

Sugarloaf HOA – Sewer Lateral Repair Policy

INTRODUCTION AND OVERVIEW

As of November, 2011, the City of San Mateo (City) has enacted certain selective ordinance and civil code changes that, effectively, make the individual homeowner completely responsible for the maintenance and repair of their sewer laterals serving their property. Prior to these ordinance and code changes, the City took full responsibility for the maintenance and repair of all sewer laterals located in public streets. On the other hand, the city provided no services in maintaining and repairing sewer laterals located within Association-owned streets (our private lanes off De Anza, plus Sugarloaf Drive and Broadview Ct). Now, regardless of street ownership, it is the homeowner's responsibility to maintain his or her sewer lateral within the street area.

This action by the City comes after a number of meetings between City staff and Association Board members and other community members beginning in mid 2010. It was at this point in time that the City was increasing the sewer service charge to its users, and the Association took note that its members residing on private streets were excluded from benefiting from the sewer lateral services partially funded by these charges which every homeowner was required to pay. The Association petitioned the City to include private streets in their lateral maintenance program. In the interim, the Association took action to fund sewer lateral maintenance in private streets. During the same period, the City announced via a proposal to the Public Works Commission that they were going to take action to stop providing lateral maintenance services all together within the City limits. What followed was a number of meetings between Association Board members and City staff together with appearances of Board members and other community members at Public Works Commission and City Council meetings throughout 2010-2011. All of this proved beneficial, as a working relationship was established between City staff and the Association. In working with the City, the Association influenced the City in their decision to support a lateral maintenance plan that would provide partial funding, by the City, of lateral maintenance in both private and public streets. In addition, the City also agreed to create a program to help homeowners navigate the logistics of repairing a sewer lateral running under a street. This included the City agreeing to pre-qualify contractors at negotiated rates, requiring contractors to be responsible for securing permits and paying associated permit fees/deposits, and including city-sponsored video inspections to determine the source of the problem. The program was approved by the City Council in late 2011, and has now been implemented.

The City program is called the "Private Sewer Lateral Cost Sharing Program" (City Program). It provides partial funding to homeowners in need of sewer lateral repairs. This assistance is in the form of grants and low interest loans. For specific details regarding this program please see the slide presentation posted on the Sugarloaf website (www.sugarloafhoa.org under Residents/Documents), access materials on the Department of Public Works website (www.ci.sanmateo.ca.us/index.aspx?nid=2273), or contact the Program Manager, Sheri Costa Batis, at the City at 650-522-7334, or scosta-batis@cityofsanmateo.org. This program covers the partial cost of sewer lateral repairs from where the lateral exits the dwelling all the way to the mainline sewer. It is important to note that the cost of initially "augering" or "rodding" a sewer lateral to relieve a temporary blockage is fully the homeowner's responsibility.

Once the City has been notified that a homeowner needs assistance to rectify a lateral problem that could not be relieved by rodding, the homeowner can be expected to take the following steps once he/she enrolls into the City Program:

1. The City will initially check the mainline sewer to confirm that it is not causing the blockage problem in the homeowner's lateral.
2. If the mainline is functioning properly, a video inspection of the lateral is carried out, free of charge to the homeowner, to ascertain the cause of the blockage.
3. If the lateral is in need of repair, the City Program will provide financial assistance in the form of a maximum \$2,000 or \$5,000 grant, based on the homeowner's annual income. Low-interest loans may also be available to those interested.
4. To conduct the necessary repairs to the lateral, the homeowner will choose a contractor, preferably from the City's approved list of contractors (who have agreed with the city on negotiated pricing based on the repair scope).
5. The contractor pays all City fees (reimbursable) and obtains all necessary permits, and then commences work.
6. Once work is completed and approved by the City, the grant funds will be disbursed by the City to the homeowner.

As a member of the Sugarloaf Homeowners Association, in the event of a failure of the sewer lateral between the exit of your dwelling and the main sewer line, your Association will enhance the amount of grant that you would receive by virtue of the City Program. This is a new program that has been developed by the Association's Board of Directors to essentially "self insure" Association members by using Association funds to partially offset the impact of the change in the City's program. Upon confirmation of your eligibility, the Association would match the City's grant, or provide sufficient funds to complete the repair work, whichever is the lesser amount. The following information lists the policy elements that govern the Association's program for contributing to sewer lateral repair costs. The Association is pleased in being able to provide this service to its membership to help alleviate what could be a very stressful and costly event. Please direct any questions or comments you may have to Debbie at PML Management. They will be addressed by no later than the next Board meeting.

SUGARLOAF POLICY FOR ASSOCIATION CONTRIBUTION TOWARD SEWER LATERAL REPAIRS

In order to participate in the Association's cost sharing program, the homeowner must, follow the steps listed below:

1. Enroll in the City Program by completing all the required documents with the City office.
2. Once the homeowner is enrolled in the City Program, the homeowner must contact the Association's property manager, Debbie McGraw c/o PML Management (PML) at 650-349-9113, or *Debbie@pmlmanagement.com*, and notify PML that a sewer lateral repair project is imminent.
3. Once the repair work is completed, the homeowner must submit the following information to PML:
 - a. Copy of the contract with the plumbing/repair contractor showing the total cost of the completed project
 - b. Copy of the completed documentation from the City Program (income information may be omitted), clearly indicating the level of funding agreed to with the City
 - c. Proof of funding by the City (ie, copy of check issued by the City)
4. Once the items in 3a, b, and c are submitted to PML, the HOA Board will confirm the package contents and authorize PML to issue a check to the homeowner in the amount of the City's grant, or sufficient funds to complete the repair work total cost, whichever is less. The Association will target issuing the check to the Homeowner within 45 days of receipt of a properly complete information package.

It is noted that homeowners may also be able to obtain certain insurance coverage for sewer laterals through private insurance companies. Such insurance may cover part or all of the cost of "rodding" a lateral to provide relief. The Association notes that, through our research, it has been determined that such insurance would likely not cover repairs in lateral sections running under a street owned by someone (e.g., City / Association) other than the homeowner. Homeowners are responsible for making decisions regarding their interest in any type of private insurance to cover sewer lateral maintenance or repair.

(END OF POLICY)

Sugarloaf Board of Directors
July 16, 2012