

Water and Sewer Assessment Assistance Program

*Potential Expansion of Eligibility
in the Phase V Annexation Area*

*City Council Special Session
April 8, 2026*



- The Water and Sewer Assessment Assistance Program was established in 2000 to assist eligible homeowners with the cost of required water and sewer assessments
- Over time, the program was updated to increase income eligibility and assistance levels as utility expansion continued in annexation areas
- The program remains focused on reducing the financial burden of required sewer-related charges for qualifying owner-occupants
- Council requested that staff evaluate whether the current eligibility threshold could be expanded to allow additional households to qualify for assistance

- Provides assistance to qualifying owner-occupied households in eligible annexation areas
- Current income eligibility is capped at 80% of Area Median Income
- Provides up to \$2,000 toward the required \$5,000 water and sewer assessment
- Provides up to \$900 toward the cost of a licensed plumber to connect the home to municipal water and sewer infrastructure
- Assistance is not available for rental properties, vacant properties, or costs that have already been paid

- Under the current structure, assistance is limited to eligible households at or below 80% of Area Median Income
- Council requested that staff evaluate whether the program could be expanded to serve additional households in the Phase V annexation area
- Staff's review focused on legal feasibility, policy considerations, and funding implications
- Any program expansion would require Council direction and additional General Fund support

- Staff reviewed whether eligibility may be expanded when the program is funded with local dollars
- The current 80% AMI limit is not required when local funds are used
- The program was previously funded through CDBG and is now funded with General Fund dollars; as a result, the current policy discussion is based on a locally funded program structure.
- A higher income threshold may be established through Council policy and funding decisions
- Program assistance should remain tied to required water and sewer assessment and connection cost

- The current program is supported with limited General Fund resources
- Approximately \$20,000 is currently budgeted for this purpose
- Expanding eligibility would increase the number of potentially eligible households and the City's fiscal exposure
- Any program expansion would require additional General Fund appropriation through the budget process

- 2023-2024: 3 households served
- 2024-2025: 1 household served
- Recent utilization has been limited in the last two program years
- Historically, the program has assisted 609 households



- Receive the report
- Maintain the current program structure and funding level
- Consider additional funding for the program as part of the upcoming budget process
- Direct staff to adjust program assistance levels and eligibility based on the funding level approved by Council and to revise the **Standard Operating Procedure: Water and Sewer Assessment Assistance Program** and return with proposed revisions to **City Council Policy 150.1, Water and Sanitary Sewer Utility Assessments**, for Council consideration

Questions?



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