



# Attention: Morgan Hill Realtor and Plumbing Community

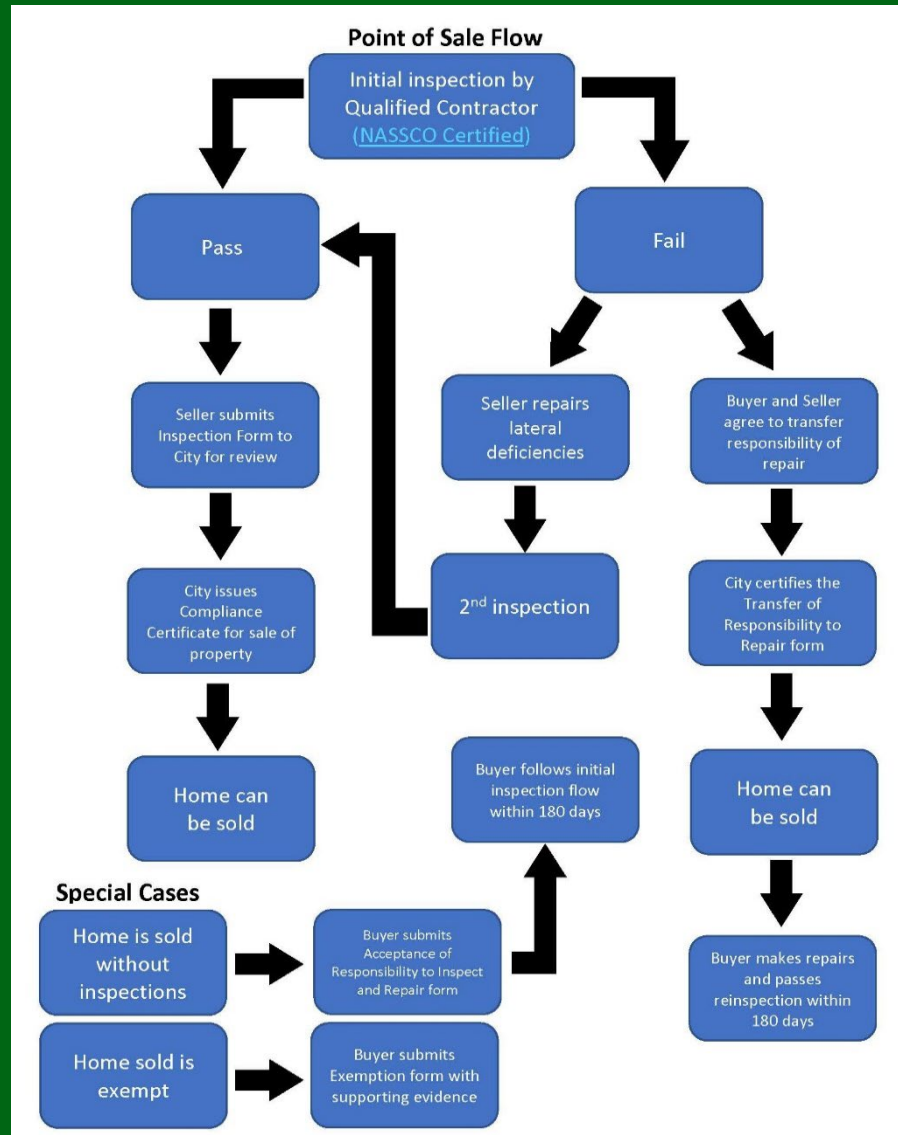
The City of Morgan Hill is requesting your assistance ensuring that home sellers and buyers are aware of two requirements impacting property sales: the Water Conservation Ordinance and the Private Sewer Lateral (PSL) Ordinance.

**Both ordinances came into effect on June 1, 2022 and require that sellers conduct inspections and make repairs prior to closing a sale.**

**Most recently, a new Inspection Report Form has been created to provide updates and consolidate the paperwork required to complete inspections for both ordinances.**

A seller must comply with the requirements and obtain their Compliance Certificates. The seller, the seller's real estate agent, and/or broker, will provide a written statement to the prospective buyer of the requirements as soon as practicable prior to the transfer of title. Signed copies of the Water Conservation Certificate and the Private Sewer Lateral Certificate of Compliance need to be included in the transfer documentation. The buyer will need these certificates to apply for water services.

