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## **FAQ For Meridian Surety Program**

**Q. What is a performance surety?**

**A.** A performance surety is an insurance instrument paid by the owner/developer in the amount of 125% for main sewer and water of a city verified line item cost estimate required to ensure performance by the owner/developer for the installation of required underground utilities. Landscaping, fencing, street lights, pathways, pressurized irrigation, and playground surety items are 110% of bids. The surety is submitted in the form of cash or cash equivalent, certificate of deposit, or an irrevocable letter of credit or bond.

**Q. What is a warranty surety?**

**A.** A warranty surety is another form of insurance instrument that obligates an owner/developer to repair any defects to installed utilities for a specified period. The warranty surety is submitted to the City by the owner/developer in the amount of 20% of the actual installation/construction costs for main sewer, main water and fire hydrants. The acceptable forms of warranty surety are cash or cash equivalent, certificate of deposit, or an irrevocable line of credit. The surety is returned to the owner/developer after the warranty period has ended unless a warranty extension is required due to repairs or rework.

**Q. How long is the warranty period?**

**A.** The warranty is for a two-year period that covers all workmanship and material deficiencies for water, sewer and reclaimed water infrastructure. The warranty period begins after the City issues a formal acceptance letter and the warranty surety has been posted. All costs associated with the rework to remedy such deficiencies during the warranty period are paid by the owner/developer or the owner/developer's bond.

**Q. Do I have to install the utility improvements that are part of my development in order to get my plat signed?**

**A.** Not necessarily. You can either install the utilities or you can post a performance surety of 125% of the verified line item cost estimate to guarantee the financial ability to install the improvements at a later date. A two-year warranty surety that is 20% of the cost of construction will also be required.

- Q. If I construct the utility improvements that are part of my development, do I have to post a performance surety?**
- A.** No; however, you will be required to post a warranty surety that is 20% of the actual cost of construction prior to the City of Meridian accepting the utility improvements and signing your final plat.
- Q. Can I begin construction of the utility improvements that are part of my development and get my plat signed prior the improvements being completed?**
- A.** Yes; however, you will be required to post a performance surety of 125% of the verified line item cost estimate to guarantee the financial ability to complete the installation of any remaining improvements and 110% for landscaping surety items. A two-year warranty surety that is 20% of the cost of construction will also be required.
- Q. What are the acceptable forms of surety in the City of Meridian?**
- A.** Cash, cash equivalent (certified/cashiers check or money order), irrevocable letter of credit, bonds.
- Q. When will I be able to start pulling building permits for my development?**
- A.** Once your development improvements have been deemed "Substantially Complete", a performance and warranty surety is in place for the remaining improvements, and your plat is recorded into Ada County Records you will be able to pull building permits.
- Q. What is a Substantial Completion Inspection and how will I be notified when it has been completed?**
- A.** An inspection done by the City of Meridian to ensure life/safety infrastructure meets project specifications and is in a condition and state that allows for its intended purpose(s). Once passed, the owner/developer can continue with other development improvements. The owner/developer will be notified in writing once this inspection has been completed.
- Q. When and how will I be notified that the warranty period has been completed?**
- A.** The City will notify the owner/developer in writing once the warranty period has been completed. The City will also notify the owner/developer in writing if any deficiencies during the warranty period are discovered.