

STAFF REPORTS

**CITY COUNCIL
May 28, 2002**

To: Mayor and City Council
From: George J. Rodericks, City Manager
Originated By: Warren W. Repke, City Engineer

**SUBJECT: Tracts 10523 & 13204 Sewer Pump Station Maintenance Charges for
FY2002/03**

BACKGROUND: (See Attached Report)

FINDINGS: (See Attached Report)

FISCAL IMPACT: Temporary Transfer of \$4,400.00 from the City General Fund to cover operation, maintenance and replacement costs until the FY2002-03 funds are collected.

RECOMMENDATION: Approve Resolution 2002-2597 preliminarily approving and adopting the Report for Sewer Pump Station Maintenance Charges for a Portion of Tract No. 10523 and Tract No. 13204 for FY2002-03 and setting the time, date and place for a public hearing.

CITY OF VILLA PARK

REPORT FOR SEWER PUMP STATION MAINTENANCE CHARGES FOR A PORTION OF TRACT NO. 10523 AND TRACT NO. 13204 FOR FISCAL YEAR 2002/03

BACKGROUND:

The development of Tract No. 10523 and Tract No. 13204, in the City of Villa Park, California, required the construction of a sewer pump station which will only serve the sixteen (16) lots within the Tracts. It is considered appropriate that the owners of the properties served by the pump station pay for the operation and maintenance of this station. A method for the collection of funds from appropriate lots of these Tracts is required.

The Health and Safety Code, Sections 5470 et. seq. Entitled, "Sanitation and Sewerage Systems" provides a method for the collection of funds for the maintenance of pump stations. Section 5470 defines rates and charges for maintenance services very broadly. Staff has concluded that the City has the prerogative of determining the sewer maintenance charge on any rational basis. The City Engineer's office has determined that the lots served equally share the benefits of this pumping station, since each parcel is improved for and devoted to single-family residential use and is, therefore, receiving the same benefit from the pump station. Therefore, equally dividing the total fixed cost of maintenance between the lots served and distributing the energy and non-routine maintenance charges equally between the developed lots is considered a reasonable method.

Once the sewer maintenance charge has been established, the City can elect to have the per lot charges collected on the tax rolls in the same manner by the same person and at the same time, together with and not separate from the general property taxes, provided the City Council had adopted an Ordinance to that effect.

The public improvements for Tract 10523, including the sewer pump station, were accepted for public usage and maintenance by the City of Villa Park on September 2, 1983. The public improvements for Tract No. 13204 were accepted for public usage and maintenance by the City of Villa Park on January 23, 1990.

Funds for the sewer pump station operation and maintenance have been collected using the above approach since completion of the station. Funds are collected for annual operation expenses including contract maintenance services, energy charges and administrative services. In addition, funds are collected for a capital outlay account to cover the costs of major maintenance items and replacement of the station components as they reach their useful life. Prior assessments have ranged from \$210 to \$380 per lot.

PUMP STATION MAINTENANCE HISTORY, CONDITION AND NEEDS

The pump station was constructed in 1980. Most of the equipment has reached its useful life. Considerable funds (approximately \$24,000) have been expended over the past five fiscal years (1997-2002) to provide needed system improvements, including the following:

- Replace cast iron fittings within wet well
- Epoxy wet well to reduce deterioration due to hydrogen sulfide
- Replace valves, sleeves and pipe flanges
- Replace pump volutes and impellers and clean motors
- Clean force main
- Replace pump control cord and seal
- Clean bottom of wet well

The result of these major improvements and repairs have caused a depletion of the Capital Outlay Account resulting in a negative balance of \$2573 in the total fund at the end of FY2001-02. Due to the age of the station, it can be expected that additional continued maintenance problems will occur. The City contract maintenance company has recommended that the following improvements are needed and should be budgeted for in the next fiscal year.

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| • Replace Pump Motor and Installation | \$ 3,800.00 |
| • Replace Pump Discharge Hose and Accessories | \$ 1,100.00 |
| • Replace Control Panel | <u>\$13,000.00</u> |
| | \$17,900.00 |

In addition, the following improvements will most likely be required within the next two to five years:

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| • Replace Second Pump Motor (pump No. 2) | \$ 3,800.00 |
| • Replace Second Discharge Hose (Pump No. 2) | \$ 1,100.00 |
| • Add Float Backup to Air Bubbler Level Control System | \$ 1,000.00 |
| • Replace Deteriorated Piping | \$ 4,000.00 |
| • Consider Backup Generator For Power Outage
(Optional) | <u>\$10,000.00</u> |
| | \$19,900.00 |

Based on the above cursory analysis, approximately \$28,000.00 to \$38,000.00 could be needed over the next two to five years. This equates to \$5,600.00-\$7,600.00 per year over the next five years. In order to get a better grasp on the station needs, an engineering and maintenance evaluation of all system components should be made and a life cycle cost analysis made as well as a five year capital improvement program developed to upgrade the station and provide life extension as well as confirm it meets current codes. Estimated cost of this evaluation is \$1,000.00.

CURRENT FUND BALANCE

A statement showing the projected Fund balance at the end of this fiscal year is presented on Exhibit A (attached).

DETERMINATION OF CHARGES FOR FY2002-03

The following is recommended for the FY2002-03 assessments:

1. Annual Operation and Maintenance Costs	
• Energy Charges	\$ 600.00
• Maintenance Contract Charges	\$1, 800.00
• Emergency Call Out and Repair	\$ 500.00
• Administrative Services	\$ 400.00
2. Perform life cycle analysis and five (5) year Capital Improvement program development	\$ 1,000.00
3. One- time assessment to cover the fund deficit	\$ 2,600.00
4. Projected FY2002-03 Replacement needs and to begin building the Fund for future needs	<u>\$ 7,100.00</u>
Total FY02/03 Charges	<u>\$14,000.00</u>

FISCAL IMPACT:

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RECOMMENDATION:

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