

**RESOLUTION NO. \_\_\_\_\_ (2025 SERIES)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, AMENDING THE PRIVATE SEWER LATERAL REPLACEMENT REBATE PROGRAM AND ESTABLISHING A PRIVATE SEWER LATERAL INSPECTION REBATE PROGRAM**

**WHEREAS**, the City must provide capacity assurance consistent with its adopted Sewer System Management Plan and Statewide General Waste Discharge Requirements; and

**WHEREAS**, the City completed a wastewater flow monitoring and inflow/infiltration analysis in March 2024 that included sewer flow monitoring, rainfall monitoring, and inflow and infiltration analysis; and

**WHEREAS**, the City approved and filed the Wastewater Collection System Infrastructure Renewal Strategy on August 19, 2025, which identified areas with capacity constraints and surcharging in the wastewater collection system during peak wet weather events; and

**WHEREAS**, on December 2, 2025, the City amended its General Plan, Water and Wastewater Management Element by incorporating an updated map of wastewater collection system areas with capacity constraints during peak wet weather events; and

**WHEREAS**, the City has experienced sewer overflows, which have been identified as a threat to public health and water quality because of the pathogens, pollutants, and nutrients they contain, which have been a focus of State Water Quality Regulators over the past several years; and

**WHEREAS**, the City owns, operates, and maintains a sewer conveyance system with over 145 miles of pipeline and provides wastewater collection services to properties within the City limits, as well as to Cal Poly and the San Luis Obispo County Airport; and

**WHEREAS**, a system of approximately 13,421 private sewer laterals, estimated to equal an additional 165 miles of pipeline, is owned and maintained by property owners; and

**WHEREAS**, private sewer laterals contribute significant inflow and infiltration, contributing to capacity constraints, surcharging, and overflows in the wastewater collection system during peak wet weather events; and

**WHEREAS**, the City would like to encourage the timely inspection and replacement of private sewer laterals to decrease inflow and infiltration and to improve capacity constraints, surcharging, and overflows in the wastewater

collection system during peak wet weather events; and

**WHEREAS**, the City's Private Sewer Lateral Replacement Rebate Program was created on August 19, 2019, to accelerate the replacement of aging private infrastructure that impacts public infrastructure; and

**WHEREAS**, the amendment of the Private Sewer Lateral Replacement Rebate Program will provide funding assistance to additional property owners for their private sewer lateral replacement; and

**WHEREAS**, the establishment of the Private Sewer Lateral Inspection Rebate Program will provide funding assistance to property owners for their private sewer lateral inspection to accelerate replacement of aging private infrastructure that impacts public infrastructure; and

**WHEREAS**, funding for the Private Sewer Lateral Inspection and Replacement Rebate Programs is identified in the City's Capital Improvement Program and provided by the City's Sewer Fund.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of San Luis Obispo as follows:

**SECTION 1.** The City Council hereby amends the Private Sewer Lateral Replacement Rebate Program using funding from the Sewer Fund and authorizes the Utilities Director to implement the program as follows:

- a) The sewer lateral replacement must be permitted through the City of San Luis Obispo Community Development Department.
- b) The Private Sewer Lateral Replacement Rebate Program only applies to those sewer laterals that are replaced in their entirety from the structure up to and including connection with the City main; spot repairs and partial repairs are not included in this program.
- c) Verification of installation, inspection, and approval of completed work by the City is required.
- d) For property owners of single-family residences citywide, and property owners of multi-family and commercial properties located within capacity-constrained areas of the wastewater collection system, the Private Sewer Lateral Replacement Rebate will be a maximum of \$4,000, which may not exceed the cost of the project. All rebates are subject to available funding.
- e) The property owner must submit a dated, detailed sales receipt for proof of purchase with the Private Sewer Lateral Replacement Rebate Application. The purchase of the private sewer lateral replacement must be clearly itemized on an invoice. A copy of the property owner's W9

must be submitted with the application.

