

AB220
Septic to Sewer Conversion
SNHD Voluntary Program
Proposal

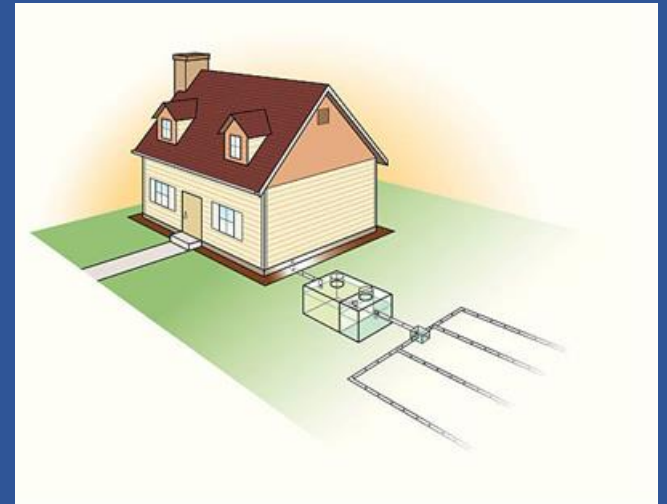
Board of Health
September 28, 2023

AB220 – Adopted Version Applicability to SNHD

- **The bill provided no funding** to support operations.
- Authorizes the Board of Health (BOH) to:
 - Create a voluntary financial assistance program to pay 100 percent of the costs to convert an existing septic system to community sewage system; and
- Set an annual fee on those who volunteer to enroll.
 - Requires affirmative vote by 2/3 of the BOH members
 - SNHD is prohibited from providing financial assistance to those who don't pay the fee (administered through the Southern Nevada Water Authority [SNWA]).
 - The fee must not exceed the annual sewer rate charged by the largest community sewerage disposal system within the service area (Clark County Water Reclamation District [CCWRD]).

SNHD's Current Involvement in Sewer Connections

- SNHD plays a limited role:
 - First, we oversee abandonment of the septic system.
 - This is usually “abandonment in place.”
 - Second, we deactivate the septic permit after connection to sewer is complete.



SNHD Recommendation: Enact a Voluntary Program - Transfer Funds to SNWA

Why?

- SNWA has already established septic to sewer conversion programs, one of which is a 100 percent cost coverage program – same as the AB220 objective.
- SNHD does not have in-house staff experienced in overseeing utility work and construction contracts, while SNWA does.
- The costs associated with implementing a fully in-house program would require approximately 1,100 enrollees per year, just to break even.

Delegating to SNWA – Anticipated Process

1. **Memorandum of understanding (MOU)** with SNWA to provide for audits and transparency regarding how SNHD funds are transferred and applied.
2. **Vetting** of enrollees prior to accepting them into the program to ensure that they can be accepted/enrolled (conversion may not be possible because of line capacity, geography, lift station, or other reasons). *The vetting process will be determined with SNWA as part of the MOU.*
3. **Account** for receiving and holding program funds, pending transfer to SNWA, to ensure that they are not mixed with other SNHD funding. It will also be necessary to ensure that funds transferred to SNWA are used to convert the same properties that contributed those funds.
4. **New Staff** (e.g., a Program Coordinator) may eventually be required, depending on the effort necessary to administrate the program (interest in enrollment, in-house staffing availability).

Limitations of Proposed Program

- SNHD's program will be used to augment SNWA's funding.
- Being a voluntary program, consistent participant enrollment is unknown. SNHD has directly received only six (6) inquiries on sewer conversion program enrollment. SNWA has had around 250 inquiries.
- If 5,000 of the estimated 8,400 septic systems in the Las Vegas Valley's public water system service area enroll in SNHD's voluntary program within the first year, the projected total net budget available to SNWA for conversion reimbursements would be \$1.12 million. This would be enough to support approximately 32 system conversions (about \$40,000 each).

Limitations of Proposed Program (Cont.)

- SNHD voluntary enrollees may not be prioritized by SNWA.
 - SNWA plans to prioritize specific areas such as those with high densities or water quality issues. Some enrollees may not be considered for connection for many years.
 - Funding may be limited.

Recommendations to the BOH:

- Direct SNHD to setup the program for only those areas where sewer conversion is available per AB220 and to establish an MOU with SNWA, directing that this program pass enrollees' funding to SNWA.
- Direct SNHD to proceed with creating a program to obtain funds from those who volunteer to enroll in the AB220 financial assistance program; and refer those who don't wish to enroll on this program to SNWA for other conversion program options.
- Should an enrollee wish to have 100 percent conversion coverage, AB220 requires paying an annual enrollment fee. If the BOH elects to setup a program, the annual fee on those who volunteer to enroll, can be tied to CCWRD's annual published rates according to AB220. *[CCWRD annual rates are currently published through July 1, 2028. July 1, 2023 is 253.20, July 1, 2024 is \$260.16 and July 1, 2028 is \$290]*

Feedback / Q&A

