows:

**Recitals**

The foregoing recitals are true and correct and are incorporated into the findings herein.

**1. Continuation of the Lower Lateral CIP Pilot Program (\$700,000)**

- a) Extension and Funding: The District hereby extends the Lower Lateral CIP Pilot Program for fiscal years 2020-2021 and 2021-2022 and allocates \$700,000 per fiscal year from the District's capital budget to fund that program. The extended program shall begin on July 1, 2020 and continue through June 30, 2022 unless before that time, the allocated funds are exhausted .
- b) Program: The District will incorporate the repair or replacement of qualified, privately-owned and maintained lower lateral sections of a PSL that is needed for the lower section of the PSL to pass a pressure test as set forth in Municipal Code Section 21.20.004, into a District sewer main project occurring on the same street. Each property owner will continue to own and maintain the entire PSL regardless of whether it is included in the program, and the entire PSL will be required to pass a pressure test prior to completion of the sewer project or related Town or District CIP project. This one-time per lower lateral repair or replacement will be funded by the District until the funds allocated for the program in each fiscal year as set forth in the "Extension and Funding" paragraph have been exhausted.
- c) Definition of Lower Lateral: The portion of the private sewer lateral extending from the sewer main to just behind the back of curb (or edge of roadway if no curb is present), with the exception that where sidewalk or another obstruction are immediately adjacent to the back of curb, for purposes of this program District staff has the discretion to extend the lower lateral, only as needed to avoid those physical conflicts.
- d) Qualification for Program: Lower laterals qualify for inclusion in the Lower Lateral CIP Pilot Program when (1) the lower lateral connection is within the sewer and/or paving CIP project limits, (2) the majority of the sewer main on the part of the street that is being repaired is within project limits, (3) the lateral does not have a current, valid certificate of compliance, (4) the majority of the main is being rehabilitated or replaced, and (5) The District Manager, or that person's designee, has determined it is in the best interest of the District to repair or replace the lower lateral section of the PSL as part of the sewer main project because doing so will:
  - a) Avoid delaying or negatively impacting a public construction project that benefits the Town or District;
  - b) Provide an overall cost savings to the Town or District in the delivery of a capital project; or

- c) Provide a significant benefit to the Town or District by reducing traffic congestion (in particular on high volume roads).
- e) Disqualification: A property owner is disqualified from the Lower Lateral CIP Pilot Grant Program, if the property has previously benefited from the Lower Lateral CIP Pilot Program or the PSL Pilot Grant Program within the last 10 years; or if there are records on file that the PSL has passed a pressure test within the last 10 years and if the District Manager, or that person's designee, has determined it is in the best interest of the District.
- f) Permit: If the lower lateral repair or replacement is performed by Town pursuant to this grant program pursuant to Municipal Code Chapter 21.18 no Permit shall be required for such work. The property owner will be required to submit an application for a sewer permit to the District for review and approval prior to commencement of any other work on the PSL (such as the "upper lateral").
- g) Retroactive Grants: The continued program goes into effect on July 1, 2020. Reimbursements for work completed prior to that date are not authorized under this program, but may qualify for reimbursement under the 2019-2020 CIP grant program if the work was completed during fiscal year 2019-2020.
- h) Opt Out Provision: Prior to conducting work on a sewer main or a paving project Town will notify owners of lateral sewers within the project boundaries of; 1) the dates of the proposed work; 2) that qualifying lower lateral sewers within the project boundaries will be replaced or repaired without charge to the property owner under the Lower Lateral CIP Pilot Program unless the property owner opts out of the Lower Lateral CIP Program in writing within 15 days of the mailing of the Notice pursuant to this section.
- i) Permit Fees: Permit fees that are triggered by CIP projects and that require property owners to comply with the Ordinance shall be "waived" or issued at no cost to the permittee.