- f) The Private Sewer Lateral Replacement Rebate may take six weeks or more from the date the rebate application is filed.
- g) Private Sewer Lateral Replacement Rebates will only be provided to the property owner.
- h) Only one Private Sewer Lateral Replacement Rebate will be provided over the lifetime of the property.
- i) The Private Sewer Lateral Replacement Rebate Program is only in effect when funds are allocated for that purpose within a given budget year. Sewer Lateral Replacement Rebates will be available on a first-come, first-served basis from the date of application until the funds are expended. If funding runs out during the fiscal year, an applicant may be required to wait for a future year of rebate funding.
- j) Private Sewer Lateral Replacement Rebates may not be available to property owners to replace their private sewer lateral as part of a Notice to Correct condition. This allowance will be applied at the discretion of the Utilities Director based on previous enforcement compliance history.
- l) As an incentive to replace private sewer laterals and reduce inflow and infiltration, the collected city fee for sewer wye installations will be refunded for all qualifying rebate applications.

**SECTION 2.** The City Council hereby establishes the Private Sewer Lateral Inspection Rebate Program using funding from the Sewer Fund and authorizes the Utilities Director to implement the program as follows:

- a) The private sewer lateral inspection must be submitted in digital format and in color (black and white or otherwise unclear video will not be accepted).
- b) The private sewer lateral inspection must show the address of the lateral and the date the video was taken, with a running footage or time marker clearly visible on the screen.
- c) The private sewer lateral inspection must include footage and review of the entire lateral from the building connection to the city-owned sewer main.
- d) Where joints are present, the inspection activity must briefly stop the camera at each to clearly identify their integrity.
- e) Verification and review of the inspection by the City is required to process the Private Sewer Lateral Inspection Rebate.
- f) For property owners located within capacity-constrained areas of the wastewater collection system, the Private Sewer Lateral Inspection

Rebate will be a maximum of \$350, which may not exceed the cost of the project. If the inspection cost is less than \$350, the maximum rebate award shall be 100 percent of the inspection cost. All rebates are subject to available funding.

- g) The property owner must submit a dated, detailed sales receipt for proof of the inspection activity with the Private Sewer Lateral Inspection Rebate Application. The purchase of the private sewer lateral inspection must be clearly itemized on an invoice. A copy of the property owner's W9 must be submitted with the application.
- h) The Private Sewer Lateral Inspection Rebate may take six weeks or more from the date the rebate application is filed.
- i) Private Sewer Lateral Inspection Rebates will only be provided to the property owner.
- j) Only one Private Sewer Lateral Inspection Rebate will be provided over the lifetime of the property.
- k) The Private Sewer Lateral Inspection Rebate Program is only in effect when funds are allocated for that purpose within a given budget year. Sewer Lateral Inspection Rebates will be available on a first-come, first-served basis from the date of application until the funds are expended. If funding runs out during the fiscal year, an applicant may be required to wait for a future year of rebate funding.
- l) Private Sewer Lateral Inspection Rebates may not be available to property owners to inspect their private sewer lateral as part of a Notice to Correct condition. This allowance will be applied at the discretion of the Utilities Director based on previous enforcement compliance history.
- m) Private Sewer Lateral Inspection Rebates are available to property owners to inspect their private sewer lateral as part of an Inspection Upon Sale requirement for those properties located within a capacity-constrained area.

**SECTION 3. California Environmental Quality Act.** The Rebate Programs are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15307 (Actions by Regulatory Agencies for Protection of Natural Resources) and 15308 (Actions by Regulatory Agencies for the Protection of the Environment) because the intent of the Programs is to incentivize and further implementation of programs that address wastewater collections system capacity-related issues and would have a beneficial impact on the environment by increasing data collection related private infrastructure affecting the City's sewer system, and reducing the potential for I&I and overflows due to reduced flows from groundwater and stormwater.

**SECTION 4.** The City Council hereby declares a primary public purpose in the expenditure of public funds to benefit private interests, as failing private sewer laterals

contribute excess water to the public wastewater collection system and Water Resource Recovery Facility, and potentially cause or contribute to the overloading of the City's (public) system. The inflow and infiltration from laterals can lead to sanitary sewer overflows, resulting in damage to surrounding properties, public health risks, and environmental degradation.

**SECTION 5.** Resolution Number 11517 (2024 Series) is hereby amended and superseded to the extent inconsistent herewith.

Upon motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll call vote:

- AYES:
- NOES:
- ABSENT:

The foregoing resolution was adopted this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

\_\_\_\_\_  
Mayor Erica A. Stewart

ATTEST:

\_\_\_\_\_  
Teresa Purrington  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
J. Christine Dietrick  
City Attorney

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on \_\_\_\_\_.

\_\_\_\_\_  
Teresa Purrington  
City Clerk

R \_\_\_\_\_