

APPENDIX A

WASTEWATER DEFERRED CONNECTION AGREEMENT
WITH THE CITY OF SEDONA ARIZONA

THIS AGREEMENT (the “**Agreement**”) is entered into this ____ day of _____, 20__, by and between _____, and _____ (the “**Property Owner(s)**”) and the City of Sedona, an Arizona municipal corporation (the “**City**”).

RECITALS

- A. WHEREAS, _____ & _____ is(are) the owner(s) of _____ (the “**Property**”), real property located at _____ in Sedona, Arizona., which consists of a single-family residence, and
- B. WHEREAS, The Sedona City Code, Sec. 13-5-4 (C) provides that the time for connection of single-family dwellings to the City Sewer system may be extended provided that certain conditions as further set forth herein are met, and,
- C. WHEREAS, upon the satisfaction of the terms of this agreement, the Property Owner’s legal obligation to make a wastewater connection to the City Wastewater system is deferred for up to two five-year periods commencing from the expiration of the 180-day time frame to connect to the City wastewater system conditioned upon complete compliance with this agreement, and
- D. WHEREAS, the City’s governing body has authorized execution of this Agreement by Sedona City Code Sec. 13-5-4 et. seq.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

- I. The property owner(s) warrant that the above-described property is currently being served by a legally functioning septic or alternative wastewater treatment system that complies with all state and federal regulations and guidelines, and is capable of treating wastewater effluent in a manner that will not create an environmental hazard. Within 180 days after receiving a notice of sewer availability, the property owner(s) will submit an inspection report from a licensed engineer, licensed plumbing contractor, or licensed septic system installer evidencing that the system has been inspected within the past 90 days, and is in proper working order and is not in danger of failure. If the property owner fails to submit an inspection report within the above-prescribed time period, he will be considered to be in breach of this agreement. In addition, the property owner agrees to have their septic or alternative wastewater treatment system

inspected every five years during the term of this agreement. The property owner agrees that if and when this agreement is breached, the City may retroactively assess the property owner the environmental penalty for the past six months, and may continue to assess the environmental penalty until the property owner connects to the city wastewater system.

- II. Beginning one year after the date of the notice of sewer availability, the Property Owner Agrees to pay a monthly non-user service fee that is equivalent to one half the prevailing monthly residential sewer rate as adjusted annually.
- III. The Property Owner agrees to connect the property to the Sedona Wastewater System, at his or her own cost and expense, within 30 days after any of the following events or conditions occur:
 - a. The failure of or determined need to replace or make major repairs to an existing onsite sewer system serving the property. A major repair is deemed to be any repair, the cost of which exceeds 50% of the existing capacity fee.
 - b. Five (5) years from the date of this agreement, unless the property owner has, within 30 days of the expiration of this 5 year period, another inspection of the on-site system serving the property in accordance with the same requirements as set forth in paragraph I above. Upon complying with this requirement of a second inspection, this agreement may be renewed for one additional 5-year term. Under no condition will connection to the City wastewater system be deferred for a period of more than 10 years beyond the date of this agreement.
 - c. Notice by the City that the property owner is in breach of any of the terms of this agreement.
- IV. In consideration of entering into the agreement, the City will allow the property owner to elect to defer the assessment of the wastewater capacity fee until the time that the property owner makes a connection to the City Wastewater System. However, if the property owner so elects, he will be assessed the prevailing capacity fee in existence at the time of connection. In the alternative, the property owner may elect to prepay the capacity fee within thirty days, at the prevailing rate at the time of entering into this agreement. The property owner also has the option of entering into a "Capacity Fee Financing Agreement" with the City Finance Department whereby they may agree to pay the current capacity fee rate in installment payments with interest accruing on the outstanding balance. If the property owner does not enter into a Capacity Fee Financing Agreement, or pay the current prevailing rate within 30 days, then they will be assessed the prevailing capacity fee rate at the time they actually connect to the city wastewater system.

- V. The property owner(s) agree to pay the monthly non-user service fee in accordance with the following schedule:

Category	Billing Classifications	Billing Unit	Sewage Strength	Updated ERU per Billing Unit	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Rate Increase					15%	15%	10%	10%	10%
new	Non-User Service Fee	Parcel	R	0.500	\$18.71	\$21.52	\$23.67	\$26.04	\$28.64

In addition, if upon the end of this above schedule, these fees are increased, the property owner(s) agree to pay this fee at any rate adopted by the City in the future.

- VI. The Property owner(s) understand(s) and agree(s) that failure to pay the monthly non-user service fee, or to make a timely wastewater connection in accordance with the terms and conditions of this agreement shall subject the property owner, his heirs, assigns or future property owners to the penalty provisions of Sedona City Code Chapter 13. These penalties can include but are not limited to, late charges for failure to pay a capacity fee in the amount of 1.5% of the unpaid balance per month; determination of an environmental nuisance per Sec. 13-9-1 of the City Code and assessment of potential fines and penalties as set forth in Article 13-11 of the City Code, or such other charges as may be assessed by amendment of the Sedona City Code.
- VII. The property owner further agrees that in connection with any sale of the property, he/she/they will fully disclose to any and all potential purchasers, the existence and terms of this agreement. This agreement is deemed to run with the land, and any future property owner assumes the same rights and obligations as are set forth under this agreement. However, under no circumstance will any future property owners be able to negotiate a new agreement with the city that would enable them to further defer connection to the City's wastewater system beyond the time allowed per this agreement.
- VIII. The property owner(s) hereby covenant and agree that in the event the monthly non-user service fee for the above-described property becomes delinquent for more than 90 days, the City of Sedona Arizona shall have a voluntary, consensual lien upon the real property in the amount of all such unpaid non-user service fees, with said lien to continue until such time as the City of Sedona receives full payment of any unpaid non-user service fees. Prior to filing such lien, the city shall comply with the same procedures set forth in Sedona City Code Section 13-6-7. Any voluntary lien imposed pursuant to this procedure shall constitute a continuing lien upon the real property and shall continue in full force and effect until released by a properly recorded instrument executed by the City of Sedona.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

THE CITY OF SEDONA, an Arizona municipal corporation

By: _____
City Manager

Date: _____

Property Owner(s):

Signature: _____

Print Signature: _____

Signature: _____

Print Signature: _____

Date: _____

VERIFICATION

STATE OF ARIZONA)
)
County of _____)

On this ___ day of _____, 20__, before me personally appeared the following persons: _____, _____ known to me to be the person(s) whose name(s) is (are) subscribed in the foregoing instrument and acknowledged that he/she/they executed the same for the purposes herein contained.

IN witness hereof, I hereunto set my hand and official seal.

Notary Public

My Commission Expires: