



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3809

www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
Ray Steiger, P.E., Capital Projects Manager

Date: MAY 7, 2009

Subject: 2009 EMERGENCY SEWER PROGRAM – EARLYWINE RESPONSE

RECOMMENDATION:

It is recommended that the City Council approve the attached response letter to Mr. and Ms. Earlywine regarding estimated assessments for the 2009 Emergency Sewer Program (ESP).

BACKGROUND AND DISCUSSION:

The 2009 ESP represents the sixth cycle of a program funded in the Capital Improvement Program that was created to provide sanitary sewer to areas served by septic systems. The program began in 1999 and is funded every other year – initial costs are paid for by the water/sewer reserve fund and upon completion of cycle, properties that benefit from the extensions are provided an opportunity to connect to the system. Properties that elect not to connect to the system can defer entering into a repayment contract for ten years at which time they are required to enter into a repayment contract that has an additional ten year repayment schedule. Assessments must be paid off when the property is sold.

Since its inception the ESP has provided nearly 22,000 feet of new sanitary sewer and provided direct sewer access to more than 400 properties. Nearly \$5.7 million has been invested in the new system with a repayment level already over 50%, and 170 properties previously connected to septic systems are now connected to the sanitary sewer.

Staff is mindful of an apparent trend that is occurring with each additional ESP which warrants possible future consideration. Early cycles of the ESP addressed longstanding septic system failures which were notable and often readily accessible by extending short distances benefitting multiple properties and thus keeping individual assessments relatively low. As the program has matured, the frequency of septic failures has diminished, perhaps due to better soil conditions and/or residential maintenance practices; however, the ability to provide access to those failures is becoming more difficult. These two factors are combining to reduce public interest/acceptance of the original tenets of the program, while at the same time moderately increasing individual assessments.

The single factor driving assessments higher, besides historical construction inflation costs, is the ability to access various properties. The analogy is similar to single family development when “easily developable” property is the first to go; hillsides, and narrow or challenging access property will develop however not until the economics are viable. In the case of the ESP, properties that remain to be provided with sanitary sewer often involve extensions past properties that may be served from alternate directions and thus cannot be assessed (Figure 1).

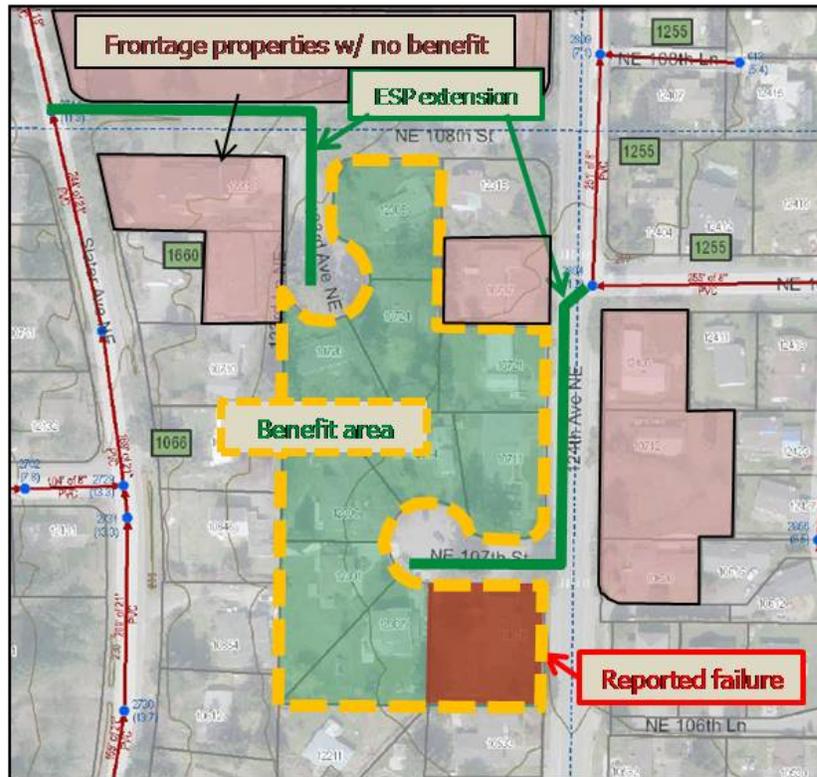


Figure 1 – scenario of ESP sanitary extension and beneficiaries

Individual assessments in the 1999 program were approximately \$8,000, and the estimated assessments for the 2009 program are currently \$26,000. A comparison of past ESP assessments, adjusted for construction cost inflation, indicates that the assessments have remained relatively consistent from year to year; the geography and the number of beneficiaries per foot of pipe are affecting factors in the final assessments (Figure 2).

