

POLICY REGARDING REIMBURSEMENT OF
INFILTRATION AND INFLOW REMOVAL COSTS

Revised by the Public Utilities Commission on October 6, 2020
Adopted by the Public Utilities Commission on October 6, 2015

Intent

This policy defines the process whereby the Wallingford Sewer Division (WSD) will reimburse specified costs incurred by property owners for removal of infiltration and inflow (I/I) sources from the Town's sanitary sewer collection and treatment system. This policy is intended to be in effect in conjunction with the Sewer Division's I/I identification and removal effort. Payments pursuant to this policy are subject to the availability of funding and this policy is intended to terminate no later than at the completion of the I/I identification and removal project. The Public Utilities Commission (PUC) reserves the right to modify or terminate this policy at any time.

Eligibility

The eligibility requirements set forth below shall apply both in cases where the property owner has self-identified and reported to the Sewer Division the source(s) of I/I to be removed, and in cases where the WSD has identified the source(s) of I/I to be removed.

Owners of properties where it has been determined that there exists a violation pursuant to Ordinance No. 577 and for which an Initial Notice, a Second Notice, or an Order to Correct has been issued pursuant to the *Regulation Concerning Procedural Requirements for an Order to Correct Pursuant to Ordinance No. 577 Concerning Sources of Inflow and Infiltration to the Sanitary Sewer System* as adopted by the PUC on September 17, 2013, and as may be amended are eligible under this policy regarding reimbursement of specified infiltration and inflow removal costs.

To qualify for reimbursements the property owner must complete all of the required corrective actions in a manner acceptable to the Sewer Division within the timeframe stipulated under the time requirements in Ordinance No. 577, and must be current with payment of Water and Sewer Divisions' charges.

Procedure for Reimbursement

A property owner who has received an Initial Notice, a Second Notice or who has received an Order to Correct may apply to the Wallingford Sewer Division for a determination of eligibility for reimbursement. Such request shall include an explanation of the corrective actions to be taken (including any sketches, drawings or pictures, etc.) and shall be accompanied by quote(s) to perform the work from an individual or company that meets the requirements to obtain a permit from the Sewer Division to perform the work.

For corrective actions greater than \$500, the Wallingford Sewer Division requires a minimum of two (2) quotations from contractors qualified to perform the work.

The requesting property owner shall submit their request using the reimbursement eligibility form (Form A) developed by the Sewer Division, which shall be provided to the property owner as an attachment with the Initial Notice, the Second Notice or an Order to Correct.

Upon the Sewer Division's receipt, review and approval of the proposed corrective actions and acceptance of the quoted cost to perform the work the property owner will be advised of their eligibility for reimbursement. The eligible costs will be paid only after completion of the work in a manner acceptable to the Sewer Division.

Following completion of the work, and upon inspection and approval by the Sewer Division and any other permitting authorities, the property owner shall submit a request for reimbursement to the Sewer Division (Form B). The request for reimbursement shall be accompanied by a copy of the invoice(s) to the property owner for materials and performance of the work, and evidence of payment to the material supplier or contractor by the property owner that is satisfactory to the Division. After review and approval of the request for reimbursement, payment to the property owner of the approved reimbursement will be made. Please allow thirty (30) calendar days for review, approval and payment.

Direct Disbursement

Alternatively, the property owner may designate in writing that the amount of the approved reimbursement be paid directly to the contractor. Any such payment shall be made in the normal course of the Sewer Division's business. The Sewer Division is not a party to the agreement between the property owner and the contractor, and is in no way bound by the payment terms required of such agreement. Please note that it is not the responsibility of the Sewer Division to pair a property owner with a contractor that will accept this type of payment.

Advanced Payment

Property owners, for whom the cost of required corrective actions exceed the maximum reimbursable project cost limits as detailed below, may apply to the PUC for an advancement of payment due to financial hardship of the full amount of the approved costs to undertake the I/I corrective actions. Upon the PUC approving such advancement, the property owner must have the work completed, subject to inspection and approval by the Sewer Division, after which the WSD will make payment to the contractor of the full amount of the approved costs.

After reduction by the Division's eligible reimbursement, the outstanding balance, referred to as the advanced payment, shall be repaid to the Sewer Division pursuant to the terms of the Advanced Payment Amortization Agreement, which the property owner shall execute as a condition for receiving advanced payment prior to beginning any I/I corrective actions.

Reimbursement Amounts

The Sewer Division will reimburse eligible property owners according to the following schedule.

Reimbursement for 100% Approved Cost, Up To the Maximum Reimbursement Indicated

<u>Source of I/I</u>	<u>Maximum Reimbursement</u>
Roof Leader, with minimal gravity drainage	\$200 first leader
Additional roof leaders at the same site	\$125 each
Roof Leader, with extensive gravity drainage Site-specific solution applicable	\$4,000 each
Sump Pump, with minimal gravity drainage	\$1,000 each
Sump Pump, with extensive gravity drainage Less than 200 feet of piping	\$4,000 each
Sump Pump, with extensive gravity drainage Over 200 feet of piping	\$6,000 each
Basement Drain	\$4,000 each
Window Well / Exterior Stairway Drain	\$4,000 each
Foundation Drain	\$10,000 each
Driveway/Yard/Area Drain	\$5,000 each
Catch Basin	\$8,000 each
Miscellaneous, Damaged cleanouts, etc.	\$125 each

Reimbursement for 75% Approved Cost, Up To the Maximum Reimbursement Indicated

<u>Source of I/I</u>	<u>Maximum Reimbursement</u>
Defective Lateral ¹	\$4,000 each
Defective Private Sewer Main, per repair ¹	\$5,000 each
Private Manhole Repairs ¹	\$4,000 each

¹ The Sewer Division will determine by the means it deems appropriate whether the defects allow significant I/I to enter the Town's sanitary sewer collection and treatment system. Based on this determination, the Sewer Division will approve for the purpose of reimbursement only those repairs that would result in a significant reduction in I/I.