## **2. Continuation of the PSL Pilot Grant Program (\$300,000)**

- a) Extension and Funding: PSL Pilot Grant Program for fiscal years 2020-2021 and 2021-2022 and allocates \$700,000 per fiscal year from the District's capital budget to fund that program. The program shall continue beginning July 1, 2020 and continue through June 30, 2022, unless before that time the allocated funds are exhausted.
- f) Program: The District will award a grant of District funds for 50% of the cost of repairing or replacing any part of a PSL that is needed for the PSL to pass a PSL pressure test as set forth in Municipal Code Sections 21.20.004, 21.20.060, and 21.22.020, to any property owner within the District, regardless of income level provided, however, that the maximum grant from the District shall not exceed \$1,500 per lateral. Each property owner will continue to own and maintain the entire PSL regardless of whether it is included in the program, and the entire PSL will be required to pass a pressure test within 180 days of the

sewer permit issuance date in order to receive the grant. This one-time grant will be funded by the District on a first-come basis until the funds allocated for the program in each fiscal year as set forth in the “Extension and Funding” paragraph have been exhausted.

- b) Disqualification: A property owner is disqualified from the PSL Pilot Grant Program, if the property has benefited from the Lower Lateral CIP Pilot Program or the PSL Pilot Grant Program within the last 10 years; or if there are records on file that the PSL has passed a pressure test within the last 10 years and if the District Manager, or that person’s designee, has determined it is in the best interest of the District.
- c) Permit Required: If a grant application for the PSL Pilot Grant Program is submitted and approved, the property owner will be required to submit an application for a sewer permit to the District for review and approval prior to commencement of work on the PSL.
- d) Retroactive Grants: The continued program goes into effect on July 1, 2020 Reimbursements for work completed prior to that date are not authorized under this program, but may qualify for reimbursement under the 2019-2020 PSL grant program if the work was completed during fiscal year 2019-2020.
- e) Permit Fees: Permit fees that are triggered by CIP projects and that require property owners to comply with the Ordinance shall be “waived” or issued at no cost to the permittee.

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the Board of Directors of Sanitary District No. 2 at a regular meeting held on the 7<sup>th</sup> day of July, 2020, by the following vote, to wit:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

---

Eli Beckman, District President

ATTEST:

---

Rebecca Vaughn, District Clerk

**ATTACHMENT 3**

May 21, 2019 Staff Report & Resolution No. 02/2019



THE TOWN OF  
CORTE MADERA  
MARIN COUNTY CALIFORNIA

**SANITARY DISTRICT NO. 2  
A SUBSIDIARY DISTRICT TO THE TOWN OF CORTE MADERA  
STAFF REPORT**

**REPORT DATE:** May 14, 2019  
**MEETING DATE:** May 21, 2019

**TO:** President and Board Members

**FROM:** R.J. Suokko, Senior Civil Engineer *RS*

Peter Brown, District Manager *PB*

Teresa Stricker, District Counsel

**SUBJECT:** Sanitary District No. 2 Lower Lateral CIP Pilot Program and Private Sewer Lateral Pilot Grant Program



**RECOMMENDED ACTION:**

Approve Resolution No. 02/2019 and direct staff to implement the Lower Lateral CIP Pilot Program and the Private Sewer Lateral Pilot Grant Program in conjunction with the 2019 Sewer Rehabilitation and Pavement Management Projects.

**BACKGROUND:**

In June 2018, the Sanitary District No. 2 (SD2) Board adopted the Private Sewer Lateral (PSL) Ordinance No. 45 requiring inspection of private sewer laterals when any one of the four (4) specific triggers are met: (1) when building improvements valued over \$50,000 are made over a 3-year span, (2) when a property is sold or title transferred, (3) when a sewage overflow or malfunction has occurred, and (4) when the adjacent sewer main is being improved or roadway is being paved as part of the Capital Improvement Program (CIP) led by the Town or Sanitary District No. 2.