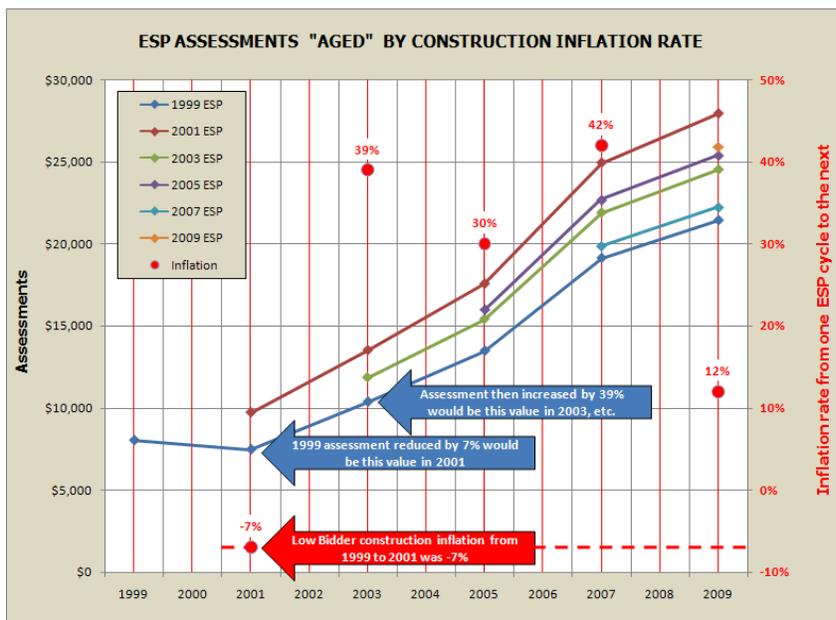


Figure 2 – comparison of ESP assessments adjusted for inflation

On April 29, 2009, staff hosted a second open house to present the proposed design and estimated costs to the property owners who are currently within the 2009 ESP benefit area. There were twelve property owners who registered on the sign-up sheet and approximately twice that many people in attendance – the current total number of prospective beneficiaries of the 2009 ESP is 50 and an additional four assessments could be levied for sub-dividable property.

Staff, along with the design consultant, provided a general overview of the Program, its history, and why it was developed. They also reviewed the specific design approach for areas identified to be included in this year's Program, due to nearby reported failures, and explained why the specific areas were selected. Also discussed was the general economic climate, the estimated costs for both the Program and other associated costs required in order to connect to the system, and the multiple options for payment.

There was a significant amount of opposition voiced by the open house attendees regarding the estimated Program costs (currently \$26,000 per assessment for the ESP portion) and the estimated additional costs that property owners would incur to connect to the system (estimated at \$10,000 per connection including the side sewer and connection fees). Staff explained the significant escalation of construction costs that has been experienced in the last few years, but also conveyed the hope that the current bidding environment appears to make it a very favorable time to bid and construct. The attendees also raised concerns about the current economic climate and declining property values. Staff was able to relay to the attendees the perspective of past ESP's in which a few participants were also unhappy with the Program initially but then experienced a subsequent septic system failure and were relieved to have access to a readily available sewer connection.

At the completion of the meeting a number of homeowners expressed their continued opposition to the Program and stated that they felt they were being forced to accept the Program with no options. The Earlywine email of May 1 is consistent with the concerns raised at the meeting and staff anticipates additional correspondence will be received regarding the 2009 ESP. It is recommended that the attached letter serve as the basis for the City's response until additional information is available.

