



TCPUD & the Escrow/Property Transfer Process Frequently Asked Questions and Checklist

Q: What issues is the District concerned with before any residential or commercial property transfers ownership/completes the escrow process?

The District will review any outstanding issues related to a residential or commercial property as part of the escrow / property transfer process. Below is a list of common items; although an individual property may have additional items of concern:

- Sewer lateral (aka sewer line or sewer service) air test
- Open permit with the District
- Pending Easements, Easement Encroachments, Declarations of Restrictive Covenants, Common Service Agreements
- Outstanding account balance
- Final meter read (for water customers)
- Sewer lateral and/or water service crossing a neighbor's property
- Correct billing (i.e., number of residential units, commercial billing, size of water meter, etc.)
- Outstanding cross-connection control concerns/backflow
- Outstanding Fats, Oils, Grease (FOG) concerns; a grease interceptor is required when a Food Service Establishment goes through the property transfer process; existing grease interceptors are required to be vacuum tested or air tested prior to property transfer

The District will not release escrow clearance until the following items are in compliance with the District's Ordinances:

- Sewer lateral
- Grease interceptor (if applicable)
- Open permit with the District (can be finalized or transferred, depending on construction stage)
- Outstanding account balance
- Correct billing (may require additional connection fees)

Q: My property/my client's property is for sale. What are the steps that I need to take to ensure the Transfer of Ownership goes smoothly through the District's processes and that the District can provide clearance before escrow closes?

Use the attached checklist to ensure that the escrow process is not held up and all District requirements are met.

Q: Does the District have a list of licensed contractors, plumbers, and excavators?

Yes, the District maintains a list of licensed contractors, located [online](#) or available at our main office. The District does not recommend one particular contractor over another. Other licensed contractors not on this list may still be used to perform work at your property.

Q: How long is a sewer lateral air test good for?

- Air test of newly installed sewer lateral (whether new construction or complete replacement of existing line); good for 10 years, per [Section 6.02.1.4.e of the District's Sewer Ordinance](#)
 - o Must be approved material (PVC SDR 35, PVC C900, or Ductile Iron)
 - o Must have a double-wye cleanout at the property/easement line
- Air test of existing sewer lateral; good for 5 years, per [Section 6.02.1.4.e of the District's Sewer Ordinance](#)

Additionally, any changes to the sewer lateral, such as repairs, replacement, realignment or installation of sewer clean outs will require a sewer lateral air test.

Call the Technical Services Division to find out when the sewer lateral was last tested and how long that test is good for.

Q: What are the District's inspection days?

The District's inspectors are only in the field on Mondays, Wednesdays and Thursdays in the summer months (April through October). The inspectors are only in the field on Mondays and Thursdays in the winter months (November through March). The sooner the contractor or plumber schedules an inspection with the District, the sooner the inspection can be performed.

Q: Why is a sewer lateral air test required?

Per [Section 6.02.1.1 of the District's Sewer Ordinance](#), "All persons who own a home, building or property that is connected to a District sanitary sewer must install and maintain the house service sewer in a condition that is capable of passing tests..."

If a sewer lateral is not fully watertight, due to a crack, old material, or offset joints, sewage can get into the ground area surrounding the sewer lateral. Additionally, groundwater or roots and debris can enter the sewer lateral; groundwater in the sanitary sewer system requires additional capacity in the District sewer system and increases the District's costs to operate the sewer system. Roots and debris or excess groundwater in the District sewer system can potentially lead to a sewer spill, because the sewer system was not built to be large enough to accommodate groundwater and roots and debris can block sewage from flowing down a lateral.

Doing your part to comply with the sewer lateral air test requirements, and to ensure your sewer lateral passes this test, helps all of us protect the environment from sewage.

Q: What is a sewer lateral air test?

Sewer laterals that are greater than 10 feet in length shall be pressure-tested, and those that are 10 feet or less in length shall be inspected either by way of closed-circuit television or pressure testing.

A sewer lateral air test consists of pressurizing the sewer lateral to verify its airtightness. A plumber or contractor will take an air test plug and place it into the foundation cleanout, and another within the property line cleanout, and any other cleanouts at the property, isolating the sewer lateral. Then, the sewer lateral is pressurized to 3.5 psi for 5 minutes. A loss of 0.5 psi or less shall be considered acceptable. If the loss exceeds 0.5 psi, the test may be repeated once. A second loss of pressure constitutes failure of the pipeline. Refer to Section 6.02 of the District's Sewer Ordinance for more details.

