



Council Agenda Correspondence

DATE: December 2, 2025

TO: Mayor and Council

FROM: Aaron Floyd, Public Works and Utilities Director
Prepared By: Chris Lehman, Deputy Director - Wastewater

VIA: Whitney McDonald, City Manager

SUBJECT: ITEM 6b - GENERAL PLAN AMENDMENT FOR WASTEWATER COLLECTION SYSTEM CAPACITY CONSTRAINED MAP AND ADOPTION OF LATERAL REBATE PROGRAMS

Staff received a request to explain if and how the proposed Water and Wastewater Element Amendment, recommended Private Sewer Lateral Inspection Program, and expanded Private Sewer Lateral Replacement Rebate Program would financially impact a resident living in a home built in the 1960s, which is served by a very long sewer lateral, and is in a wastewater collections system constrained area.

Staff Response:

All properties in the City are subject to ownership, maintenance, repair, inspection, and replacement requirements for private sewer laterals, as mandated by [Municipal Code Section 13.08.395](#).

Water and Wastewater Element Amendment – No Financial Impact. Properties located within a wastewater collections system capacity constrained area, as approved by City Council and incorporated into the General Plan Water and Wastewater Element, are subject to the Wastewater Flow Offset program, currently mandated by [Municipal Code Section 13.08.396](#). If approved, the proposed Water and Wastewater Element Amendment would change the boundaries of the capacity constrained areas. No changes to the Municipal Code are currently proposed, and the Amendment alone would not financially impact property owners, unless additional actions are required by the Municipal Code, as summarized in the scenarios below.

New Proposed Sewer Lateral Inspection Rebate – Beneficial Financial Impact. If the property owner of a single-family residence located within a capacity-constrained area completes a private sewer lateral CCTV inspection, whether voluntarily or as required by the Municipal Code, they may apply for a **Sewer Lateral Inspection Rebate up to \$350**. The total cost of the private sewer lateral inspection depends on site-specific factors; however, it would likely be covered by the rebate.

Expanded Sewer Lateral Replacement Rebate – No Change to Current Beneficial Financial Impact. Council's approval of the proposed expanded Sewer Lateral Replacement Rebate would not change how the program is administered for single-family residences. No changes to the Municipal Code regulations governing the replacement of sewer laterals or the Wastewater Flow Offset Program are currently proposed.

The Municipal Code currently requires replacement of an existing private sewer lateral in "poor" or "failed" condition if a property owner proposes a project that would add a bedroom, bathroom, or kitchen, result in upsizing the existing domestic water meter or the addition of a new domestic water meter, or subdivides the property. The property owner may apply for a **Sewer Lateral Replacement Rebate up to \$4,000**. The total cost of the lateral replacement depends on site-specific factors; however, the cost would be offset by the rebate up to \$4,000.

If the property owner's project meets the Municipal Code definition of "intensified development", the project is subject to the Wastewater Flow Offset Program:

"Intensified development' means the development of a property, site or area through development, redevelopment, infill or expansion or conversion of existing buildings resulting in any of the following conditions: development results in a higher residential density than currently exists; development results in an increase in habitable residential or nonresidential building area of four hundred fifty square feet or greater than currently exists (excluding garages, gazebos and sheds without plumbing fixtures); or development would increase the plumbing fixture count by ten percent or more."

As noted in the Municipal Code, "sewer capacity offsets within the same parcel boundary (on-site) may be considered as an offset credit for a residential intensification project, at the discretion of the Utilities Director." The property owner may apply for **the Sewer Lateral Replacement Rebate (up to \$4,000) for the on-site offset** (replacement of the existing sewer lateral).

In addition, a property owner may apply for the Sewer Lateral Replacement Rebate if their lateral is in poor or failed condition and is replaced by another party, such as a developer of an off-site development that is subject to the requirements of the Wastewater Flow Offset Program. The rebate must go to the property owner of the physical parcel where the private lateral is replaced. Financial agreements between the property owner and developer for the lateral replacement would be privately negotiated.