

Research



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Unsewered Areas City Council Policy Development

Mayor Jack D. Wilson
April 29, 2008



Agenda

- Why a sewer policy is needed
- Components of sewer policy
- Review recommended options
- Call for action on policy determination

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Why a sewer policy is needed

- Failing septic systems
- Health concerns
- Quality of life (can't sit on deck)

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Why a sewer policy is needed

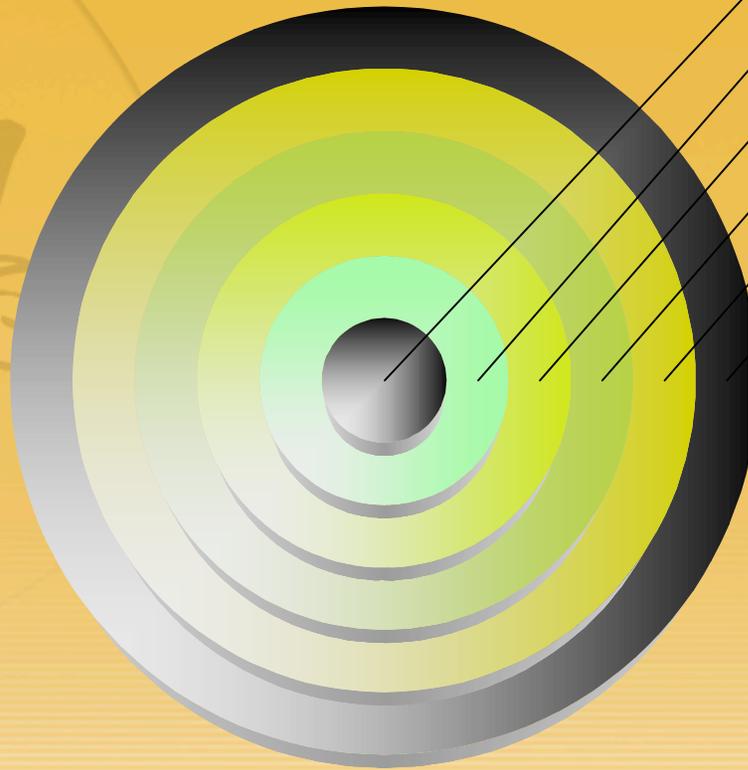
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- Pollution concerns
 - Contributing to creek and lake pollution
 - Aquifer (our water) in danger
- Lack of action means loss of control
 - County Health Department notices
 - Arizona Department of Environmental Quality (ADEQ) could intervene

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Major policy components



- Financing of capital expenditures
- Establish payment terms
- Policy: Subsidize mains?
- Sewer connection policy
- Timeline for sewer retrofit program
- Prioritized areas for sewer retrofits

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☑ Prioritized areas for sewer retrofits

- Recommended areas for sewer retrofits
 - White Oak Circle
 - White Cloud Lane
 - Antelope Hills
 - Prescott North

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☑ Timeline for sewer retrofit program

- Start date: depends on OK from council, engineering and financing
- Duration: 5 year minimum (could be longer)

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Sewer connection policy recommendation: Mandatory

Sewer must be connected:

- Within 12 months of sewer line availability
- Upon transfer of property (if sooner than 12 months)
- When septic system fails (if sooner than 12 months)

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Policy determination

- Subsidize sewer mains?
 - Estimated cost of mains: \$8 million dollars
 - Subsidy would be paid for by all 16,800 existing sewer customers in the city
 - This raises the question of equity or fairness to our existing sewer customers

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Establish payment terms

- Options
 - Long term-financing (25-year), more affordable to property owners, but includes interest
 - Property owner could pay full cost when Sewer Improvement District is formed and final construction costs are known – that would avoid interest costs for those owners
 - Full payment due upon sale of property

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Financing of capital expenditures

- Sewer Improvement District
 - Council adopts Resolution of Intent to form district
 - Long term (25-year), more affordable to property owners
 - Property owners benefiting from improvements pay full project cost including interest

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Financing of capital expenditures

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- Water Infrastructure Finance Authority of Arizona's (WIFA)
 - Low costs loans
 - Design grants
 - Design loans