The sewer lateral can also be tested with a water pressure test, per [Section 6.03.3.1 of the District's Sewer Ordinance](#).

This test must be witnessed by a District inspector.

Q: My property has a pressurized sewer system, with a holding tank, pump and sewer force lateral. How is this tested?

The pressure sewer lateral shall be drained and free of any liquids or solids prior to beginning the test. There shall be no cleanouts located on the pressure system. A double-wye cleanout shall be located at the property line only if the pressure line has transitioned to gravity at or prior to the property line. The discharge piping must be air-tested at 10 psi for 10 minutes, with no detectable leakage. If any loss is detected, the test may be repeated once. A second loss of pressure constitutes failure of the pipeline and/or check valves.

The alarm system, float controls, pump output, wet well integrity, and alarm panel shall all be tested and inspected as well. An audible and visual alarm system must be installed in the living area of the home, where it can be seen and heard at all times. The alarm system shall continuously signal when the sewage level in the pumping chamber exceeds a predetermined safe level. Remote alarm systems shall be installed in all contributing units of multiple-unit residential, commercial, industrial or public use.

Refer to [Section 6.03.4 of the District's Sewer Ordinance](#) for more details.

The District inspector must witness these tests.

Q: I live in a condominium complex. Does my sewer lateral still need to be tested?

Yes; the sewer laterals for condominium complexes are subject to the same rules and regulations as those sewer laterals serving single family residences. For some condominium complexes, the property owner's association or other authorized entity has assumed responsibility for the sewer laterals, including testing them. We recommend you review the CC&R documents for your condominium complex, and discuss sewer lateral testing with the property manager to find out how your complex addresses sewer laterals.

Q: How much does a sewer lateral air test cost?

Contractors will charge various rates for a sewer lateral air test, depending on the extent and complexity of the air test, and whether or not any sewer cleanouts need to be located, dug up, raised to grade or installed, and whether a portion or all of the sewer lateral needs to be replaced in order to pass an air test. We recommend that you get quotes from two or more contractors, if possible, for the necessary work.

The District does not currently charge for the initial inspection of a sewer lateral air test related to Transfer of Ownership. However, should additional inspections be required, the current District charge can be found in the latest [Fee Schedule](#).

Per [Sewer Ordinance Section 6.02.1.2](#), it is the financial responsibility of the Owner to pay for cleaning and testing the sewer lateral. If you live in a condominium complex or other multiple unit structure, it is still the Owner's responsibility, unless the property owner's association or other authorized entity has assumed such responsibility.

Q: Where do sewer cleanouts need to be installed?

Per [Section 5.03.2.4 of the District's Sewer Ordinance](#), sewer cleanouts are required at the following locations, and must be boxed, to grade:

- Within five (5) feet of the structure, outside of the building foundation
- A special cleanout must be installed per [Figure 5.03 of the District's Sewer Ordinance](#), at all turns/bends in the sewer line that are 45 degrees or 90 degrees, which have been approved by the District
- One for every 100 feet of sewer lateral
- A double-wye cleanout must be installed within five (5) feet of the property/easement line, on the Owner's property. (Existing property/easement line cleanouts may be the single-wye type.)

Q: I just bought this property and the sewer lateral was not air tested. How did that happen? Why do I have to have my sewer lateral air tested now if it wasn't tested then?

Unfortunately, when some properties transferred ownership and they used professionals that were not familiar with the District's requirements, the District was not made aware of the transfer of ownership, and therefore could not communicate the requirements for a sewer lateral air test to the previous property owner.

Your sewer lateral must be air tested in order to ensure it is watertight, in order to protect the pristine Lake Tahoe environment and to keep the District's operational costs down. The District requires this test prior to the close of escrow.

Q: What happens if the sewer lateral air test fails?

The sewer lateral will need to be repaired, such that it holds air. If it does not hold air, it will need to be replaced, with approved materials, per [Sewer Ordinance, Section 5.03.2.1.2](#). The replaced sewer lateral will need to be re-inspected, both with an open-trench inspection and an additional air test.

Approved materials include: [PVC SDR-35](#); [PVC C900](#); and [Ductile Iron](#). High Density Polyethylene (HDPE) is the approved material for pressure sewer laterals.