Both ordinances require that the seller pass the proper inspections prior to the close of a sale. All thresholds for failing an inspection can be found on the report form. **Moving forward, Sags > 50% and Offsets > 1 pipe wall thickness will now fail the inspection.**



The involvement of realtors and plumbers is vital in ensuring that every seller and buyer is aware of the requirements. The success of these ordinances will aid in conserving water, especially during drought years, and preventing sewage overflows. There is an option, in both ordinances, for the seller and the buyer to negotiate and transfer the responsibility to make any necessary repairs to the buyer. The buyer would then have 180 days to make the adjustments and receive the required certificate.

If repairs are needed, reach out to Building Division for all necessary permits. PSL repair and replacement grants are available to eligible property owners. Grant forms can be found at the [City of Morgan Hill Utility Inspections at Property Sale Homepage](http://www.morgan-hill.ca.gov/2302/Utility-Inspections-at-Property-Sale-Homepage).

The assistance of the realtor and plumber community is appreciated.



# UTILITY INSPECTIONS BEFORE PROPERTY SALE REPORT

## Checklist to complete the Utility Inspections before Property Sale.

### Private Sewer Lateral (PSL):

- Complete inspection if property is 15 years or older from property sale date
  - For example, if selling in 2022, any homes built in 2006 or earlier must be inspected. Please note this will perpetually change each year, so in 2023 any homes built in 2007 or earlier must be inspected
- The inspection must be completed by a Qualified Contractor:
  - Per Ordinance No. 2322, a Private Sewer Lateral Inspection must be completed by a Qualified Contractor (Licensed Plumber [C-36] with the State of California, has a City of Morgan Hill Business License, and is NASSCO Certified)
- CCTV footage of the line must be completed by a Qualified Contractor from the building connection to the city main connection
- All lines on the report must be filled out and signed by the Property Owner and Qualified Contractor
- If repairs are needed, obtain all necessary permits from the Building Department or Engineering Department
  - Email - [permits@morganhill.ca.gov](mailto:permits@morganhill.ca.gov)
  - Phone - 408-778-6480 (press 1)
- After repairs are complete, conduct a new inspection by a Qualified Contractor to pass and receive your Certificate of Compliance before property sale
- Review the Exemption form if you believe your property is exempt. Visit the homepage (link below).

### Water Conservation:

- Complete inspection if property is built in 1993 or earlier
- The inspection must be completed by a Licensed Plumber
  - Per ordinance No. 2323 A Water Conservation Inspection must be completed by a licensed plumber (Licensed Plumber [C-36] with the State of California and a City of Morgan Hill Business License)
- If retrofits are needed, replace identified fixtures
- After retrofits are complete, conduct a new inspection by a Licensed Plumber to pass and receive your Certificate of Compliance before property sale
- Review the Exemption form if you believe your property is exempt. Visit the homepage (link below).

### Submission Checklist:

1. Complete Utility Inspection Report (private sewer lateral and water conservation plumbing fixture inspection)
  - Check that all fields are filled out by the Property Owner and Qualified Contractor or Licensed plumber for each Inspection Type
2. CCTV video inspection with address, date, and time stamp (private sewer lateral inspection only)
3. Submit this completed document to [PSL.WC@morganhill.ca.gov](mailto:PSL.WC@morganhill.ca.gov) for review and request a Dropbox link to upload video footage

Visit the homepage for more information and Forms:

<https://www.morgan-hill.ca.gov/2302/Utility-Inspections-at-Property-Sale>

**ALL INFORMATION MUST BE PROVIDED TO AVOID RESTART OF FIVE-DAY REVIEW TIME.  
INCLUDE PARCEL NUMBER AND CORRECT SIGNATURES.**

Property Address: \_\_\_\_\_

Parcel Number: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Property Owner Email Address: \_\_\_\_\_

*I confirm that I have reviewed the results of the attached Utility Inspection Report conducted for my property by a Qualified\* plumbing contractor (below).*

Property Owner's Printed Name: \_\_\_\_\_

Property Owner's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Plumbing Company Name: \_\_\_\_\_

*The information submitted herewith complies with all requirements set forth by the City of Morgan Hill Municipal Code Ordinance 13.20.070 and 13.04.335. Furthermore, I have reviewed the qualified contractor requirements. I declare under the penalty of perjury that all information submitted here applies to listed address only and is true and correct.*

