

## APPENDIX F

### **SUPPLEMENTAL ENVIRONMENTAL PROJECT PRIVATE SERVICE LINE REPLACEMENT PROGRAM**

#### A. BACKGROUND

The City's Wastewater Collection and Treatment System ("WCTS") becomes a conduit for storm water when defective Private Service Lines allow rain or groundwater to enter the WCTS. The purpose of the Supplemental Environmental Project ("SEP") is to reduce extraneous flows, including inflow and infiltration ("I&I") caused by defects in private laterals serving residences from entering the WCTS through Private Service Lines. For purposes of this SEP, a defective private lateral is any Private Service Line that connects to the WCTS that discharges any substance that is not intended to be transferred via the WCTS, such as storm water, surface water runoff, and roof runoff. As a result of the Sewer System Assessments ("SSAs") and other work completed pursuant to Section V of the Consent Decree, the City may identify defective Private Service Lines in need of repair or replacement.

#### B. DESCRIPTION OF THE SEP

The City may perform the repair or replacement of defective Private Service Lines of eligible residential property owners itself or may use contractors or consultants in implementing this SEP, or may reimburse eligible residential property owners for work performed on defective Private Service Lines in accordance with the SEP program described herein. In implementing this SEP, the City shall do the following, in accordance with the schedule set forth below:

- Draft and submit to EPA a proposed Escrow Agreement for EPA Review and Comment;
- Establish the Escrow and provide a copy of the Escrow Agreement to EPA;
- Fund the Escrow;
- Develop eligibility qualifications to identify residential property owners eligible for this SEP, using 2010 census information to identify moderate, low, and very low income level eligibility. In the event that more eligible residents apply for the SEP than there are funds available, preference shall be given to eligible very low

income residents, then eligible low income residents, and then eligible moderate income residents. If after four (4) years from the Date of Lodging, the City has spent less than twenty-five percent (25%) of the Escrow Funds, it may submit to EPA for Review and Approval a proposal to establish additional criteria for eligibility for the SEP;

- Provide information to residential property owners advising them of the potential availability of the SEP, the eligibility requirements, and contact information if they are interested in participating;
- Review and process applications from residents;
- Establish standards for directing the employees or contractors/plumbers performing the repair or replacement of a Private Service Lines under this SEP, including standards to ensure appropriate permits for the work are secured;
- Establish standards for reimbursing an eligible residential property owner who has paid a qualified plumber/contractor and for paying directly a qualified plumber/contractor for work performed in accordance with this SEP;
- Maintain records of: deposits into the SEP Escrow, work performed on Private Service Lines by City employees and qualified contractors/plumbers, and payments made from the Escrow;
- Complete and submit reports to EPA as required by the Consent Decree; and,
- Ensure that the SEP is completed in accordance with the schedule set forth below.

#### C. SEP COSTS

The City shall spend at least \$400,000 of eligible SEP costs for the repair and/or replacement of Private Service Lines for eligible residential property owners. Eligible SEP costs are only the costs of performing repair or replacement work, by either City employees or private contractors/plumbers on Private Service Lines owned by private residential customers. If the City utilizes its own employees and equipment to perform the repair and/or replacement of Private Service Lines, the City shall only be given credit against the total funding obligation if the activity is not something that otherwise would have been performed by the City's employees, and if any such work is supported by time and expense records, which are subject to review by EPA. The amount incurred by the City in using its own employees and equipment, including associated administrative and incidental costs, to perform the SEP may be disbursed to the City from the Escrow per the terms of the Escrow agreement.

The average cost of the services on each private residential property is estimated to range from \$1,500 to \$2,500 for repair or replacement of a defective Private Service Lines. Actual costs will depend on length of Private Service Lines, surface and sub-surface interferences to the Private Service Line, and other relevant factors.

**D. SEP IMPLEMENTATION**

**1. Payments into the SEP Escrow**

Within one (1) Year of the Date of Lodging of the Consent Decree, the City shall deposit two hundred thousand dollars (\$200,000), which is fifty (50) percent of the total SEP value, to an interest-bearing escrow account ("Escrow") to be used for performance of the SEP, in accordance with the schedule below, and subject to any credit for eligible SEP costs of City employees or equipment under Paragraph C above.

The City shall allow the United States to review the proposed Escrow Agreement prior to depositing any funds in the SEP Escrow. The City shall provide a copy of the executed Escrow Agreement within thirty (30) Days of the City's initial deposit to the Escrow. The City shall provide EPA with documentation of the deposits to the Escrow within thirty (30) Days of each such deposit. Any interest earned on the Escrow funds may be used by the City to offset the amount of the additional deposits specified herein. The City shall make deposits to the Escrow according to the following schedule:

<b>Year</b>	<b>Amount</b>
Within one (1) year of the Date of Lodging	\$200,000
Within six (6) years of the Date of Lodging	\$100,000
Within eight (8) years of the Date of Lodging	\$100,000

**2. Project Implementation**

Within one (1) Year after the Date of Lodging, the City shall:

- Develop a list of qualified plumbers/contractors who can perform the services at agreed-upon costs for standard scopes of work and in accordance with current plumbing code requirements. Eligible private property owners who want to hire a plumber/contractor to repair or replace their defective Private Service Lines must select from the list of qualified plumbers in order for the work to be paid for from the SEP Escrow account;
- Develop scopes of work, fee schedule, forms, and contracts to be used in implementation of the SEP;
- Develop a process to notify residential property owners of the program. In addition to general notifications, the City may include in its process direct notification to individual residential property owners when the City discovers a Private Service Line in need of repair or replacement throughout the term of the Consent Decree;
- Develop financial hardship qualifications for eligibility for the SEP;
- Determine which residential property owner applicants are eligible to participate in the SEP and notify those residents; and,
- Develop a system to maintain records of disbursement of funds from the Escrow and records of location data of residential property owners that have had services performed on their property as part of the SEP program.

Between one (1) Year from the Date of Lodging and the completion of the SEP, the City shall:

- Begin implementing the SEP;
- Track work performed pursuant to the SEP and maintain records of all work performed whether by the City itself, or by qualified plumbers/contractors hired by eligible property owners, including, at a minimum, the names and addresses of all residential property owners receiving services; and,
- Track all deposits to the SEP Escrow, and all amounts disbursed from the SEP Escrow : 1) to the City itself, when the City has performed the repair or replacement work, at the request of the eligible private property owner; 2) to qualified plumbers/contractors who directly seek payment from the Escrow for repair or replacement work performed for eligible private property owners; and (3) to reimburse eligible private property owners who have paid qualified plumbers/contractors for repair or replacement work on their defective Private Service Lines;

The City shall use best efforts to ensure that the SEP is performed expeditiously and that at least 50% (\$200,000) of the SEP funds are issued to or expended on behalf of eligible participants within six (6) Years of the Effective Date of the Consent Decree.

### 3. Reporting Schedule

In its Annual Report required pursuant to Section IX (Reporting) of the Consent Decree, the City shall include the following information regarding the SEP implementation:

- Deposit of funds to the Escrow by the City;
- Disbursement of funds from the Escrow by the Escrow Agent and to whom disbursements are made to pay plumbers/contractors, or eligible property owners or to the City for services completed;
- The current balance of funds held in the Escrow;
- List of locations (addresses) of residential property owners where services have been performed under the SEP program; and,
- Description of other tasks required performed to implement the SEP during the year.

### 4. Final Completion Report

Within ninety (90) of the completion of the SEP, which shall be no later than eleven (11) Years after the Date of Lodging of the Consent Decree, the City shall submit a Final Completion Report to EPA as provided in Paragraph 74 of the Consent Decree.