Since the ordinance was adopted, a large number of PSLs have been inspected and virtually all of them have had to be replaced or repaired. Thus, system-wide integrity is improving and infiltration/inflow is decreasing. Public Works and District staff have analyzed this change in procedures and have developed several strategies to both assist property owners with implementation and decrease their financial burden, and at the same time streamline efforts for Public Works/District staff when implementing capital improvement projects. As a result, staff is proposing a Lower Lateral CIP Pilot Program and a Private Sewer Lateral Pilot Grant Program. If these programs are successful and financially feasible, staff may return to the Board with options to make these programs permanent. The Board should be aware that a future decision to make the

program permanent will also trigger raising District sewer fees since they have been unchanged since 2010 and more importantly, in order to streamline CIP delivery and assist property owners financially, the Districts revenue stream will need augmentation.

## **DISCUSSION:**

### **I. Lower Lateral CIP Pilot Program**

As a result of the new PSL ordinance, there has been a significant spike in PSL inspections and replacements. Since August 2018, approximately 200 PSLs were replaced, which was a significant increase over any prior period.

In addition, as part of our upcoming paving project staff anticipates that approximately 150 PSLs will need to be pressure tested and the majority of those will require replacement, which requires considerable staff time to facilitate permit reviews and inspections. Under the current District ordinance procedures, District staff will be required to send letters to all affected property owners notifying them that a sewer or paving project is scheduled on their street and prior to the work they will be required to pass a PSL pressure test in advance of the CIP project initiation. Each individual property owner is responsible for hiring a contractor, obtaining a sewer permit, funding the work, and coordinating with District staff within a limited time window, which can be a stressful process for any property owner. In addition, because District staff are required to facilitate the PSL process, which includes reviewing, inspecting and documenting the work performed by each property owner, it will be very difficult for property owners to meet the short time frame required under current procedures given District staff's current workforce capacity.

Under the proposed Lower Lateral CIP Pilot Program, the District would incorporate the privately owned and maintained "lower lateral" section (commonly from the sewer main to back of sidewalk – see exhibit attached) into the sewer main project for each property owner as part of a one-time repair to be funded by the District, when all of the following conditions apply:

1. the lower lateral connection is within the sewer and/or paving CIP project limits,
2. the majority of the sewer main on the street on the part of the street that is being repaired is within project limits;
3. the majority of the main is being rehabilitated or replaced; and
4. the District Manager, or that person's delegee, has determined it is in the best interest of the District for the District to repair or replace the lower lateral section of the PSL as part of the sewer main project because doing so will:
  - a. Avoid delaying or negatively impacting a public construction project that benefits the Town or District;
  - b. Provide an overall cost savings to the District or Town in the delivery of a capital project; or
  - c. Provide a significant benefit to the Town or District by reducing traffic congestion (in particular on high volume roads).

Once the sewer main and lower lateral replacements are complete, the Town would be able to proceed with its other planned CIP improvements, such as paving on that road. Once the CIP projects are complete, the property owners would be given a larger time window (180 days) to

replace or repair their “upper laterals” at a reasonable pace, which likely could be done exclusively on private property and thus would reduce the likelihood of impacting the Town right-of-way and newly repaved roadways. The proposed facilitation of lower laterals is a common technique used by several other local sanitary districts (Alto Sanitary District, Mill Valley, and Las Galinas) and staff feels that it is worthy of a one or two-year pilot program to determine if it benefits our residents, is financially feasible, and improves our process.

## II. PSL Pilot Grant Program

Furthermore, in efforts to be equitable to other rate payers within the District and to promote the benefits of the PSL ordinance by reducing inflow and infiltration (I&I), the District staff have also developed a proposed PSL Pilot Grant Program. This program would provide any property owner within the District who currently does not pass a pressure test and whose household has not receive District funds from any of the other District or Town assistance programs within the last ten (10) years, the opportunity to apply for 50% match in District funds, with an amount not to exceed \$1,500 total from the District, to pay for improvements needed to any part of the PSL to allow the property owner’s PSL to pass a pressure test. In other words, no “double dipping” from the Lower Lateral CIP Pilot Program, the PSL Pilot Grant Program or any other District or Town funding assistance program will be allowed. In addition, this program would go into effect on the date approved by the Board and not allow retroactive payments or reimbursements for work completed in the past. If approved, property owners will be required to submit an application for the PSL Pilot Grant Program to District for review and approval prior to commencement of work on their PSL. Similar grant assistance programs have been implemented by other local sanitary districts (Ross Valley and Sanitation Agency of Southern Marin) with positive results. Staff feels that it is worthy of one or two-year pilot program to determine if it benefits our residents and improves our process.