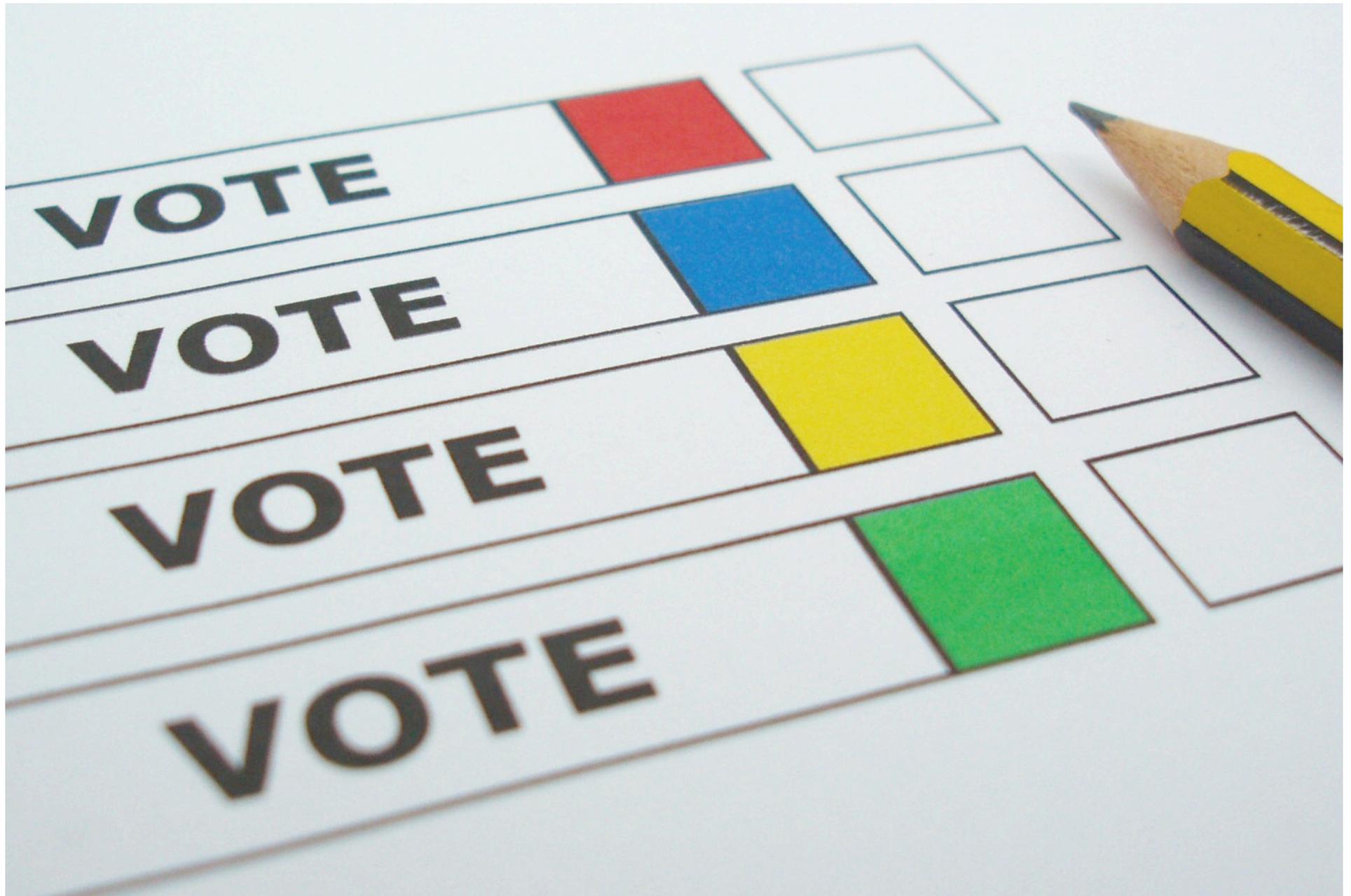
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Summary

- We need a sewer policy
- My recommendations on options
- Call for action on policy determination

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Time for the City Council to decide