



## **Extension Participation Program – Public Water and Sewer Lines**

### History:

On October 2, 2007, City Council approved amendments to Chapter 49 of the City of Scottsdale Municipal Code and Ordinances. The purpose of the Extension Participation Program is to compensate single family property owners for the cost of extending public water and sewer lines that serve their parcel. The reimbursement represents the cost of extending the water or sewer line across adjacent parcel frontages needed to reach the property that requires the extension. Each property owner will only be responsible for their equitable share of the cost to extend the public water or sewer lines across their own parcel frontage. Subdivisions, multi-family residences, and commercial properties are not eligible for extension participation from the City of Scottsdale.

Program Purpose Statement: The expansion of the City of Scottsdale's sewer collection system facilitates the protection and improvement of groundwater quality and allows us to capture a valuable water resource for reuse in a desert environment. The expansion of the sewer collection system supports our mission to be good stewards of all water resources.

### Line Extension Process:

1. Property owner (developer) is financially responsible for engineering design, applicable agency review, agency permitting, and construction of the public water and/or sewer line.
2. Written request for extension participation from the City must include three (3) certified contractor's cost estimates and a participation program application. This documentation must be submitted to Water Resources within 60 days after issuance of encroachment permit (permit to construct within the Right of Way).
3. The City will inform property owner of reimbursement funding availability at time of application. If approved plans expire prior to the issuance of the encroachment permit, any city commitment to participation becomes void and a new participation program application must be submitted.
4. After the City of Scottsdale Inspection Services Department accepts the construction per City standards, line payback agreements are set up by the City. A line payback agreement is a notice of public infrastructure improvements constructed by a property owner (developer) where such improvements cross the frontage(s) of a neighboring parcel, making said parcel a beneficiary to the installed line. The line payback agreement indicates the amount of money a benefitting property owner must pay to the City for their share of all costs for water and sewer lines when future connection is made.
5. The City proportions the total cost of the extension project to all neighboring properties receiving the benefit of the new water and/or sewer line(s). Costs may be proportioned equally by number of benefitting parcels or by parcel frontage depending on the situation.
6. The City records the line payback agreement against the neighboring properties and reimburses the property owner (developer) who installed the line for the proportionate share, up to a maximum of \$200,000 per extension (provided funds are available).
7. When the neighboring properties connect to the public water and/or sewer system, the City will collect the amount owed in line payback amount plus interest.
8. Line payback agreements have a twenty (20) year term and carry a 0.4496% interest rate per month.

### Key Provisions to the Extension Participation Program:

1. Eligible only to single-family property owners installing a new public water and/or sewer line to service their property.
2. Subject to availability of funds.
3. Maximum funding per line extension is \$200,000.
4. If funds are not available, a property owner can request they be placed on a waiting list for when funds become available.