**Fill in Video Technician information, if different than Qualified Plumbing Contractor.**

Video Technician's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Video Technician's NASSCO Certificate # \_\_\_\_\_

Qualified Contractor's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Qualified Contractor's Printed Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_

C-36 Contractor's License # \_\_\_\_\_ City of Morgan Hill Business License # \_\_\_\_\_

Qualified Contractor's NASSCO Certificate # \_\_\_\_\_

*\*Per Ordinance No. 2322, a Private Sewer Lateral Inspection must be completed by a qualified contractor (A C-36 licensed with the State of California, has a City of Morgan Hill Business License, and is NASSCO Certified).*

*\*Per Ordinance No. 2323, a Water Conservation Inspection must be completed by a licensed plumber (A C-36 license with the State of California and a City of Morgan Hill Business License).*

# INSPECTION REPORT OBSERVATIONS

Property Address: \_\_\_\_\_

Property Type:

Residential \_\_\_\_\_ Commercial \_\_\_\_\_ Condo/Apt \_\_\_\_\_

## PRIVATE SEWER LATERAL INSPECTION

**Qualified Contractor must perform inspection based on NASSCO standards (e.g., film at 30 feet per minute)**

Property Details (select all that apply):

- Cleanout is accessible outside of the building.
- More than one building structure at this address is served by the private lateral
- Was not able to complete the Private Sewer Lateral Inspection, **see notes below**
- Not applicable for the private sewer lateral inspection. Property meets one of the following criteria: 1) built 15 years or earlier before property sale date; 2) inspected by city standards 10 years or earlier before property sale date, 3) is a part of a Private Sanitary Sewer Collection System (PSSCS); 4) is connected to a separate septic system; or 5) does not meet definition of "sale of property". Qualified Contractor notifies Property Owner to submit Exemption Form. Please visit [www.morgan-hill.ca.gov/2302/Utility-Inspections-at-Property-Sale](http://www.morgan-hill.ca.gov/2302/Utility-Inspections-at-Property-Sale)

Pipe Size: \_\_\_\_\_ Pipe Material: \_\_\_\_\_

CCTV Date: \_\_\_\_\_ Time: \_\_\_\_\_

Camera Direction - With flow: \_\_\_\_\_ Against flow: \_\_\_\_\_ Total length: \_\_\_\_\_ feet

Observation Codes:

*The PSL fails inspection if any of the following observations noted in bold, or other noted deficiencies shall cause and contribute to any overflows within the public sewer system or private sewer lateral (B, C, DC, I, O, R, and S).*

<b>B</b>	<b>BROKEN OR MISSING PIPE OR JOINTS</b>	<b>R</b>	<b>ROOTS</b>
<b>C</b>	<b>CRACKED OR FRACTURED PIPE OR JOINTS</b>	<b>S</b>	<b>SAG (&gt;50%)</b>
<b>DC</b>	<b>OTHER DRAINAGE CONNECTION (NOT SEWER)</b>	D	SOLIDS/DEBRIS
<b>I</b>	<b>INFILTRATION OR EXFILTRATION</b>	G	GREASE DEPOSITS
<b>O</b>	<b>OFFSET JOINTS (&gt;1 pipe wall thickness)</b>	OR	PIPE OUT OF ROUND

### Inspection Log

Code	Distance	Observation

## Site Sketch



Sketch of lateral, lot and building referenced to front curb or edge of pavement and side property lines where possible. Note: Spacing of cleanouts and entry location for insertion of camera.

## WATER CONSERVATION INSPECTION

### Inspection Details:

- All toilets on the parcel are rated to use a maximum **1.28 gallons of water or less per flush**
- If applicable, all pre-existing toilets on parcel do not use more than 1.6 gallons of water per flush
- All showerheads on parcel designated as an **USEPA WaterSense** fixture **OR** are rated to use a maximum of **1.8 gallons of water per minute**
- If applicable, all urinals and associated flush valves on parcel are rated to use a maximum of **0.125 gallons of water per flush**
- Not all plumbing fixtures on the parcel meet the criteria above, **see notes below**
- Was not able to complete the Water Conservation Inspection, **see notes below**
- Not applicable for plumbing fixture inspection. Property meets one of the following criteria: 1) built in 1994 or later; 2) connected to a private well; 3) structures are historically significant; or 4) city manager or designee determines building drainage system is incompatible with high efficiency toilet specifications

