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Johnstown Redevelopment Authority

Johnstown Regional Sewage Compliance Program

Program Synopsis: Johnstown Regional Sewage (JRS) proposes to offer financial assistance to property owners in remediating private underground sewer laterals on a voluntary basis and advancing the money for construction with a loan to be paid monthly.

Description of the Program

Purpose: To assist property owners in obtaining cost-effective mandated remediation of underground privately owned sewer laterals in order to remove infiltration and inflow to the Johnstown Regional sanitary sewer collection system. JRS finds there is a need to remove uncertainty and fear on the part of homeowners, particularly the elderly and retired homeowners, of which may not have the immediate financial resources available in making this capital improvement to their property.

Competitive bidding among multiple contractors will assure that the lowest price is obtained and done in a timely manner.

JRS has recognized the importance of this work and has adopted a loan program that assumes the cost of; administrative cost of recording program documents, preparation of bid documents, onsite meetings with the owners and contractors, assisting the owner during construction, restoration and finally pressure testing certification.

Eligible Applicants:

All property owners whose properties are served by the Johnstown Regional Sewage System at the Dornick Point Sewage Treatment Plant. Owner Occupants shall be given priority.

Loan Program Advantages

- Through proper development and the bidding process, JRS can prepare and award multiple repair projects within the same area resulting in savings by reducing mobilization costs of the contractor.
- Ability of property owners to review all contractor bids and make an informed selection.
- Helps make sure that work will be completed in a timely manner with deadlines established.
- Contracts require a satisfactory comprehensive pressure test from municipal viewport to interior clean out including all under-slab piping when installed.
- Restoration of property is secured by a 10 % retainage clause.
- Minimal payments, amortizing the construction cost over a (20) twenty-year period at an approximate interest rate of 3.9 %.

Submission Requirements:

- Applicants must own the property.
- Provide proof of homeowner's insurance, fire and flood insurance.
- Receipts of payment of currently due property taxes.



Johnstown Redevelopment Authority

- Applicant must demonstrate credit worthiness of JRS sewer bill for the last 12 months.
- Applicant must maintain automatic payment of sewer bill and loan payment.
JRA staff assistance will be provided to owners concerning ACH payment from their bank account for both the regular monthly bill and the loan payment.

Program Documents

- In addition to the contractors estimate the contractors will provide a written recommendation for construction tasks necessary to have the property meet testing standards.
- Property Owners shall execute a Mortgage and Note in favor of JRS for the full amount of the loan plus filing costs.
- Prior to construction the JRA will review the bid prices and work to be performed with the property owner.
- If, after initial inspection and preparation of the contract, the property owner decides to have the work performed by others without a loan from JRS, the contract documents will be made available only after a Release is signed by the owner absolving the JRS and its agents from any liability in connection with the work.

Financial Projections and Assumptions

- Cost projections call for charging \$6.00 per month per thousand dollars borrowed. The loan payment is calculated at 3.9 %, with the Authority administrative expense being absorbed in the \$6.00 dollar per thousand cost.

Example

On a \$ 4,000.00 project this would place an additional charge of \$24.00 per month on a customer's bill. Over the term of the 20 twenty-year loan the Authority would collect back (240 * \$24.00 = \$5,760.00 dollars). The total amount would be limited to the cost of the construction contract and filing fees. There is no penalty for pre-payment.

- Loans will be required to be immediately repaid in full in the event of any transfer of ownership of the property.
- The Authority will be absorbing the cost of the preparation and administration of the contracts as well as the billing and risks associated with repayment.
- The program will only provide financing for the minimum amount of work necessary to maintain pre-existing levels of sewage service on the property. We currently have until December 31, 2022 to eliminate all SSO's.
- Contract payments shall be made in the form of joint checks payable to the property owner and contractor.



Johnstown Redevelopment Authority

Sewer Lateral Compliance Program Application

Johnstown Redevelopment Authority

Applicants Name: _____

Co-Applicant: _____

Service Address: _____

Phone Contact: Home _____ Cell _____

Email Address: _____

Alternate Mailing Address : _____

Are you the current owner of the Property? Yes _____ No _____

Do you currently occupy this property as your primary residence? Yes _____ No _____

Is this a single or duplex structure? Single _____ Duplex _____

The applicant certifies that the above information is true and correct to the best of his/her knowledge.

Verification of any of the information contained in this application may be obtained from any source named herein.

X _____ Date: _____

X _____ Date: _____

If you have any questions or require assistance in completing this application, please do not hesitate to contact the Johnstown Redevelopment Authority at 814- 535-6564. Fax 814- 535-6567.



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Sewer Lateral Compliance Program Owners Checklist

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Upon return of your application please ensure the following items are included.

- Completed Contractor Selection Form. (Choose 5).
- Property Deed
- Provide proof of homeowner's insurance.
- Receipts of payment of current property taxes.

PLEASE NOTE:

- Applicant must demonstrate credit worthiness of JRS sewer bill for the last 12 months.
- Applicant must maintain automatic payment of sewer bill and loan payment.
JRA staff assistance will be provided to owners concerning ACH payment from their bank account for both the regular monthly bill and the loan payment if one has not been established.