



CITY OF KIRKLAND
Department of Public Works
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Dave Snider, P.E., Interim Capital Projects Manager
Ray Steiger, P.E., Public Works Director

Date: September 8, 2011

Subject: 2011 EMERGENCY SEWER PROGRAM

RECOMMENDATION:

It is recommended that City Council review and approve the proposed beneficiary areas for the 2011 Emergency Sewer Program (ESP). It is further recommended that City Council authorize staff to advertise for contractor bids on the 2011 ESP Program.

BACKGROUND DISCUSSION:

The ESP is a biennial Program that brings new sewer main lines into areas that are not currently served by the Kirkland Sewer System. The ESP was first developed in 1998 when it was estimated that 1,500 Kirkland properties were being served by private septic systems and system failures were being reported (Attachment A). By providing new sewer infrastructure into un-sewered areas, the ESP directly helps safeguard the environment from old, poorly maintained or failed septic systems. Today, the number of Kirkland properties with septic systems has grown with the addition of certain areas in the new neighborhoods of Juanita, Finn Hill and Kingsgate; however, those neighborhoods are currently served by Northshore Utility District and are not eligible to participate in the ESP under current parameters.

As provided for within the ESP, all directly benefiting property owners are assessed a proportionate share of the Program costs for the design, project management and construction of the sewer system improvements that provide access to the Kirkland Sewer System. At the completion of the Project, owners are given an option of making a full payment of the assessed value or of entering into a low interest loan agreement with the City (currently 3.06%, or 95% of the 10-year Treasury bill rate) for their share of the current Project's costs over a ten year period.

Previous Emergency Sewer Programs

The first ESP project was built in 1999. Since then a total of 458 properties have been provided with the opportunity to connect to the Kirkland Sewer System (Table 1). To date, over 24,800 lineal feet of new sewer main has been constructed under the ESP. Of the 458 benefiting properties, 213 (46%) have connected to the new sewer main lines and are no longer on septic systems. To date, approximately \$4,034,000 (62%) has been collected from the numerous Programs' beneficiaries with 271 property owners electing to pay in full, 105 property owners signing a ten year loan agreement, and 82 property owners maintaining an "inactive" account. An inactive account, allowed under the terms of the Program, is one which there has been no action on the part of the property owner to pay or to connect to the Kirkland Sewer System; however, at ten years after construction of their respective Programs, the City does require benefitting property owners to sign an agreement and begin making payments.

ESP YEAR	TOTAL COSTS	# of BENEFICIARIES	INDIVIDUAL ASSESSMENTS
1999	\$576,000	54	\$8,025
2001	\$726,000	74	\$9,726
2003	\$1,436,000	114	\$11,857
2005	\$1,326,000	83	\$15,975
2007	\$1,669,000	84	\$19,864
2009	\$810,000	49	\$16,371
2011	\$1,063,000	53	\$25,000
TOTAL	\$6,796,000	513	

Table 1. Individual assessments by Program year

As shown on Table 1 above, ten years have now lapsed since the 1999 and 2001 Projects. For those Program years there are a total of 128 beneficiaries. Of that total, only three remain on the "inactive" account list, one of which being a property that is currently in foreclosure and is now officially listed as "delinquent". In all of these three individual cases, a formal lien has been attached to each property to ensure cost recovery at some future date.

Proposed 2011 Emergency Sewer Program

In September 2010, in anticipation of the 2011 ESP, a survey was sent to those residents with private septic systems within Kirkland's Sewer District. The survey is also posted on the City website where all interested property owners are able to fill out the questionnaire and return the survey via email. The 2010 survey had a 39% response rate, which is the highest recorded for the ESP to date. From the survey results, 126 property owners expressed an interest in the ESP with four reported failures or near failures. In March 2011, the first public open house was held at Rose Hill Elementary, giving all interested property owners an opportunity to learn more about the 2011 ESP; turn-out at the first meeting was low with only 8 residents attending the 2 hour drop-in meeting. A second public open house was held last month where turn-out was higher with 14 properties being represented. At the end of that second meeting, staff concluded that those in attendance generally expressed support for continuing with the Program.

As a result of high property owner support for the 2011 Program (through survey responses), together with a need for more immediate help from those property owners with failed/failing systems, the 2011 ESP is proposing improvement for six sewer main line extensions in four different areas (see Attachments A-1 thru A-4). The 2011 ESP, as proposed, will provide up to 53 connections and 4,000 feet of new sewer main line, with a currently estimated assessment per property connection of approximately \$25,000.

The engineer's estimate is \$975,000 compared to the current CIP construction budget of \$959,000 (Attachment B). As a result, staff has established multiple schedules of work based on the different beneficiary areas in order to best suit the Project budget, while also working to establish the lowest possible assessment for each benefiting property owner.