It is staff's intention to complete the design for the 2009 ESP areas and move forward with the bid process, as authorized by Council at their meeting of February 3, 2009. Once bid prices are known and a more precise assessment amount can be determined, staff will conduct an additional open house to present project information, associated costs, a summary of benefiting areas and the results of all communications with affected property owners. Staff will return to Council with the outcome of the bid opening and an area by area breakdown of property owner support, together with a recommended action in June or early July.

- Attachment A – Earlywine correspondence
- Attachment B – Draft response letter
- Attachment C – Vicinity Maps 2009 ESP benefit areas
- Attachment D – ESP Program History
- Attachment E – ESP Investment and Repayment Summary

From: Duane Earlywine [mailto:dearlywine@verizon.net]
Sent: Friday, May 01, 2009 6:59 PM
To: KirklandCouncil
Subject: Emergency Sewer?!

Dear Council:

It was very distressing to go to the meeting with Aaron on Wednesday and find that we are being forced to pay for a sewer that we neither need nor want.

15? + years ago when we voted to be annexed into the city it was promised that we would not be forced to do this!!!! We have maintained our septic system and have documented material to show that we have. We live on 1/3 an acre and have the room for septic, unlike all the townhouses down the street, next to the Boys and Girls Club where you allowed them to cut down 50- 70 trees and put in cement. Your policies seem to have a double standard, are these improvements for the environment or not?

This is not the time financially for us to go into debt \$40,000. And at such a low rate 2.2% (☹). Why do we want to go into debt further? WE do NOT!!!

If you would like us to come to the city council meeting all my neighbors and myself would be there.

Please reconsider your vote!!!! Please truly represent us, this is not the time, keep the city's word.

Duane and Nancy Earlywine
12314 NE 107th Street
Kirkland, WA 98033
425-803-3250

May 19, 2009

DRAFT

Duane and Nancy Earlywine
12314 NE 107th Street
Kirkland, WA 98033

RE: E-mail to Kirkland City Council concerning the 2009 Emergency Sewer Program

Dear Mr. and Ms. Earlywine:

Thank you for your e-mail dated May 1, 2009 concerning the 2009 Emergency Sewer Program (ESP). We appreciate your comments and want to assure you that your concerns have been noted in the project file.

There remain some 500 properties like yours in Kirkland that utilize septic systems -- most are aged and some are failing. A septic system is not intended to be long-term solution for handling domestic wastewater in an urban environment, and most experts agree that the expected life of a well maintained septic system is on the order of 30 years. In an urban environment, Kirkland included, as those systems outlive their design life, reconstruction of septic systems is not the desired approach. A domestic sanitary sewer system is more conducive to the increasing density and smaller lot sizes that the City has planned for and is experiencing, particularly because of its ability to protect diminishing open spaces and help in maintaining healthy water courses.

The Kirkland City Council created the ESP in 1998 in order to provide a mechanism for residents to fund sanitary sewer extensions instead of being forced to install expensive alternatives to below ground septic systems on their own or to ignore repairs altogether and utilize failed septic systems or perform unsupervised repairs; all of which are inconsistent with the Community's objectives. To date, five ESP's have been completed with over 22,000 lineal feet (4.2 miles) of new mainline installed, and over 400 side sewer connections are now available at the benefitting properties. Of those properties, 170 owners have had their homes connected to the sewer system and their septic systems have been abandoned.

When planning the potential 2009 ESP service areas, and by looking for patterns of reported failed septic systems, the City invited all property owners who were within the proposed planning areas to an open house meeting on December 9, 2008; a follow-up meeting was held on April 29, 2009. At those two meetings City staff explained how the program works and invited homeowners to share their concerns. We understand the first meeting was only sparsely attended with eight property owners in attendance. The second meeting, however, was attended by a few more folks with twelve property owners signing the register and nearly twice that in attendance.

We anticipate that most homeowners do invest wisely and maintain their septic systems over the years, however, there are reported system failures in your area and, as a result, there could be undocumented or even unknown failures occurring. Historically, septic systems in an area begin to fail with a consistent pattern; single failures occur with additional failures in and around the initial failure -- soil types, age, development patterns, significant wet weather, and lack of maintenance all lead to the eventual failures or overflows of septic systems. In those instances, public health issues and environmental degradation are of considerable concern.

