

MEMO TO THE STEGE BOARD OF DIRECTORS

DATE: June 15, 2023

FROM: PSL/I&I Subcommittee (Paul Gilbert-Snyder/Tessa Beach)

SUBJECT: Proposed Strategy for PSL Loan Program

Background

In 2022 the Board approved an interest-free loan program for the replacement of private sewer laterals (PSLs) and allocated \$500,000 from property tax revenue to fund the program. To participate in the program the PSL must not have triggered the Regional PSL Program either by buying or selling the property, building or remodeling in excess of \$100,000, or changing the size of the water meter. The intent of the program is to accelerate the replacement of old PSLs that would otherwise most likely not be replaced until the property triggers the Regional PSL Program.

The program is currently promoted through a broad-based, non-targeted approach of advertising on the District's website, seasonal newsletter The Endeavor, and other promotional materials. Since its inception in early 2022, \$173,600 of loans have been awarded for 26 PSL replacements.

Proposal

In an attempt to further accelerate PSL replacements and determine the effectiveness of various components of the program, we recommend implementing a targeted approach that would focus on one specific subbasin. By targeting one subbasin we can initiate a more focused outreach program (customer & neighborhood-specific messaging) and evaluate the effectiveness of such outreach. Additionally, if we are successful in replacing a significant number of PSLs in a targeted subbasin, we can determine whether or not the efforts are making a difference in subbasin performance. We believe that implementing such an approach may help us to gain a better understanding of both how to market the program and also how effective the PSL replacements are.

If the Board agrees with this approach, we recommend the following:

- Obtain the following information for each of the highlighted subbasins (C, F, J, K, L, P, Q):
 - Total # of connections
 - # of connections that have not had a PSL permit pulled in the past 15, 20, and 30 years
 - Average and median household income based on census data
- Based on above information, choose a subbasin to focus on.
- Draft an address/customer-specific letter explaining why we're focused on their property and their neighborhood. Highlight benefits to the environment. Include a copy of the loan application and a copy of certified plumbers.

If this approach is implemented, we may consider reducing or eliminating other broad-based promotions of the program so that funds could be available for those in the targeted area. This would not disqualify others from participating in the program, but it would reduce the promotion of the program.