

Submitted by David Richardson  
#041235  
April 25, 2005

## Extending W/WW Service Using Connection Charge Surcharge Revenues

David Richardson  
April 25, 2005

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## Funding History

- Surcharges Collected on Connection Charges Effective 10/1/01
- Intent – Earmark half of proceeds to extend Water, Wastewater, Reclaimed Water within City

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## City Commission Resolution 030223 Adopted 7/28/02

- Set aside Half of Connection Charge Surcharges to extend water, wastewater, reclaimed water
- Use 20% to fund W/WW infrastructure for affordable housing
- Use 20% to fund W/WW provision to meet public health, safety, environmental needs
- Use 60% to systematically extend W/WW to all residents not currently connected

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## Status of W/WW Project Funding

- Approximately \$70,000 allocated for affordable housing at Tiger Bay Development
- Approximately \$3700 spent to connect two residents to water for public health and safety reasons
- Current balance available for extensions related to public health is approximately \$26,000
- Current balance available for programmed extensions is approximately \$250,000
- Annual revenues of \$130,000 - \$150,000 added to available funding

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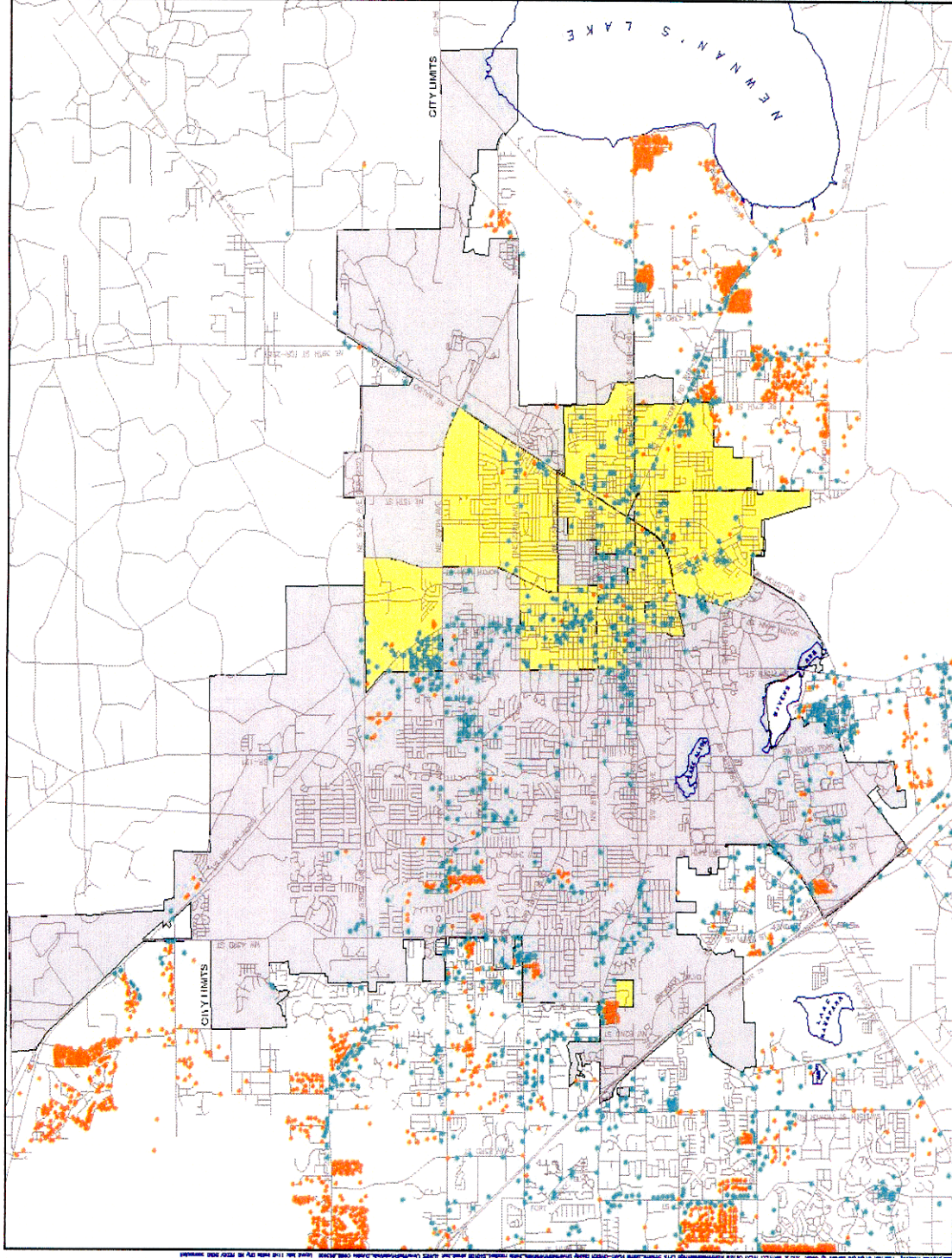