The City is sensitive to the financial burden this represents to property owners, and the Program provides options for low interest financing as well as connection time frames that have generally been well

received by the majority of the previous ESP participants. Inflation aside, the assessments upon benefitting properties have been relatively consistent for the ESP, however, we do understand concerns you have about taking on additional debt at this time; City staff is continuing to work hard in finding ways to minimize all associated costs.

We anticipate that City Council will be presented with the results of the contractor bids for the 2009 ESP in June and will take action on the staff recommendation at that time. In advance of that meeting, staff will conduct an additional open house to present project information, associated costs, a summary of benefitting areas, and the results all communications with affected property owners.

Sincerely,

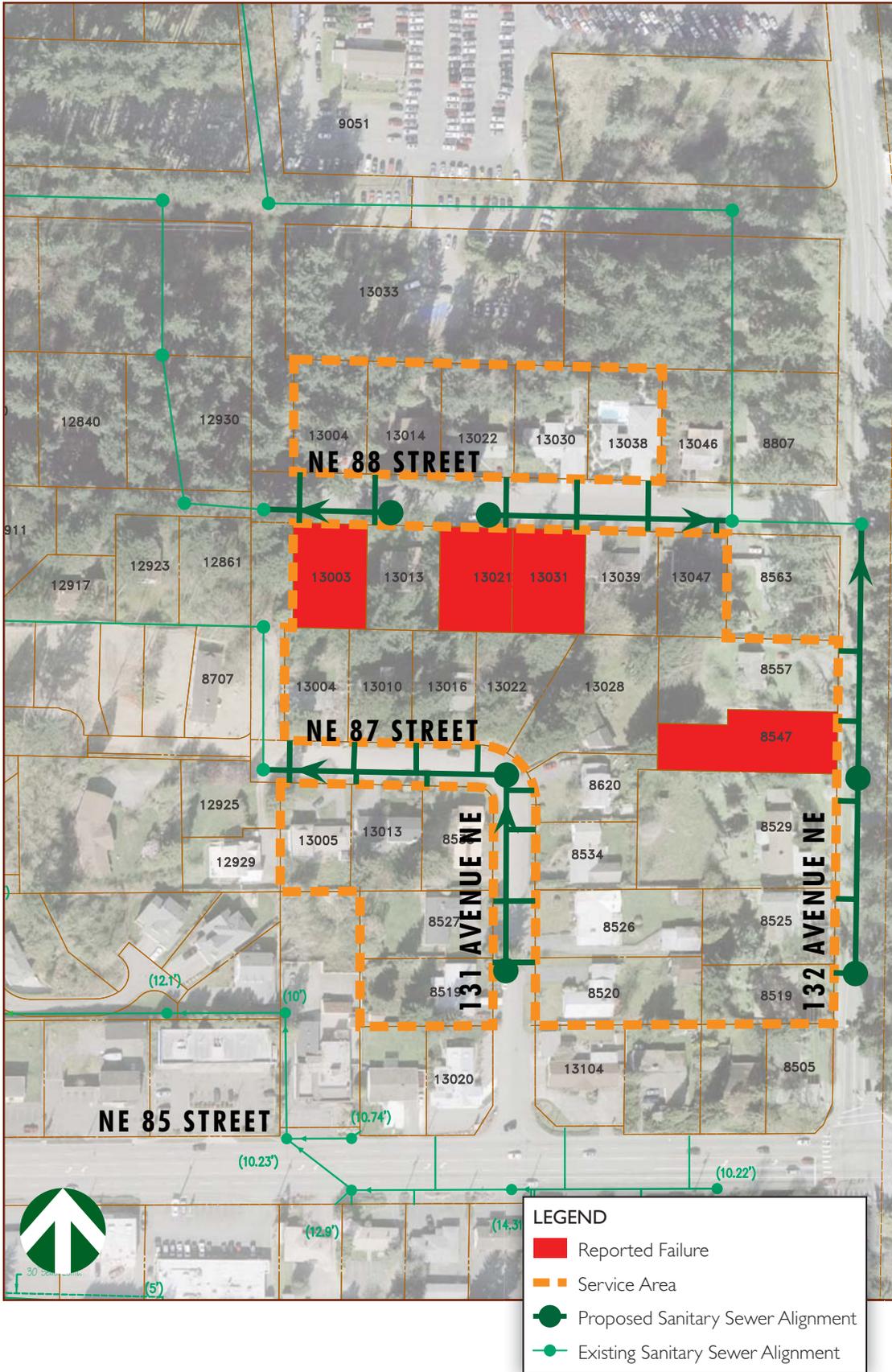
Kirkland City Council

By: James L. Lauinger, Mayor

Cc: Ray Steiger, P.E., Capital Projects Manager



Attachment C (Detail of Area 1)



