

Success Story

The City of Avon Lake Lateral Loan Program: Helping Homeowners Finance Sewer Repairs

Challenge

The City of Avon Lake is a combined sewer (sanitary and storm) community working through its Long-Term Control Plan (LTCP) to separate its sewers by 2020. While working through sewer separations, the summer of 2011 became the wettest on record and led to numerous basement backups. A major contributor to the sewer surcharges were house laterals with foundation drains that were still connected and discharging into the sanitary sewer. To address this issue, Avon Lake Regional Water is requiring that customers eliminate all existing foundation drain connections and prevent clear water sources from entering sanitary laterals by 2018 or 2019, depending on their location.

Solution

In 2017, Avon Lake Regional Water implemented a low-interest Lateral Loan Program to assist private property owners in repairing/replacing their sewer laterals. This program will be another tool to help the city comply with its long-term control plan and improve water quality in the area. Initially, the city provided some of its local funds to start the program; however, a larger infusion was necessary to fully implement a city-wide program.

To assist the city with achieving its goal, Ohio EPA provided a \$5 million capitalization loan at zero percent interest to Avon Lake through its Water Pollution Control Loan Fund (WPCLF) program. The city, in turn, will offer qualifying residents loans up to \$4,000 at a two percent interest rate. This loan will be added to residents' sewer bills to be paid back over a 10-year period. The residents will pay back the city, and the city will repay the loan from Ohio EPA.

This program is innovative and differs from a conventional WPCLF loan in that it allows the borrower to create its own revolving funding program, enabling Avon Lake to re-loan the money to private individuals who need financial assistance. Loan repayments, along with the nominal two percent interest rate, will be placed into a revolving fund to be used for future, local wastewater funding needs. Since Avon Lake is the first Lateral Loan Program to be implemented through the WPCLF, a new loan agreement and modified program structure was put into place. Ohio EPA worked in partnership with the Ohio Water Development Authority (OWDA) and the city while developing a new loan agreement. Although the process was challenging, the interagency coordination allowed it to proceed relatively smoothly.

The Outcome - Community and Environmental Benefits

The Avon Lake Lateral Loan Program allows for the successful repair or replacement of residential laterals, which helps keep rain water out of sanitary sewers. In addition, the program's low-interest financing provides significant financial relief to the residents and thus makes it more affordable.

This initiative also strengthens the city's ability to complete more private property sewer and storm water separation projects, while maintaining compliance with existing permits and its LTCP.



Project Specifics

Location

City of Avon Lake
201 Miller Road
Avon Lake, Ohio 44012

Details

WPCLF 10-Year Lateral Program Loan

Cost

\$5 million loan at zero percent interest.

Environmental Impacts

Removes clear water from the sewer system. Reduces basement backups and sewer overflows.

Economic Impacts

Improves project affordability, significant loan savings.

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From an operational standpoint, the lateral repair/replacement efforts help prevent clear water from entering the sewer system, thus eliminating unnecessary wear and tear on the wastewater treatment plant, as well as the cost for treating clear water. Reducing or eliminating basement backups and overflows of untreated sewage helps protect human health and waterways in Avon Lake and, in turn, Lake Erie.

Resources

The WPCLF low-interest loan program was created in 1989 as a revolving fund designed to operate in perpetuity and provide below-market interest rate loans as well as other forms of assistance for water resource protection and improvement projects. Specialized services are provided statewide for small and hardship communities.

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