### **FISCAL IMPACT:**

Staff is recommending that \$500,000 be allocated from the District capital budget to each the Lower Lateral CIP Pilot Program and the PSL Pilot Grant Program, for a total amount of \$1,000,000.

For the Lower Lateral CIP Pilot Program, the District will initiate the process by sending letters to qualifying property owners each fiscal year. Funds will be distributed on a first-come-first-serve by-project basis until funds run out.

For the PSL Pilot Grant Program, funds will be made available at the beginning of each fiscal year on a first-come-first-serve basis until funds run out.

For both proposed programs, any funds remaining at the end of fiscal year 2019-20 could be carried over into subsequent years within each respective program only if the Board approves continuing the program beyond the 2019-20 fiscal year. Staff will provide regular updates to the Board on progress and as mentioned, may provide future options to increase sewer fees as needed to maintain funding capacity for long-term infrastructure maintenance if the Board decides to continue the programs beyond the first year.

**ENVIRONMENTAL IMPACT:**

This activity is not a project within the meaning of CEQA because it creates only a funding mechanism and does not involve a commitment to any specific project that may result in a physical change in the environment. (Section 15378(b)(4) CEQA Guidelines.)

**OPTIONS:**

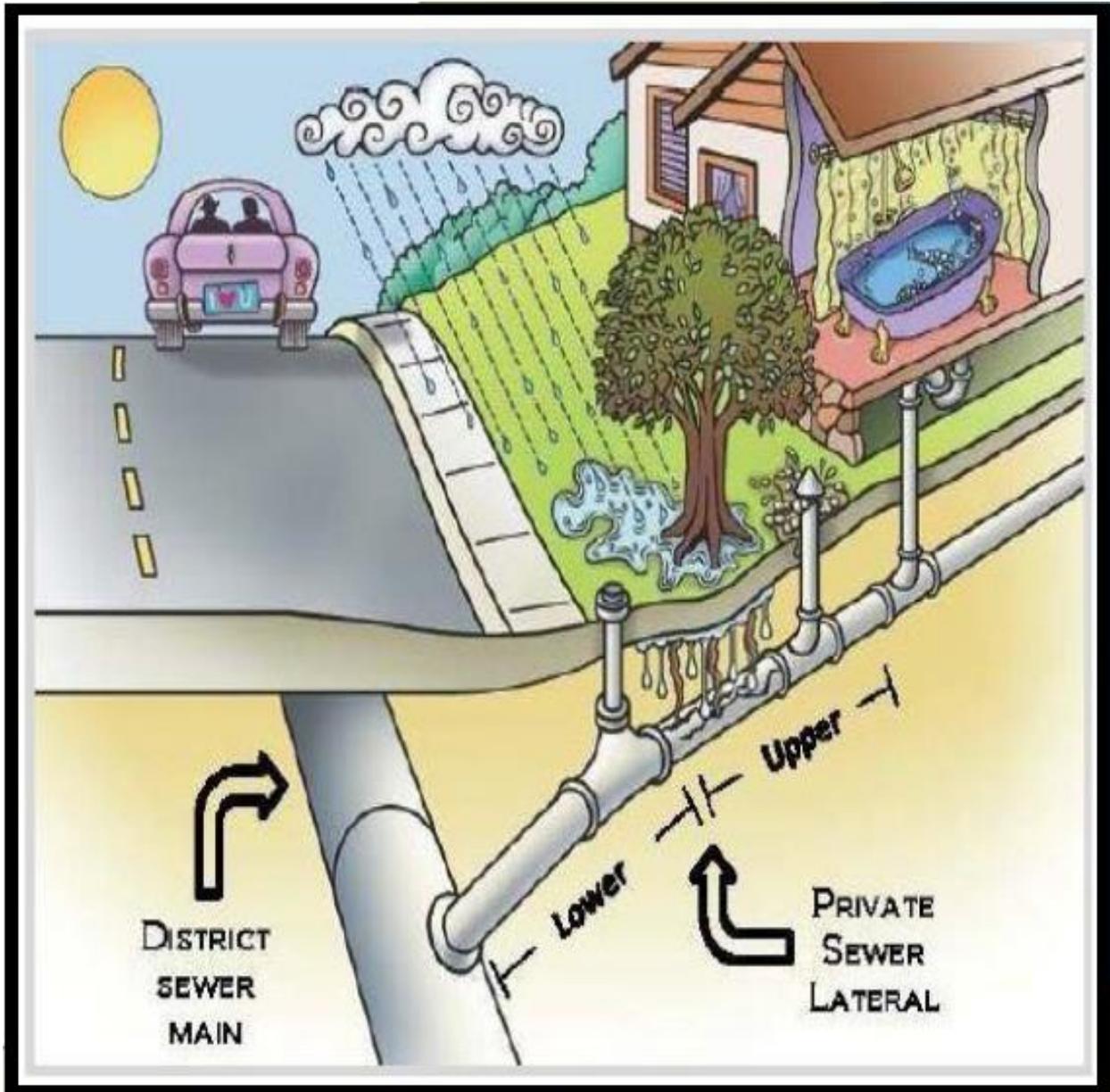
1. Approve the resolution as presented.
2. Approve the resolution with modifications.
3. Take no action at this time.