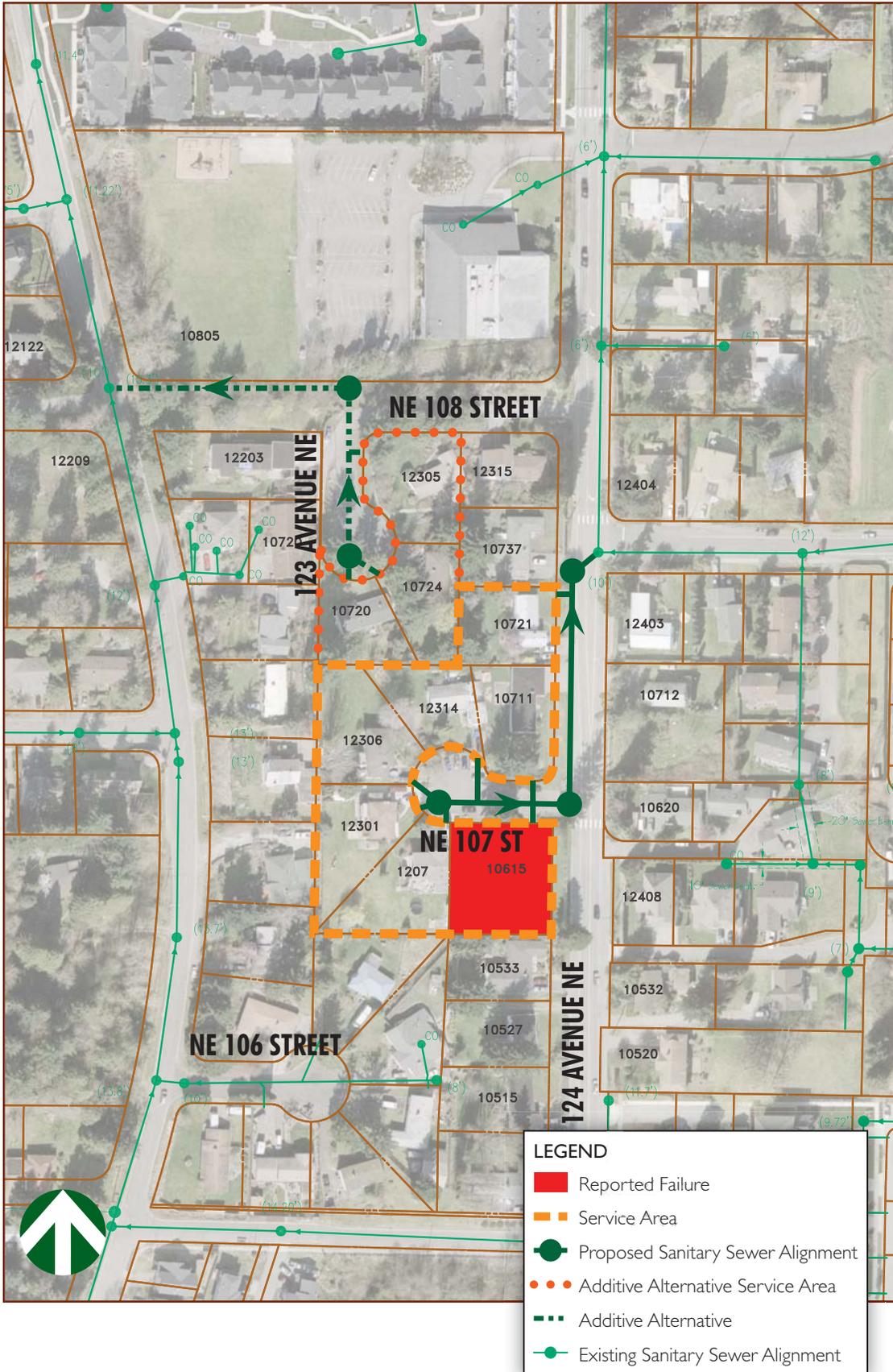


CITY OF KIRKLAND

2009 Emergency Sewer Program



Attachment C (Detail of Area 2)