Unacceptable pipe materials, per [Sewer Ordinance Section 5.03.2.1.3](#), include:

- [Orangeburg & ABS](#) – If encountered in the field, it must be removed and replaced with pipe of an approved material;
- [Clay & Asbestos Cement Pipe \(ACP\)](#) – If encountered in the field and it passes a pressure test, it may remain; if a pressure test fails, it must be removed and replaced with an acceptable pipe material.

Q: It's winter time, my sewer lateral failed the pressure test, and I need to replace it. What options do I have?

The District has a Withhold Process to account for this exact situation, which contains the following requirements and stipulations:

- In the event that sewer cleaning, testing, repair or replacement would be required, at a time when weather conditions or excavation restrictions (October 15 until May 1) prohibit such repairs, the District may defer completion of such requirement until June 15th or such earlier date as agreed upon with the property owner.
- The District shall prepare an estimate of the costs to replace the sewer lateral. The Owner shall also obtain an estimate from a California State licensed contractor for performing all work necessary so that the house service sewer will pass a sewer pressure test.
- The Owner shall place a deposit with the District, which shall be 125% of the estimated costs from whichever estimate is greater (District's or Contractor's).
 - o The deposit can be a cash deposit in the form of a check or money order, payable to the District; or a performance bond, callable on the date when the Owner should have completed testing.
- The Owner must also provide the District with a copy of an executed, binding contract with a California State licensed contractor, authorizing that contractor to perform all work necessary to test and repair or replace the existing house sewer lateral so that it will pass a sewer pressure test. The contract shall include the cost to repair or replace existing pressurized systems and abandon any septic systems that may be on the property.
- If the work agreed to is not completed by June 15 of the following year, the deposited funds held by the District may be used by the District to perform or have a contractor perform physical disconnection, testing, repair or replacement of the sewer lateral.
 - o Should such costs exceed the amount deposited, the difference shall be billed to the Owner of record.
- Upon completion of the necessary work, whether by Owner, District or contractor, the balance of funds will be released to the Owner within 15 days of the approved inspection of the work.

Refer to [Section 6.02.1.5 of the District's Sewer Ordinance](#) for more information.

Q: If there is an open permit, what potential items might need to be addressed?

If the work associated with the permit has been completed, a final inspection will need to be scheduled with a District Inspector, by calling the Technical Services Division. The Inspector will review the following, at a minimum:

- low-flow fixtures have been installed in any new homes, or the remodeled portion of a home
- the internal building water pressure is 60 psi or less
- water customers are in full compliance with the District's Cross-Connection Control ordinance, including installation and testing of approved backflow prevention assemblies, where required

- the existing uses on a property, to ensure that the existing billing is in accordance with the existing usage

Alternatively, if the work associated with the permit has not been completed, the Owner can transfer permit responsibility to the new Owner. The new Owner shall accept responsibility for all outstanding work and will be required to enter into an agreement with the District wherein he or she accepts responsibility for completion of all incomplete work.

Q: What happens if the existing residential, commercial, industrial, or public use of the property does not match the existing billing?

The existing billing will be adjusted to match the existing residential, commercial, industrial or public use of the property. If the billing is increased, additional sewer connection fees may be due, before the property transfer occurs.

For example, if a property has two residential living units, but it is only being billed for one residential living unit, the billing will be revised to match the number of residential units, and additional sewer connection fees will be collected for the second residential unit, if they were not previously paid. The District considers a residential unit to be a separate living unit with kitchen and bathroom facilities.

If a restaurant has more seats than the District is currently billing the property for, then the billing will be revised to match the number of seats in the restaurant, and additional sewer connection fees will be collected, if they were not previously paid.

If a commercial business has added plumbing fixtures or square feet, then the billing will be revised to match the plumbing fixtures and square footage, and additional sewer connection fees will be collected, if they were not previously paid.

Q: What are Easements, Easement Encroachments, Declarations of Restrictive Covenants, and Common Service Agreements and why do they matter if I'm trying to sell my home?

Easements: Where the District owns sewer or water system facilities that are located on private property, an easement may be in place to ensure that the District has access to operate and maintain these facilities. Most properties that have existing District sewer or water facilities located on them also have an existing easement, to provide such access. However, if there are such facilities in place without a valid easement, an easement will be required prior to the Transfer of Ownership. Private Easements are also recommended when the sewer or water service of one property crosses onto another property.