**ATTACHMENTS:**

1. Attachment 1 – Lower Lateral versus Upper Lateral Exhibit
2. Draft Resolution No. 02/2019

THIS ITEM HAS BEEN REVIEWED AND APPROVED BY THE DISTRICT MANAGER.

Attachment 1 – Lower Lateral versus Upper Lateral Exhibit



RESOLUTION NO. 02/2019

**A RESOLUTION OF THE BOARD OF DIRECTORS OF SANITARY DISTRICT NO. 2 OF MARIN COUNTY ADOPTING A LOWER LATERAL CIP PILOT PROGRAM AND A PRIVATE SEWER LATERAL PILOT GRANT PROGRAM**

---

WHEREAS, Title 21 of Sanitary District No. 2 of Marin County Sanitary, a Subsidiary District to the Town of Corte Madera has been adopted to provide rules and regulations for the use and construction of sanitary sewer facilities installed, altered or repaired within the District; and

WHEREAS, this Board desires to implement a Lower Lateral CIP Pilot Program and Private Sewer Lateral Pilot Grant Program to determine whether adopting such programs long term will (1) expediate District sewer projects and Town and District Capital Improvement Program (“CIP”) projects, (2) minimize unnecessary delays in public construction projects negatively impacting District residents, and/or (3) save District or Town resources, including staff time; and

WHEREAS, this Lower Lateral CIP Pilot Program will facilitate and fund replacement or repair of the “lower” portion of private sewer laterals (“PSLs”) through the end of fiscal year 2019-20 at the District’s expense for certain qualified property owners, unless the funds the District Board has allocated for the Lower Lateral CIP Pilot Program have been exhausted, or sooner if the Board decides to terminate the program; and

WHEREAS, the Private Sewer Lateral Pilot Grant Program will authorize District staff to use District funds to reimburse fifty percent of the cost of replacing private sewer laterals, up to a maximum District contribution of one thousand five hundred dollars (\$1,500) per parcel, for certain qualified applicants through the end of fiscal year 2019-20 unless the funds the District Board has allocated for the program have been exhausted, or sooner if the Board terminates the program;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Sanitary District No. 2 does hereby find and resolve as follows:

**1. Recitals**

The foregoing recitals are true and correct and are incorporated into the findings herein.