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Scale In Miles

**LEGEND**

- ADDRESSES THAT WOULD REQUIRE EXTENSIONS TO CONNECT
- ADDRESSES ADJACENT TO EXISTING WATER LINES
- CDBG TARGET AREAS

CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF THE FEDERAL HOUSING ACT OF 1954, AS AMENDED, AND THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED, AND THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1980, AS AMENDED. THE CITY OF NEWNAN IS NOT RESPONSIBLE FOR THE ACCURACY OF THE DATA OR THE RESULTS OF THE ANALYSIS. THE CITY OF NEWNAN IS NOT RESPONSIBLE FOR THE ACCURACY OF THE DATA OR THE RESULTS OF THE ANALYSIS.

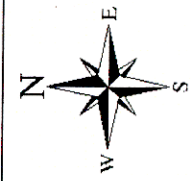


**POTENTIAL WATER CONNECTIONS TO ADDRESSES CURRENTLY SERVED BY WELLS INSIDE CITY LIMITS**

87° 30' 00" W 30° 00' 00" N  
97° 30' 00" W 30° 00' 00" N  
97° 30' 00" W 30° 00' 00" N

LC 12/17/11 - Summary of Potential Water Connections to Addresses Currently Served by Wells Inside City Limits  
Prepared by: [Name]



