
SURETY Q&A

Q. WHAT IS A WARRANTY SURETY?

- A. A warranty surety ensures an owner/developer's financial obligation to repair any defects to installed utilities for a 24-month period. The warranty surety is submitted to the City by the owner/developer in the amount of 20% of the actual construction costs. The acceptable forms of warranty surety are cash or cash equivalent, certificate of deposit, an irrevocable line of credit or a warranty bond. The surety is returned to the owner/developer 24 months after the warranty period has ended unless a warranty extension is required due to repairs or rework. Letters of credit or bonds will be released back to the bank or insurance company.

Q. WHAT IS A PERFORMANCE SURETY?

- A. A surety paid by the owner/developer in the amount of 125% of a verified line-item cost estimate required to ensure performance by the owner/ developer for the installation of required underground utilities. Performance surety also includes 110% of the bids for any uncompleted surety items; landscaping, fencing, streetlights, pressurized or gravity irrigation, pathways, and amenities. The surety is submitted in the form of cash or cash equivalent, certificate of deposit, bond or an irrevocable line of credit.

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% for infrastructure main sewer and main water, and 110% for all other performance surety items of the verified line-item cost estimate to guarantee the financial ability to install the improvements at a later date. A 2-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 TO THEIR COMPLETION?

A. Yes, however, you will be required to post a performance surety of 125% for infrastructure and 110% of other surety items of the verified line-item cost estimate to guarantee the financial ability to complete the installation of the improvements. A 2-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 (Cashiers Check or Money Order), Online ACH Payment-Credit Card, Bond, or Irrevocable Letter of Credit.

Q. WHEN WILL I BE ABLE TO START PULLING PERMITS IN MY DEVELOPMENT?

A. Once your development improvements have been deemed “Substantially Complete”, a performance and warranty surety is in place, and your plat is recorded into Ada County Records, you will be able to pull building permits.

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 rework costs to remedy such deficiencies during the warranty period are paid by the owner/developer.

Q. WHAT IS A SUBSTANTIAL COMPLETION INSPECTION?

A. An inspection done by the City of Meridian to ensure life safety infrastructure meets requirements 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.

Q. WHEN AND HOW WILL I BE NOTIFIED THAT THE WARRANTY PERIOD HAS BEEN COMPLETED?

A. The Owner/Developer will be notified via email with an attached Discharge from Warranty responsibility and Satisfaction of Warranty Surety Agreement Letter. The letter will reference the Project Name, Ada County Instrument No. _____ to be released, and record a notice of satisfaction of the recorded instrument and release of warranty surety. In the event the infrastructure for a particular project does not pass inspection, the Public Works Department will formally notify the Owner/Developer by sending a Warranty Inspection Non-compliance letter listing the reason for non-compliance. The Owner/Developer will work directly with the Public Works Department to resolve the warranty issues, prior to the warranty surety being released.