With City Council approval of the beneficiary areas, as identified, and with authorization to advertise for contractor bids, staff will complete the bid documents while keeping all benefitting property owners advised of the process. After bids are opened, and with a low bid amount received, staff will calculate a revised individual estimated assessment and reach out to all benefitting property owners with the results. Staff will then return to City Council with the outcome of the bid, an indication of the overall level of Program support by the benefitting property owners, together with a recommended City Council action for contract award.

Attachments: (6)



Area 1



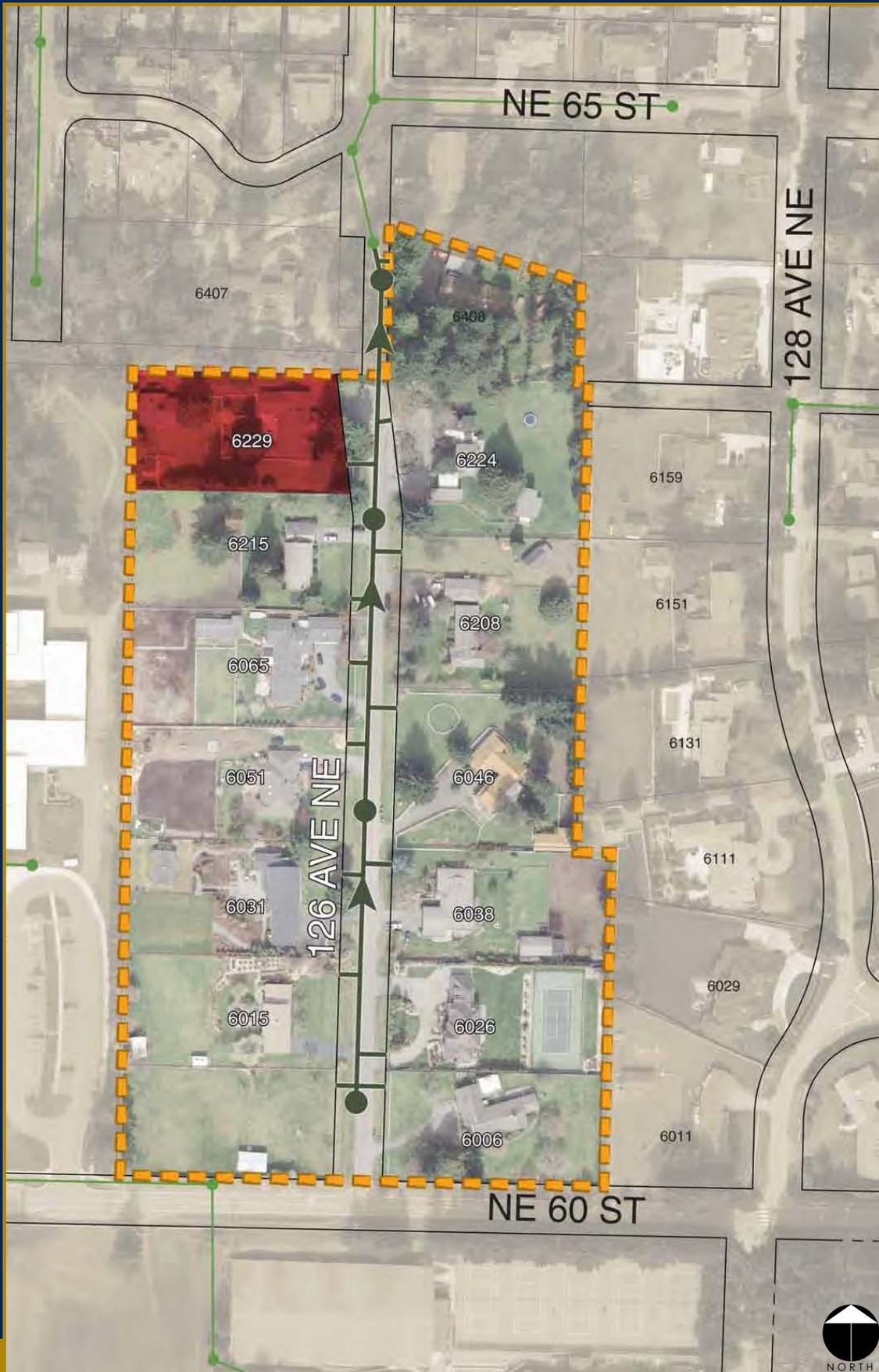
LEGEND

- Reported Failure
- Service Area
- Proposed Sanitary Sewer Alignment
- Existing Sanitary Sewer Alignment