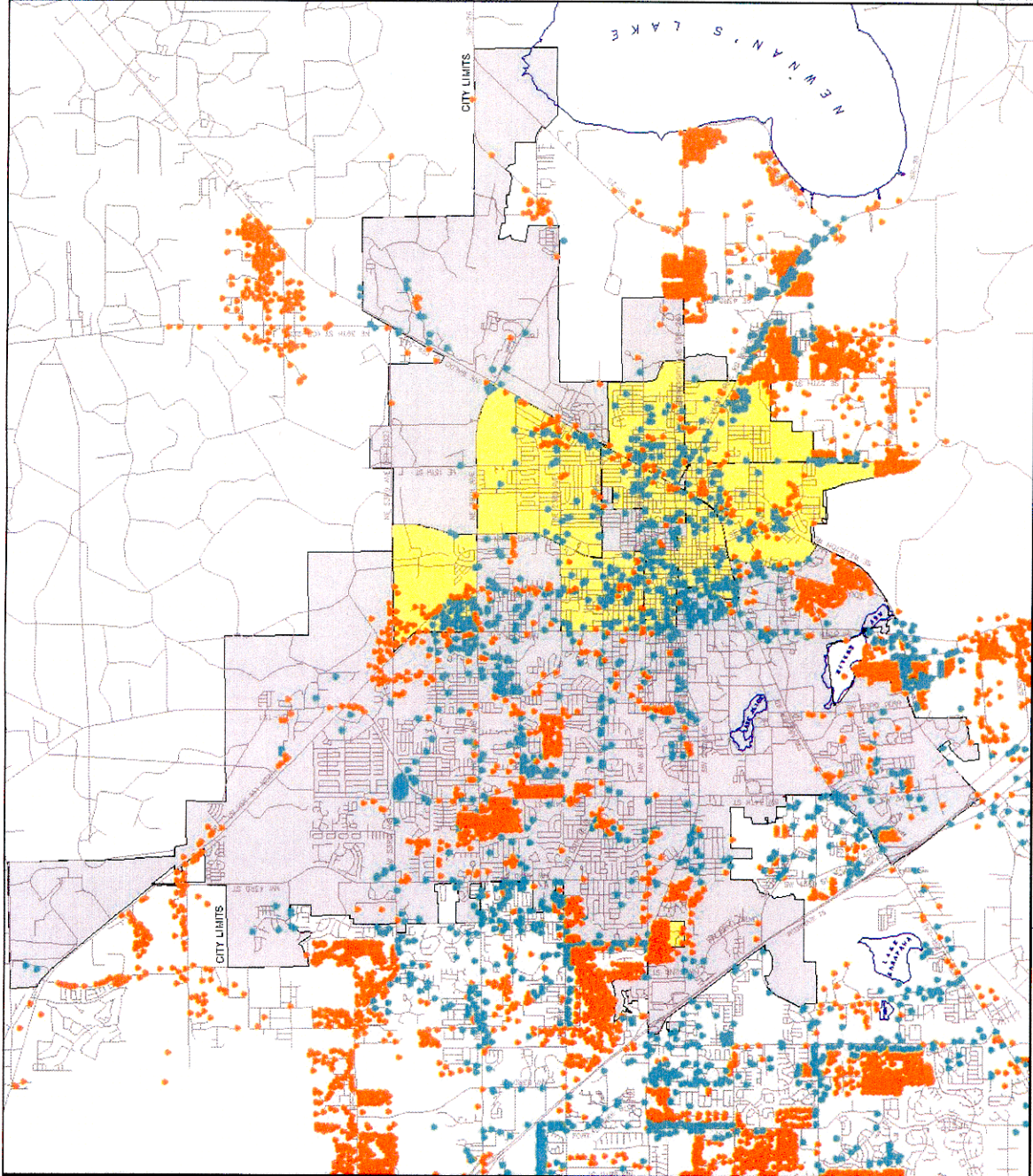


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Scale In Miles

## LEGEND

- ADDRESSES THAT WOULD REQUIRE EXTENSIONS TO CONNECT
- ADDRESSES ADJACENT TO EXISTING SEWER LINES
- CDBG TARGET AREAS

Geographic Information Systems (GIS) and other tools were used to analyze the city's sewer system for potential service areas. The information shown on this map is for informational purposes only. It does not constitute an offer of service or any other financial product. For more information, please contact the City of Raleigh at 919.977.7366.



STANLEY, C. C. & ASSOCIATES  
CARRIE, J. & ASSOCIATES  
CITY OF RALEIGH

### POTENTIAL SEWER CONNECTIONS TO ADDRESSES CURRENTLY SERVED BY SEPTIC TANKS INSIDE CITY LIMITS

City of Raleigh, GIS

## Connection Charge Surcharge W/WW Extension Priorities Approved in Resolution 030223

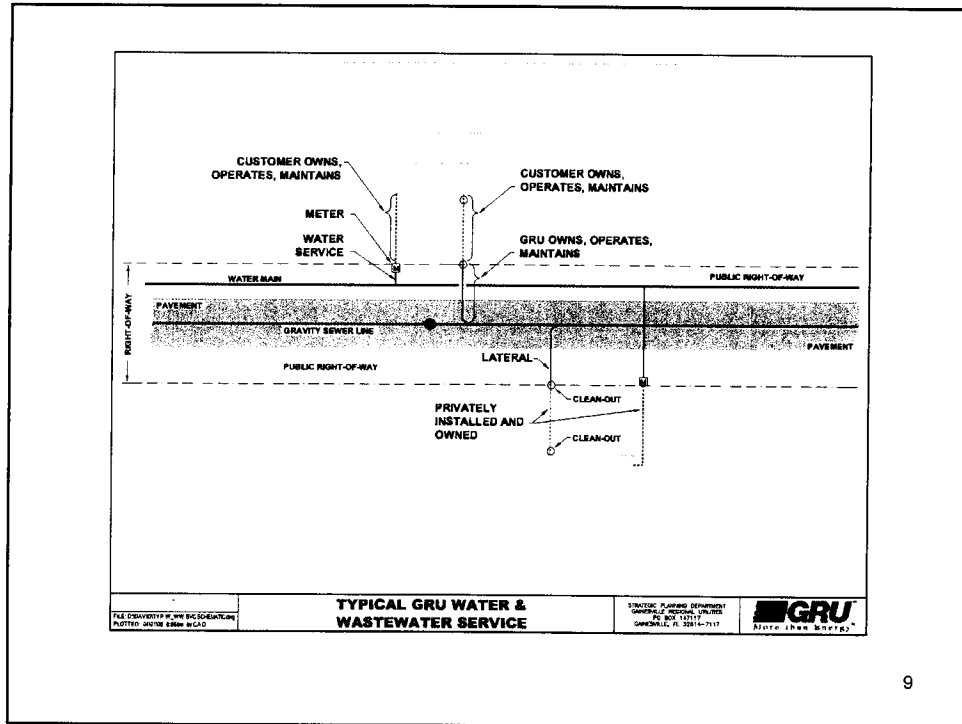
Area	Nature of Project	Number of Customers	Incremental Cost	Cumulative Cost	Completion Year
CDBG	Water CC Only	343	\$235,298	\$235,298	1
CDBG	WW CC Only	507	\$563,784	\$799,082	7
CDBG	Water Extensions Only	30	\$174,145	\$973,227	9
Enterprise	Water CC Only	67	\$45,962	\$1,019,189	10
Enterprise	WW CC Only	105	\$116,760	\$1,135,949	11
Other	Water CC Only	348	\$238,728	\$1,374,677	14
Other	WW CC Only	550	\$611,600	\$1,986,277	22
CDBG	WW Extensions Only	216	\$6,222,396	\$8,208,673	82
Enterprise	Water Extensions Only	2	\$22,620	\$8,231,293	82
Enterprise	WW Extensions Only	27	\$653,421	\$8,884,714	90
Other	Water Extensions Only	184	\$1,166,875	\$10,051,589	104
Other	WW Extensions Only	1140	\$12,974,114	\$23,025,703	258