Easement Encroachments: Where there is an existing Easement on a property, in accordance with the District's Easement Encroachment Policy, [Exhibit 3.01 of the District's Sewer Ordinance](#), no person shall place on any sewer or water pipeline any obstruction, including, but not limited to wires, fences, trees or structures, which may impede or otherwise interfere with the District's ready access to any portion of the sanitary sewer system or water distribution/transmission system owned by the District without prior approval from the District. Upon the District's written request, such obstruction shall be immediately removed by the Owner at no cost to the District or, at the District's option, shall be removed by the District at the Owner's expense, should the need arise. If the Owner wishes to reinstall the obstruction, it shall do so at his or her own expense. The reinstallation shall be subject to subsequent removals if access by the District is again required.

Declaration of Restrictive Covenants: Where one person owns two separate parcels, but water and/or sewer services from one parcel cross onto the other parcel, the District recommends that a Declaration of Restrictive Covenant be recorded by the Owner, in order to secure future Private Easement rights for the water and/or sewer services if the parcels are sold independently.

Common Service Agreements: Per [Section 2.07 of the District's Sewer Ordinance](#), "Where two or more structures share a common house service sewer lateral, and the properties are subdivided, the Owners

shall enter into a Common Service Agreement that shall be recorded against the parcels. Drafting, executing and recording the contract is required prior to final sewer inspection or approval of the parcel split, and shall be the responsibility of the Owners involved. Necessary easements shall be provided by the Owner. Where existing common house service sewer laterals exist, the District recommends that Owners of the involved parcels draft, execute and record a Common Service Agreement. Parties to the contract should agree to share equally the operation and testing costs associated with the shared private sewer service lateral. The contract shall be written such that the agreement is binding upon the heirs, successors and assigns of each of the parties involved. The District is not responsible for maintenance or operation of common service lines. Applicant for service shall provide District with a copy of the recorded contract.”

These legal documents are important for both the District and our customers to ensure that legal access to sewer and water service is available for all parties.

Q: What methods of payment does the District accept?

The District accepts cash or check payments; we are not currently set up at this time to receive credit card payments for utility bills.

Q: What happens if the property for sale is bank-owned?

A bank-owned property is treated the same as any property that is not bank-owned.

Q: How is final billing dealt with?

Upon notification of pending sale or transfer of a property, the District will provide the title company with a dollar amount of what is currently owed (if any) at that particular time. If a property has a history of high water usage, the District will perform a final water meter reading. If a final water meter reading is not taken, the final water usage will be estimated based on the previous 60 days usage. The title company then takes care of all the calculations, pro-rations and the distribution of charges owed for the buyer and seller. Final billing will be due at closeout of transfer.

For more information:

- Visit our website, at <http://www.tcpud.org/>
- View the District’s Sewer Ordinance at <http://www.tcpud.org/download/general/ord.pdf>
- For **Accounting** Questions, call (530) 580-6277 or email Debbie Sjaarda at dsjaarda@tcpud.org
- For any other questions, call the **Technical Services Division** at (530) 580-6281 or email Brandi Stirton at bstirton@tcpud.org
- Main Office Phone: (530) 583-3796
Fax: (530) 583-1475
- Stop by our office:
 - Tahoe City Public Utility District
 - 221 Fairway Drive
 - Tahoe City, CA 96145

TCPUD and the Escrow / Property Transfer Process Checklist

The TCPUD has created this Checklist and FAQ sheet to help the property transfer process be as stress-free as possible and to avoid any delays or surprises to our customers. It is our intent that any items pertaining to the TCPUD during the property transfer process are addressed in an orderly and timely fashion, for the customer's benefit.

Contact the District's Technical Services Division, at 530-580-6281 to:

- 1) Determine the date of your last sewer lateral air test
- 2) Determine if there are any open permits related to the property
- 3) Determine if there are any other outstanding issues related to the property
- 4) Inform the District of the number of kitchens on the property
- 5) Locate your sewer clean outs
(see FAQs for required locations, the District may have maps or records to assist)
- 6) Hire a licensed contractor or plumber to perform the sewer lateral air test, if required
(If the property is a condominium, check CC&R documents to determine how your complex addresses sewer lateral testing)
- 7) Verify the District has been scheduled to witness the above mentioned sewer lateral air test

Contact the District Accounting Department at 530-580-6277 to:

- 8) Request a "Demand for Charges"
- 9) Advise them of the escrow closing date
- 10) Request a **final** meter read, 2 days prior to escrow closing

Once all issues on the property have been addressed per District Ordinances, the District will send over a final escrow clearance and final charges to the Title Company.



**Tahoe City
Public Utility District**