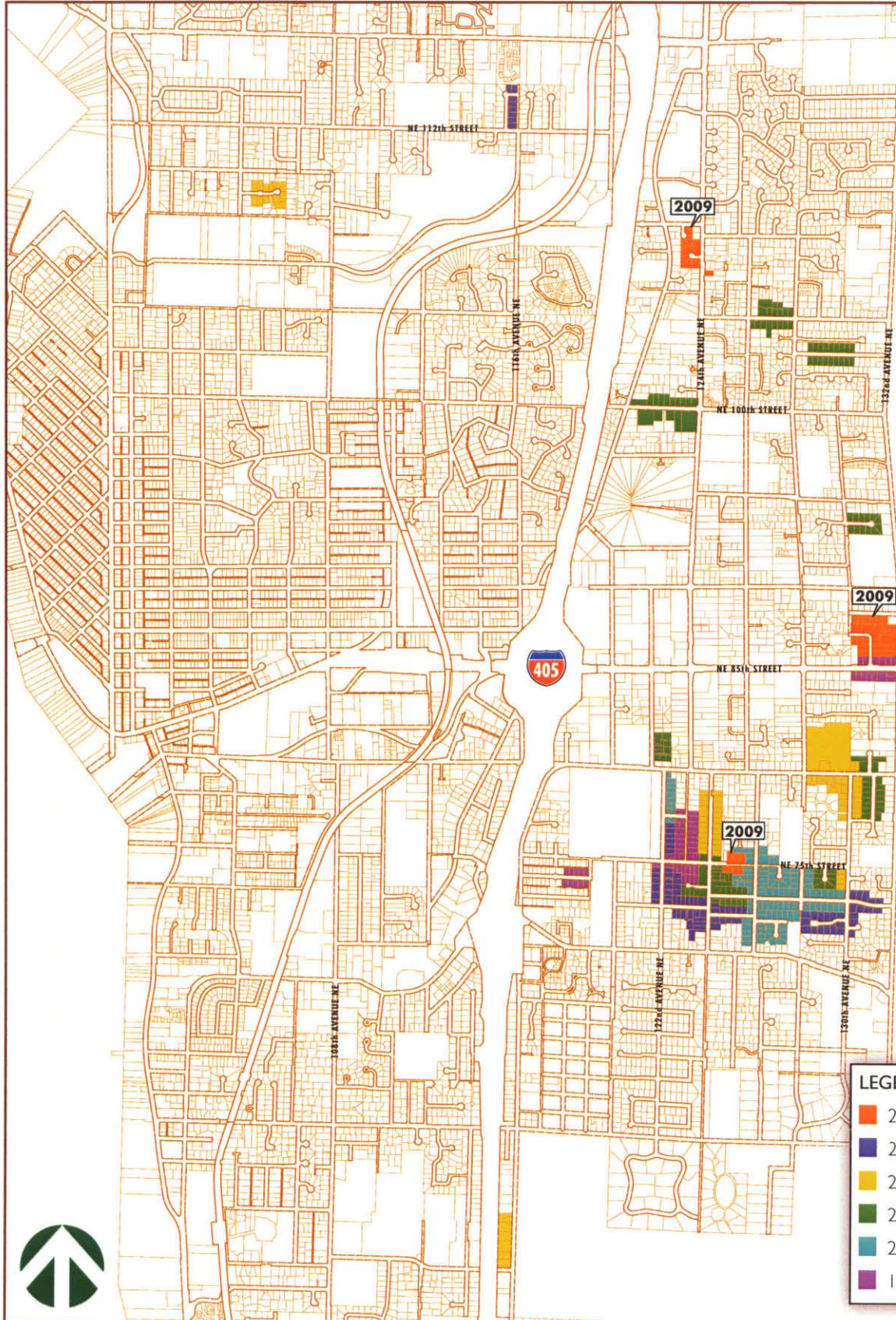


CITY OF KIRKLAND

2009 Emergency Sewer Program



Attachment D (Overall Vicinity Map)