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## Barrier to Connecting CDBG Target Areas

- Residents must pay for on-site plumbing, well abandonment or backflow preventers, septic tank abandonment
- Costs average \$900 per unit for water
- Costs average \$2500 per unit for wastewater
- On-site plumbing costs believed to be a significant barrier to connecting residents in CDBG Target Areas

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## Pursuit of Funding for On-site Plumbing

- Placed on Federal Legislative Agenda
  - January 2004
  - January 2005
- Placed on State Legislative Agenda
  - January 2004
  - January 2005
- Sought CDBG and SHIP Funds, none received

## 4 Options to Serving Residents in CDBG Target Areas

1. Use CDBG or SHIP funding to pay for on-site plumbing costs
2. Don't fund on-site plumbing costs, require residents to pay own costs if they wish to connect
3. Modify resolution and fund on-site plumbing costs for owner occupied affordable housing with connection charge surcharge proceeds
4. Continue pursuing external funding, delay program until external funding is obtained

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## Option 1 Obtain CDBG or SHIP Funding for On-site Plumbing

- Connect all residents adjacent to existing water mains in CDBG Target Area in Year 1
- Connect all residents adjacent to existing wastewater gravity sewers in CDBG Target Area by Year 7
- Competes with other uses of CDBG and SHIP funding
- Quickest alternative to comprehensively connect CDBG Target residents to central water and wastewater

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**Option 2**  
**Offer water service to CDBG  
Target Areas Without Funding On-  
site Plumbing Costs**

- Some residents would likely pay for own on-site plumbing costs
- Would determine how much of barrier on-site plumbing costs are to connection
- Would be resident dissatisfier if on-site plumbing costs are later available
- Would likely result in most residents not connecting to water system

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**Option 3**  
**Modify Resolution and Fund On-  
site Plumbing Costs with  
Connection Charge Surcharges**

- Makes Implementation Schedule Longer
- Connect all residents adjacent to existing water mains in CDBG Target Area by Year 3
- Connect all residents adjacent to existing wastewater gravity sewers in CDBG Target Area by year 25

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## Comparing CDBG/SHIP Funding with Conn Chg Surcharge Funding

	Outside Funding of On-Site Costs		Modify Resolution to Fund On-Site Costs
	Annual Funding Required	Completion Year	Completion Year
CDBG Water CC	\$310,000	1	3
CDBG WW CC	\$211,000	7	25
CDBG Water Extension	\$14,000	9	27

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### Option 4 Continue Pursuing Outside Funding

- Timing Uncertain
- Pursue Under All Scenarios

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## Recommendation

- Direct City Manager and General Manager for Utilities to bring back a proposal to the City Commission by December 31, 2005