Same inspector as Private Sewer Lateral?  Yes  No

**If NO, fill in Licensed plumber information:**

Licensed Plumber's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_

C-36 Contractor's License # \_\_\_\_\_ City of Morgan Hill Business License # \_\_\_\_\_

# INSPECTION RESULTS

## Private Sewer Lateral

- Passed Inspection** – Submit passing inspection report form and video footage to [PSL.WC@morganhill.ca.gov](mailto:PSL.WC@morganhill.ca.gov).
- Failed Inspection** – Repair sewer lateral per Plumber Recommendations or complete the Transfer of Responsibility Form. Then complete a new inspection and email the new passing inspection report form and video footage to [PSL.WC@morganhill.ca.gov](mailto:PSL.WC@morganhill.ca.gov).

## Water Conservation

- Passed Inspection** – Submit passing inspection report form to [PSL.WC@morganhill.ca.gov](mailto:PSL.WC@morganhill.ca.gov).
- Failed Inspection** – Retrofit all identified fixtures noted by licensed plumber or complete Transfer of Responsibility Form. Then complete a new inspection and email the new passing inspection report to [PSL.WC@morganhill.ca.gov](mailto:PSL.WC@morganhill.ca.gov).

I certify that information, recommended repairs and/or retrofits, and video recording I have provided with this form are true and correct.

Qualified Plumber's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

<p><b>FOR CITY OFFICIAL USE ONLY</b></p> <p>Date: _____ Staff Signature/Stamp: _____</p>
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## PLUMBING COMPANY RECOMMENDATIONS and/or NOTES

Private Sewer Lateral:

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Water Conservation:

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# Exemption Form

**IMPORTANT: All Utility Inspection Exemption Forms must be submitted to the City of Morgan Hill Utility Billing Department with evidence supporting the exemption determination when applying for new utility services.**

## Property Information

Street Address: \_\_\_\_\_ Assessor's Parcel Number: \_\_\_\_\_

## Exemption Determination [Supporting evidence must be attached to this form].

### Instructions:

**Step 1** – Seller and/or Buyer completes parts A and B of this form.

**Step 2** – Complete part C (Signature)

**Step 3** – Include completed Exemption Form with your water service application. **Be sure to attach supporting evidence for the Exemption determination. See evidence examples on page two.**

**A. The above-referenced property does not require a private sewer lateral inspection for the following reason:**

- Not applicable, I am only applying for the water conservation plumbing fixture inspection exemption (see below).
- The private sewer lateral was constructed or completely replaced fifteen years or less prior to the property sale date.
- The property is connected to a private sanitary sewer collection system subject to Municipal Code Section 13.20.075.
- The property is connected to a separate septic system and not connected to the city sewer system.
- The private sewer lateral was inspected and met city standards less than ten years prior to the property sale date.
- The transfer of title to real property does not meet the definition of "sale of property" as set forth in Municipal Code Section 13.20.030 (23) and is excluded from property tax reassessment by Revenue and Taxation Code Section 60 et seq. and/or as determined by the Santa Clara County assessor.

**B. The above-referenced property does not require a water conservation plumbing fixture inspection for the following reason:**

- Not applicable, I am only applying for the private sewer lateral inspection exemption (see above).
- Documentation that all structures that include plumbing fixtures on the property changing ownership were constructed or renovated in 1994 or later.



- The property is connected to a private well and not connected to the city water system.
- The city manager or designee may grant an exemption to the provisions of this chapter to any person if the city manager or designee determines that the unique configuration of a building drainage system or portions of a public sewer, or both, are incompatible with high efficiency toilet specifications and require a greater quantity of water to flush the system in a manner that is consistent with public health.
- Structures that are considered architecturally significant and which are listed as such in a recognized federal, state, or local historic registry or in the city's general plan are exempt from the requirements of this chapter when both of the following circumstances exist: authentic historic plumbing fixtures are presently in place in the structure, and the plumbing fixtures cannot be replaced by matching high efficiency fixtures.

**C. Seller and/or Buyer's Signature**

By signing below, I, the seller/buyer of the above-referenced property, declare that the information presented in this Exemption Form, including all supporting evidence attachments, is true and correct to the best of my knowledge, under penalty of perjury.