Area 2

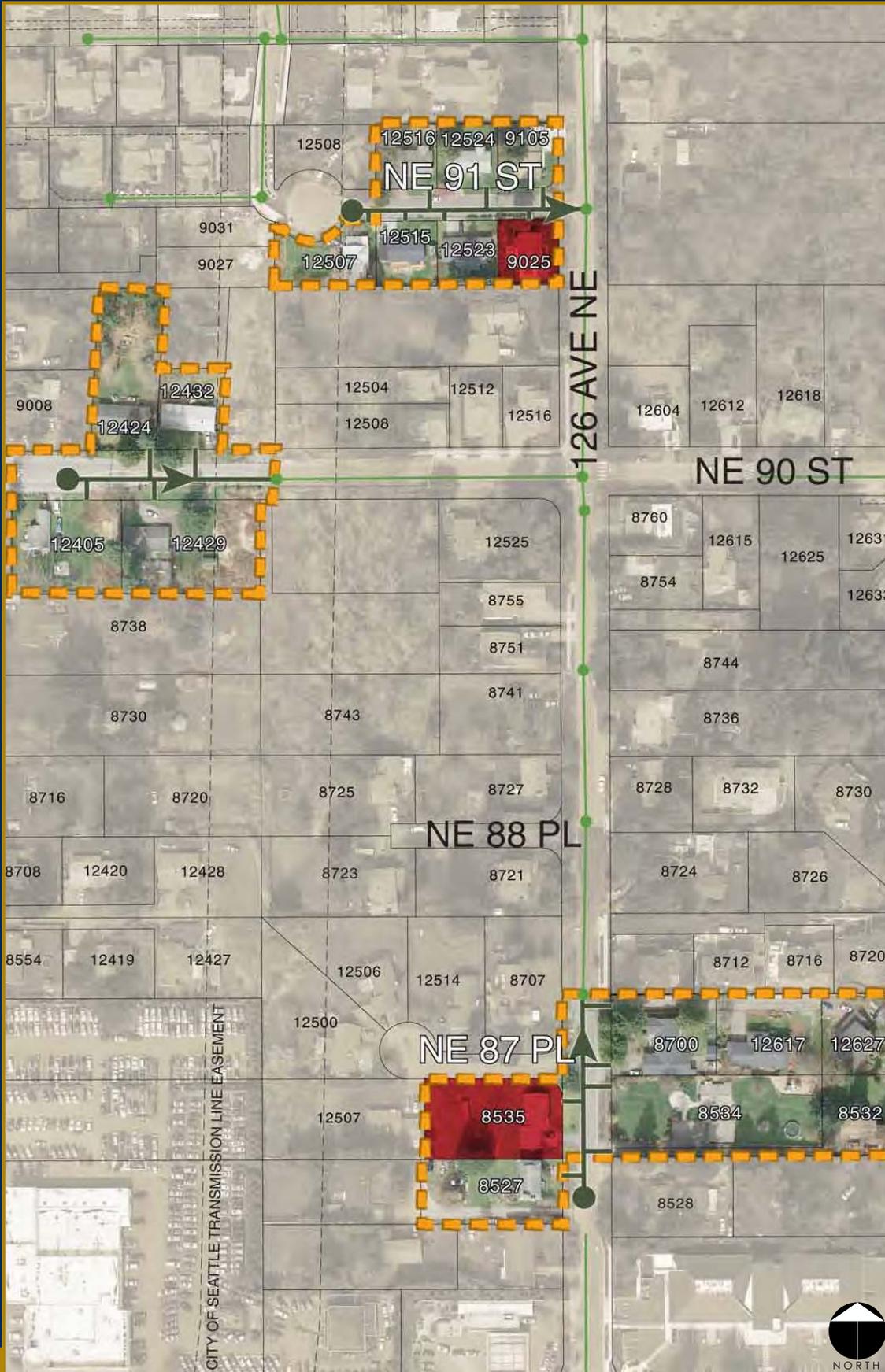


LEGEND

-  Reported Failure
-  Service Area
-  Proposed Sanitary Sewer Alignment
-  Existing Sanitary Sewer Alignment



Area 3



LEGEND

- Reported Failure
- Service Area
- Proposed Sanitary Sewer Alignment
- Existing Sanitary Sewer Alignment



CITY OF KIRKLAND

2011 Emergency Sewer Program



Area 4



LEGEND

- Reported Failure
- Service Area
- Proposed Sanitary Sewer Alignment
- Existing Sanitary Sewer Alignment

2011 Emergency Sewer Program (CSS 1156)

Attachment B

Project Budget Report