**2. Establishment of a Lower Lateral CIP Pilot Program (\$500,000)**

- a. Creation and Funding: The District hereby establishes a Lower Later CIP Pilot Program and allocates \$500,000 from the District’s capital budget to fund the program. The program shall continue through the end of Fiscal Year 2019-20 unless before that time, the

allocated funds are exhausted or the Board terminates the program.

- b. Program: The District will incorporate the repair or replacement of qualified, privately-owned and maintained lower lateral section of a PSL that is needed for the lower section of the PSL to pass a pressure test as set forth in Municipal Code Section 21.20.004, into a District sewer main project occurring on the same street. Each property owner will continue to own and maintain the entire PSL regardless of whether it is included in the program, and the entire PSL will be required to pass a pressure test prior to completion of the sewer project or related Town or District CIP project. This one-time lower lateral repair or replacement will be funded by the District on a first come basis until the funds allocated for the program as set forth in section 2(a) have been exhausted.
- c. Qualification for Program: Lower laterals qualify for inclusion in the Lower Lateral CIP Pilot Program when (1) the lower lateral connection is within the sewer and/or paving CIP project limits, (2) the majority of the sewer main on the part of the street that is being repaired is within project limits, (3) the majority of the main is being rehabilitated or replaced, and (4) The District Manager, or that person's designee, has determined it is in the best interest of the District for the District to repair or replace the lower lateral section of the PSL as part of the sewer main project because doing so will:
  - a) Avoid delaying or negatively impacting a public construction project that benefits the Town or District;
  - b) Provide an overall cost savings to the District or Town in the delivery of a capital project; or
  - c) Provide a significant benefit to the Town or District by reducing traffic congestion (in particular on high volume roads).
- d. Written Agreement Required: Private property owners applying for the Lower Lateral CIP Pilot Program shall be required to execute a sewer permit, in a form approved by District Counsel, authorizing the District to perform the repair or replacement of their lower lateral and acknowledging that the owner continues to own, and has an obligation to continue to maintain, all portions of the PSL.

### **3. Establishment of a PSL Pilot Grant Program (\$500,000)**

- a. Creation and Funding: The District hereby establishes a PSL Pilot Grant Program and allocates \$500,000 from the District's capital budget to fund the program. The program shall continue through the end of fiscal year 2019-20 unless before that time the allocated funds are exhausted or the Board terminates the program.
- b. Program: The District will award a grant of District funds for 50% of the cost of repairing or replacing any part of a PSL that is needed for the PSL to pass a PSL pressure test as set forth in Municipal Code Sections 21.20.004, 21.20.060, and 21.22.020, to any property owner within the District, regardless of income level, provided, however, that the maximum grant from the District shall not exceed \$1,500 per parcel. Each property owner will continue to own and maintain the entire PSL regardless of whether it is included in the program, and the entire PSL

will be required to pass a pressure test within 180 days of the sewer permit issuance date in order to receive the grant.

- c. Disqualification: A property owner is disqualified from the PSL Pilot Grant Program, if the property has benefited from the Lower Lateral CIP Pilot Program, the PSL Pilot Grant Program or any other District or Town funding assistance program within the last 10 years.
  
- d. Permit Required: If a grant application for the PSL Pilot Grant Program is submitted and approved, the property owner will be required to submit an application for a sewer permit to the District for review and approval prior to commencement of work on their PSL. If any sewer work is begun on the property without an approved District permit, the property owner will be ineligible for any District or Town funding assistance.
  
- e. No Retroactive Grants: This program goes into effect on the date approved by the Board. Retroactive payments or reimbursements for work completed prior to the date of adoption are not authorized under this program.

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the Board of Directors of Sanitary District No. 2 at a regular meeting held on the 21<sup>st</sup> day of May, 2019, by the following vote, to wit:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

---

Bob Ravasio, District President

ATTEST:

---

Rebecca Vaughn, District Clerk