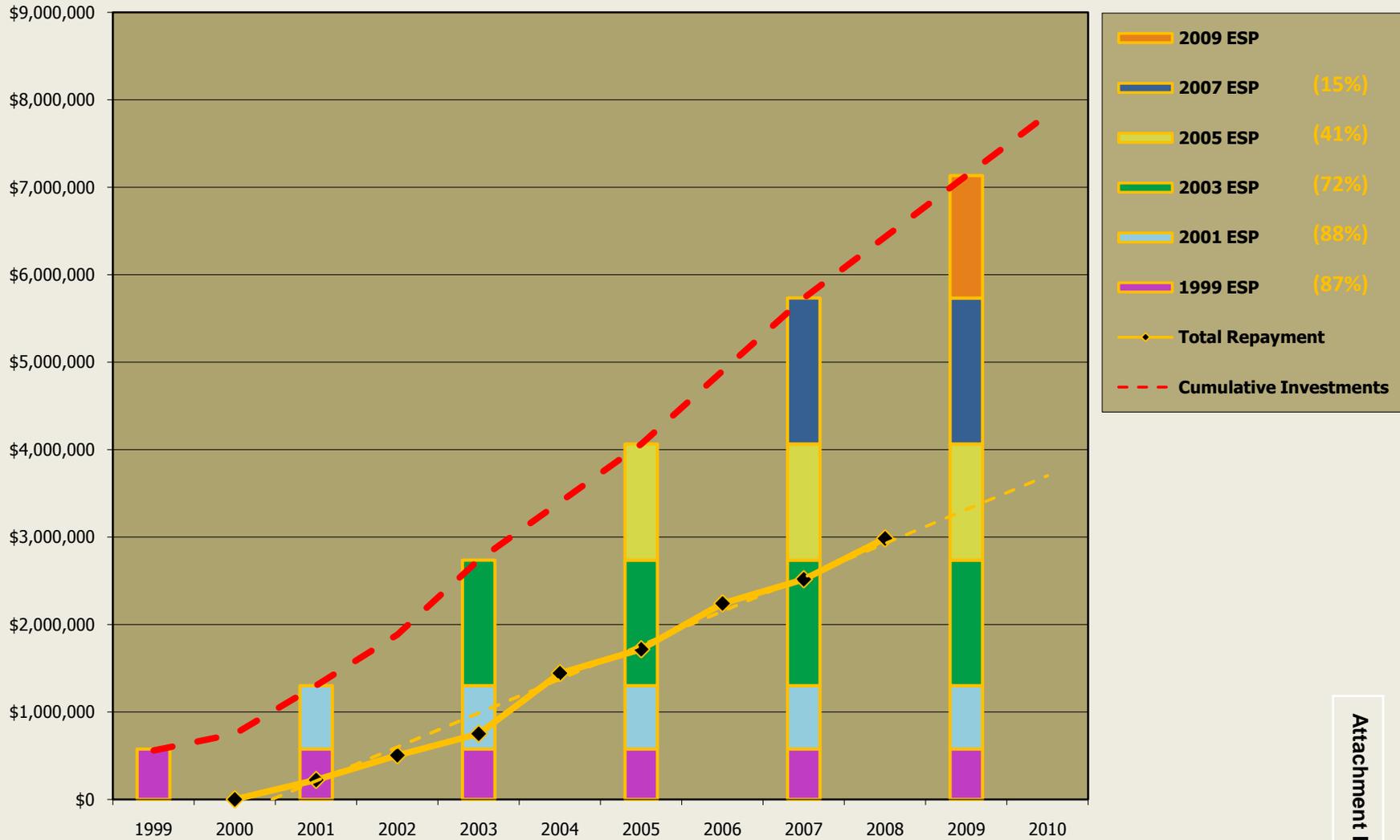


LEGEND

- 2009 Proposed Service Area
- 2007 Service Area
- 2005 Service Area
- 2003 Service Area
- 2001 Service Area
- 1999 Service Area

Emergency Sewer Program Historical Investment and Repayment Levels

(as of 12/30/08)



Attachment E