\_\_\_\_\_  
*Seller/Buyer's name (please print)                      Seller/Buyer's signature                      Date                      Telephone*

Seller/Buyer's Mailing Address: \_\_\_\_\_

Seller/Buyer's Email Address: \_\_\_\_\_

Indicate if you are a seller or buyer: \_\_\_\_\_

**FOR OFFICE USE ONLY: CITY ACKNOWLEDGEMENT OF RECEIPT**

Date of Receipt:                      City Reviewer:

**Background**

Prior to the time of sale all residential, commercial, and industrial buildings within the City of Morgan Hill shall complete both Utility Inspections (private sewer lateral and water conservation plumbing fixtures), unless the responsibility to repair and/or retrofit has been transferred or exempted. This includes an inspection of the private sanitary sewer lateral and/or plumbing fixtures inspected by a qualified contractor/licensed plumber for any defects and be repaired, corrected, or retrofitted to meet the City's standards as specified by the Utility Inspection Report unless exempted under Section 13.20.070 or Section 13.04.335 of the Morgan Hill Municipal Code.

If a property is exempt from the Utility Inspection requirements, then this Exemption Form, **accompanied by evidence thereof**, may be submitted to the City of Morgan Hill Utility Billing Division when applying for new water services.

**Examples of supporting evidence could include, but are not limited to:**

- Santa Clara County Assessor's Database with Year Built
- Title Company Report with Year Built
- City of Morgan Hill Building Plans with Year Built
- HOA documentation responsible for private sanitary sewer collection system
- Confirmation from city via email or letter that it is connected to a private sanitary sewer collection system
- Septic tank invoice

**For additional information, please contact Environmental Services Department by phone at (669) 253-4332 or email at [PSL.WC@morganhill.ca.gov](mailto:PSL.WC@morganhill.ca.gov).**





# Transfer of Responsibility to Repair/Retrofit

It is the sole duty and responsibility of the seller to *inspect* the building's sanitary sewer and plumbing fixtures and may not be transferred to the buyer. However, if the inspection shows that repairs are necessary, then the responsibility to repair and/or retrofit may be transferred from the seller to the buyer before the time of sale, if both parties mutually agree to do so.

**Important: A valid Compliance Certificate or this completed form must be submitted to the City of Morgan Hill Utility Billing Division when applying for new water services.**

## Instructions for the Transfer of Responsibility to Repair/Retrofit

**Step 1:** Seller completes parts 1, 2, and 3 of this form. Buyer completes part 4 of this form and has buyer's signature notarized.

**Step 2:** Include completed Transfer of Responsibility Form and the initial inspection report with CCTV footage (provided by the seller) to the City's Utility Billing Division with your water service application.

**Step 3:** The Buyer has the property's private sewer lateral repaired and/or plumbing fixtures retrofitted to meet the City's standards as specified on the Utility Inspection Report.

**Step 4:** After the repairs and/or retrofits have been completed, have a new inspection performed by a Qualified Contractor/Licensed Plumber and submit a new passing Utility Inspection Report documenting that there are no remaining deficiencies in the private sewer lateral and/or retrofitting of plumbing fixtures to [PSL.WC@morganhill.ca.gov](mailto:PSL.WC@morganhill.ca.gov) within 180 days.

**Step 5:** Keep a copy of this form for your records.

### 1. Property Information

Street Address: \_\_\_\_\_ Assessor's Parcel Number: \_\_\_\_\_

### 2. Inspection Information

#### a. Private Sewer Lateral Inspection

Was the qualified contractor<sup>1</sup> able to video inspect the entire **private sewer lateral** in accordance with the Private Sewer Lateral Ordinance (ORDINANCE NO. 2322)?

YES     NO     N/A

If NO or N/A, please provide explanation: \_\_\_\_\_

\_\_\_\_\_

Qualified Contractor/Licensed Plumber Name: \_\_\_\_\_

CA State Contractor (C-36) License Number: \_\_\_\_\_

NASSCO Inspection Date: \_\_\_\_\_

<sup>1</sup> A qualified contractor for private sewer lateral inspections meets the following requirements: State of California Licensed Plumber, City of Morgan Hill Business License, and NASSCO certified.

**b. Water Conservation Inspection**

Was the licensed plumber able to verify **all plumbing fixtures** comply with the Water Conservation Ordinance (ORDINANCE NO. 2323) for the entire parcel?