The above allowable reimbursement amounts may be modified under special cases per the written approval of the Sewer Division General Manager in consultation with Engineering Section staff. Such modified reimbursement amounts shall be based on the cost savings realized by the WSD in avoiding conveyance and treatment of I/I flow removed. The modified reimbursement amount will not exceed the projected I/I cost savings for a 10-year period per I/I

source; i.e., estimated I/I rate per source as determined solely by WSD staff x 10 years x the most recent cost per gallon to convey and treat wastewater as computed by the Business Office. While a 10-year period is the maximum timeframe with which to perform the financial calculations (return on investment, per se), the Sewer Division General Manager does have the discretion to utilize a shorter timeframe, such as 1 year, 2 years or 5 years as a basis for the eligible reimbursable amount.

Private Sewer Main and Private Manhole Repairs Undertaken by the Sewer Division

The property owner of a defective private sewer main or a defective private manhole that enables I/I to enter the Town's wastewater collection system is obligated to make repairs to eliminate (or reduce) such I/I from entering the sanitary sewer system. However, the WSD recognizes that property owners responsible for the repair of private sewer mains and private manholes may not have the staff, skills or resources to manage and undertake such repairs. In such cases, at the sole discretion of the WSD as a means to mitigate I/I from entering the sanitary sewer collection and treatment system, the Sewer Division may permit property owners of private sewer mains and private manholes to utilize existing pipeline and manhole rehabilitation contracts managed by the Town to undertake such repairs.

The WSD would include applicable private sanitary sewer pipes and manholes in the work that is to be performed by contractors working for the Sewer Division. The Sewer Division will not charge the property owner for WSD project management time (labor and benefits), though it is expected that property owners will communicate and assist WSD staff as needed (allow and coordinate site access to the private property, timely communication with the Sewer Division, etc.).

Prior to moving forward with the repair or rehabilitation to the private sewer(s) or private manhole(s) the Sewer Division will calculate the modified reimbursement amount based on the projected I/I cost savings for a 10-year period for each corrective action compared to the cost to undertake such repairs (contractor costs). These calculations will be provided to the property owner. Based on the financial calculations, the property owner can opt to work with the Sewer Division to have the WSD coordinate the repairs; or the property owner can manage and perform the proper execution of any repairs on their own with reimbursement from the Sewer Division per the Procedure for Reimbursement process stated above.

Following repairs to the private sewer(s) or private manhole(s) by contractors working for the Sewer Division, the costs to perform the work will be compared to the applicable reimbursement amounts. If the Contractor's cost(s) are less than the allowable reimbursement amount, then there will be no charge to the property owner; nor will a refund be issued to the property owner. If the Contractor's cost(s) are greater than the allowable reimbursement amount, the Sewer Division will invoice the property owner for the difference.

Private sewer main and private manhole repairs undertaken by the Sewer Division on behalf of a property owner shall be pursuant to the terms and conditions of the Private Sewer Main and Manhole Repairs Agreement between the property owner and the Sewer Division.

Loss of Eligibility for Reimbursement

Property owners failing to complete the required corrective actions within the stipulated time frame shall become ineligible for reimbursement unless an alternative completion date is authorized in writing by the Sewer Division.

Property owners failing to complete the required corrective actions properly shall become ineligible for reimbursement unless the work is corrected in a manner acceptable to the Sewer Division. Reimbursements will not be made for the cost of correcting the work.

Effective Date

This updated policy shall become effective as of October 1, 2020.

Examples

1. Residential property with a sump pump and a defective lateral. Approved costs based on quotes are \$750 to redirect the sump pump and \$3,500 for the lateral repair.

Sewer Division would reimburse as follows:

Sump Pump	100% of \$750	\$750
Lateral Repair	75% of \$3,500	<u>\$2,625</u>
Total Reimbursement		\$3,375

2. Commercial property with three (3) separate structures. Two (2) of the structures each have four roof leaders connected, and the third building has a foundation drain. The property also has one catch basin connection and two defective sanitary sewer manholes. Approved costs based on quotes are \$1,200 to remove all roof leaders, \$12,000 to redirect the foundation drain, \$4,000 to redirect the catch basin, and \$1,000 to repair each manhole.

Sewer Division would reimburse as follows:

Roof Leaders		
Structure 1	100% of 1 at \$200 each	\$200
Structure 1	100% of 3 at \$125 each	\$375
Structure 2	100% of 4 at \$125 each	\$500
Foundation Drain	100% of \$10,000 *	\$10,000
Catch Basin	100% of \$4,000	\$4,000
Manholes	100% of 2 at \$1,000 each	<u>\$2,000</u>
Total Reimbursement		\$17,075

* The maximum reimbursement for a foundation drain is \$10,000.