

Larkfield Estates Proposed Sewer Program Update

Dear Larkfield Estates Neighbors,

It was great seeing many of you on Tuesday, April 3rd at Supervisor Gore's Community Meeting. It was nice to spend time with you and I hope to do it again, hopefully when we no longer have to talk about sewer systems and septic tanks. That would be grand! You are a wonderful group of people.

In an effort to keep the information shared as current and complete as possible with this ever-evolving program I would like to follow up on several items that came up at the meeting.

Financial Implications of Connection Timing

After hearing the presentation, a couple of individuals brought up an important financial consideration with regards to a property owner's decision of when to connect to the sewer system. We hope the following details of the various cost components will assist you with making an informed decision of when to connect should you decide to.

There are three main cost components associated with obtaining sewer service in the Airport/Larkfield/Wikiup Sanitation Zone (ALWSZ):

- Sanitation Zone Connection Fee;
- Collection system construction costs for properties not currently served by existing sewer pipelines; and
- Annual sewer service charges (Proposed to be \$940 in FY 2018-19, adjusted annually by estimated 4%).

The cost of connecting into the Airport/Larkfield/Wikiup Sanitation Zone will be \$12,023 until June 30, 2019.

Collection system construction costs apportioned to each parcel are estimated to be about \$45,000. This cost is only apportioned to parcels that will not be served by existing sewer pipelines. Property owners that connect to the sewer system must pay these costs; property owners that utilize their own septic systems will not. The collection system construction cost apportioned to each parcel is just an estimate; the actual cost per parcel will be based on the actual design and construction costs.

The total estimated cost for connecting into the sanitation system and building the new sewer pipelines and laterals will be about \$57,384 in 2020 (Connection Fee of \$12,384 plus estimated sewer construction of \$45,000). Both the connection fee and the construction costs will increase annually based on the Construction Cost Index. The Construction Cost Index (CCI) is a measure of inflation for the construction industry in the San Francisco Bay Area. For the past 20 years, the CCI has averaged about 2.9% per year.

Please allow me to illustrate how inflation may impact the total costs for property owners who choose to connect to the system at a later date.

Example: Connecting to Sewer System in 2021 or 2030

Let's say a property owner decided to use their own septic system for a year and then connect to the new sewer in 2021. This property owner would need to pay the adjusted connection fees and sewer construction fees which would be an estimated 2.9% higher or \$59,048. This would be \$1,664 more than if they would have connected in 2020. This property owner would not have paid the annual sewer service charge assessed by the ALWSZ, which is estimated to be about \$980 for that year. By connecting in 2021 instead of in 2020, this property would have saved the cost of the annual service charge (\$980), and paid more (\$1,664) in connection and sewer construction fees. The bottom line is that this property owner would have paid \$684 more for sewer service by connecting in 2021 instead of 2020.

Similarly, property owners who connect in 2030 would pay an estimated \$7,000 more in total sewer system costs than if they had connected in 2020.

When do you need to sign up for sewer service?

It is likely we will need to know who will be connecting by the end of this summer or early fall. The Water Agency will hire an engineering firm to design the collection system. The design firm will need to coordinate with architects, engineers and/or contractors who are involved with building your homes to ensure they know where your laterals will be coming to the property lines.

As has been indicated in public meetings, a property is not deemed to be served by sewer (and not required to connect) unless it has a lateral constructed to the property line from the sewer main. Alternately, if a lateral is installed from a collection system main to a property line, that property owner will be required to connect.

Choosing to Connect to Sewer in the Future

If a property owner chooses to connect to the sewer after design plans have been finalized, the property owner would need to construct their own lateral all the way from their house to the sewer pipeline in the street. This would include obtaining an encroachment permit from the County Sonoma's Transportation and Public Works Department for working in the roadway, digging up the street, installing the lateral, backfilling the trench and patching the pavement. It should be noted that the sewer construction cost applied to parcels that do not initially connect will likely not include the cost of laterals for properties that do initially connect.

Early Payments and Opting Out of Financing

Water Agency finance staff have assured me that under this program property owners may (1) pay off their loans early, (2) not participate in the financing programs being offered by the Water Agency, or (3) make additional payments to help reduce the future cost of the sewer pipeline loan payments which would start in 2020. Please remember that the financing program is only available to those who commit to connecting to the system before the design is completed. We will be establishing an end date for this commitment to connect after we have a better understanding of the engineering design firm's schedule.

Finally, I learned last week that the City of Santa Rosa is planning to adopt the "Larkfield Financial Program" for properties in Coffey Park that were not connected to the sewer there. That is very cool.

If you have any questions, or would like someone to walk through this information with you, please contact Sophie Porcelli, Water Agency Programs Specialist at sophie.porcelli@scwa.ca.gov or (707) 524-6430.

Thank you all again for your patience, questions, and feedback which have been invaluable in the development of this program.

Sincerely,

Mike Thompson
Assistant General Manager, Sonoma County Water Agency