YES     NO     N/A

If NO or N/A, please provide explanation: \_\_\_\_\_  
\_\_\_\_\_

Qualified Contractor/Licensed Plumber Name: \_\_\_\_\_

CA State Contractor (C-36) License Number: \_\_\_\_\_

Inspection Date: \_\_\_\_\_

**c. Repair/Retrofit Recommendations**

Was the qualified contractor and/or licensed plumber, as applicable, able to fully define the scope of work for the repairs and/or retrofitting that will be required to bring the private sewer lateral and/or plumbing fixtures up to City standards and pass inspection?

YES     NO

If NO, please provide explanation: \_\_\_\_\_  
\_\_\_\_\_

**3. Seller's Signature:**

By signing below, I, the seller, declare that an inspection of the private sewer lateral and plumbing fixtures at the above-referenced property has been completed and a copy of that inspection report has been made available the inspection report and video footage to the buyer. If exempt from either inspection the Exemption Form has been completed and will be submitted. I declare that the buyer has agreed to assume the responsibility for correcting any identified defects in the private sewer lateral and/or retrofits of plumbing fixtures at the above-referenced property.

\_\_\_\_\_  
*Seller's name (please print)*

\_\_\_\_\_  
*Seller's signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Telephone*

Estimated Escrow Closing Date: \_\_\_\_\_

Seller's Mailing Address: \_\_\_\_\_

Seller's Email Address: \_\_\_\_\_

#### 4. Buyer's Signature

By signing below, I, the buyer of the above-referenced property, confirm that I have received a copy of the inspection report and video footage. I agree to accept the responsibility of repairing the private sewer lateral and/or retrofitting the plumbing fixtures as required in Morgan Hill Municipal Code Chapter 13.20.070 and 13.04.335, or if exempt from either inspection have received and/or will submit the completed Exemption Form. I understand that the initial inspection may not have been able to fully characterize the extent of the existing defects and required repairs and/or retrofits. I understand that **I will be required to repair or correct any identified defects of the private sewer lateral and/or retrofit any plumbing fixtures to meet the City's standards**, and to obtain Compliance Certificate(s) within one hundred eighty (180) calendar days following the date of change in ownership, in accordance with the procedures outlined at the end of this form. I understand that if I have not obtained the Compliance Certificate(s) within 180 days, I will be subject to penalties and/or the suspension of water service to the property.

\_\_\_\_\_  
*Buyer's name (please print)*

\_\_\_\_\_  
*Buyer's signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Telephone*

Buyer's Mailing Address: \_\_\_\_\_

Buyer's Email Address: \_\_\_\_\_

#### NOTARY ACKNOWLEDGMENT OF BUYER'S SIGNATURE

\_\_\_\_\_  
State of California County of \_\_\_\_\_

On \_\_\_\_\_ (date) before me,  
\_\_\_\_\_  
(insert name and title of the officer), personally  
appeared \_\_\_\_\_, who proved to me on the basis of  
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument  
and acknowledged to me that he/she/they executed the same in his/her/their authorized  
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity  
upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

#### FOR OFFICE USE ONLY: CITY ACKNOWLEDGEMENT OF RECEIPT

Date of Receipt:

City Reviewer:

## **Background**

Prior to the time of sale all residential, commercial, and industrial buildings within the City of Morgan Hill shall complete both Utility Inspections (private sewer lateral and water conservation plumbing fixtures), unless the responsibility to repair and/or retrofit has been transferred or exempted. This includes an inspection of the private sanitary sewer lateral and/or plumbing fixtures inspected by a qualified contractor/licensed plumber for any defects and be repaired, corrected, or retrofitted to meet the City's standards as specified by the Utility Inspection Report unless exempted under Section 13.20.070 or Section 13.04.335 of the Morgan Hill Municipal Code. If exempt, an Exemption Form must be submitted.

**The buyer then has 180 days from the time of utility activation to complete the repairs and/or retrofits and submit a completed inspection report showing that the sewer and/or plumbing fixtures have been corrected to meet the City's standards.**

## **Failure to Repair/Retrofit**

If it is determined that the required repairs and/or retrofits were never completed by the buyer as agreed to in this form, the City of Morgan Hill will exercise its legal remedies, including, but not limited to, a notice of violation recorded against the property, additional civil or criminal penalties in accordance with the Morgan Hill Municipal Code, and the suspension of water service.

**For additional information, please contact Environmental Services Department by phone at (669) 253-4332 or email at [PSL.WC@morganhill.ca.gov](mailto:PSL.WC@morganhill.ca.gov).**