Resolution No. 25-06

A RESOLUTION ESTABLISHING A VOLUNTARY FINANCING PROGRAM FOR LEGALIZATION OF UNPERMITTED SEWER CONNECTIONS

WHEREAS, in adopting this Resolution, the Board of Directors ("Board") of the Ironhouse Sanitary District, Contra Costa County, California ("District") finds that:

A. The District has identified properties connected to the public sewer system without required permits or inspection history, resulting in unpermitted connections that are not in compliance with District regulations; and

B. The cost to legalize an unpermitted connection includes capacity charges, permitting and inspection fees, administrative set up fee, and back sewer service charges. The total cost for a single-family residence is currently estimated at approximately $13,963.17; and

C. The Board desires to promote public health, environmental protection, and regulatory compliance while reducing financial barriers for customers who may not be able to pay such costs in a lump sum; and

D. The District has authority under state law and its enabling legislation to establish fees, charges, and financing mechanisms for sewer service connections and related compliance programs; and

E. The Board therefore finds it necessary and appropriate to establish a voluntary financing program for property owners seeking to legalize unpermitted sewer connections; and

F. The District is authorized, by a two-thirds vote of the Board, to establish and collect fees to cover the District's proportionate costs of regulating, providing permits, and providing connections and capacity for each new customer served by the District's sewer system, in accordance with California Health and Safety Code sections 6520.2 and 6520.5; and

G. The District hereby finds that the $500 administrative set up fee calculated to cover staff costs and the 4.91% interest rate based on the 10-Year U.S Treasury Rate in May 2025 plus 0.5% for risk/ongoing administration do not exceed the District's estimated reasonable cost of providing the service for which the fee is imposed in accordance with this Resolution, and the District's costs are proportionately allocated to each fee payor in a manner that bears a fair and reasonable relationship to the payor's burdens on, or benefits received from, the District's services and programs provided in return for the fees. Therefore, the fees are not taxes under the definitions set forth in California Constitution Article XIII C, Section 1(e); and

H. In accordance with Government Code Sections 66018, and 6062a, the District published notice of a public hearing of the Board of Directors, and that noticed public hearing was held and conducted by the Board of Directors on September 16,

2025, to consider adoption of this Resolution to establish and approve the fees set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED, by the Board that, based on the foregoing facts and circumstances and on the entire administrative record, the Board hereby finds and determines as follows:

1. The Board does hereby find that the above-referenced recitals are true and correct and material to the adoption of this Resolution.

2. This Resolution is not subject to the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8), and California Code of Regulations Section 15273 (of the "CEQA Regulations") because it establishes a financing program that allows structured rate payments and establishes a fee to meet operational expenses.

3. The Board hereby adopts a Financing Program for Legalization of Unpermitted Sewer Connections as follows:

FINANCING PROGRAM FOR LEGALIZATION OF UNPERMITTED SEWER CONNECTIONS

1. **Financing Program Established.** A voluntary financing program is hereby created for property owners with verified active sewer connections lacking required permits and/or owing fees in order to assist them in coming into compliance.
2. **Covered Costs.** The program shall include financing for capacity fees, connection fees, plan review and inspection fees, back sewer service charges, and administrative costs, as set forth herein.
3. **Financial Terms.**
    a) Maximum repayment period of ten (10) years.
    b) Early payoff permitted without penalty.
    c) Program setup fee of $500, payable upfront or financed.
    d) Interest rate equal to the 10-year U.S. Treasury rate plus 0.50%, updated annually as part of the District's fee schedule adoption. For FY 2025-26, the rate is 4.91%.
    e) Annual payments to be collected on the property tax roll in the same manner as sewer service charges.
4. **Security and Enforcement.**
    a) Each participant shall execute a promissory note and a deed of trust to be recorded against the parcel, including due-on-sale and due-on-refinance clauses.
    b) Payments shall be collected pursuant to Government Code § 54345 et seq. and through the Contra Costa County Teeter Plan.
5. **Administration.**
    a) The General Manager, or designee, shall prepare program guidelines, payment agreements, promissory notes, deeds of trust, outreach materials, and other documents consistent with this Resolution.
    b) The General Manager, or designee, is authorized to execute such documents, including without limitation, payment agreements, and take such actions as necessary to implement the Financing Program

c) The General Manager shall provide annual reports to the Board on program participation and financial impacts.

4.`**Alternative Compliance.**
Nothing in this Resolution shall limit the District's authority to require full upfront payment from property owners who elect not to participate in the financing program.

5. The fees authorized by this Resolution shall be effective 60 days after the Board action approving this Resolution.

6. If any portion of this Resolution or order is determined invalid or unenforceable for any reason by a court of competent jurisdiction, then such portion shall be deemed severed to the extent of the invalidity or unenforceability, and the remainder of this Resolution and order shall remain in full force and effect.

7. The District Secretary is hereby designated as the officer to publish or post this Resolution and order pursuant to applicable legal requirements.

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I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by the Ironhouse Sanitary District Board of Directors at a meeting thereof held on the 16th day of September, 2025.

AYES, and in favor thereof, Members:	C. Lauritzen, D. Morrow, P. Zirkle, and A. Lowrey
NOES, Members:	None.
ABSENT, Members:	None.

Cecilia Goff
Secretary to the Board
(SEAL)

APPROVED: _____

President of the Board