

Exhibit A**Program to Replace Non-Conforming Sanitary Sewer Connections
Guiding Principles and Program Elements**

1. The City has limited financial and staff resources to address the expected number of sewer extension projects required to bring properties into conformance with sewer connection requirements. Therefore, priority is given to public health emergencies, followed by extensions that can be undertaken in concert with other public works projects, followed by projects that are deemed feasible based on an analysis of project costs and benefits and the long-term financial health of the City's sanitary sewer utility; followed by requests for sewer line extensions received on a first come-first served basis.
2. The Council-initiated local improvement district (LID) is the preferred method of financing public sewer extensions to serve properties with non-conforming sanitary sewer connections. The Sewer Extension Program (SEP) is used in limited cases to advance multiple public works objectives. SEP projects shall be constrained by a specific capital allowance for each fiscal year, established through the City's annual budget process. Once these funds are committed, the Bureau will defer action on any additional SEP projects until the next fiscal year.
3. The Bureau limits a property owner's share of the public costs of constructing local sanitary sewers expressed as sanitary sewer conversion charges. The charges are based on rates calculated to reflect citywide average costs of local sanitary sewer line and branch construction. The Bureau sets the rates as a part of an annual utility rate-making process. These annual rates for sanitary sewer conversion charges (line and branch) may differ from the rates for sanitary sewer line and branch charges authorized by Chapter 17.36 of City Code.
4. Regardless of the method used to provide direct sanitary sewer service to a property, the Bureau determines a property's sanitary sewer conversion charges based on the earliest of the follow actions:
 - a. the date the property owner pays the sanitary sewer conversion charges or finances the charges by means of the City's assessment loan or safety net program; or
 - b. the date the property owner files a signed waiver of remonstrance for the formation of a future local improvement district to construct public sanitary sewers; or
 - c. where the property is served by a local improvement district for local sewer construction, the date the City calculates estimated special assessments for the district formation notice; or
 - d. in case of a property served by a sewer extension project, the date that the property owner seeks sewer connection and/or plumbing permits to make an individual and direct connection to the public sewer system.
5. The City requires a property owner to bring their sewer connection into conformance with applicable plumbing codes in response to one of the following circumstances: (1) an order to abandon the non-conforming connection; (2) a repair required of any private sewer line associated with property owner's sewer connection; or (3) any action or condition that threatens the safe flow of sanitary sewage to the public sewer system.
6. The Bureau extends existing financial services and safety net programs authorized by City Code Chapter 17.33 to property owners who are required to replace non-conforming sanitary sewer connections with an individual and direct connection to the public sewer system. Private plumbing loans are capped at \$10,000 for work performed on eligible private residential property to replace a non-conforming sanitary sewer connection.
7. The City shall consider alternative methods of providing direct sanitary sewer service only when it is in the best long-term financial and technical interests of the City and its sanitary sewer utility.