

EAST PALO ALTO SANITARY DISTRICT

RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST PALO ALTO SANITARY DISTRICT APPROVING THE FORM OF AN AGREEMENT TO FINANCE COSTS OF PRIVATE SEWER LATERAL REPLACEMENTS, AND TAKING OTHER ACTIONS RELATING THERETO

WHEREAS, the East Palo Alto Sanitary District (the “District”) provides sewer service to property owners and customers of record (“Owners”) within its service areas; and

WHEREAS, certain properties within the District’s service area require replacement or repair of their private sewer laterals connecting such properties to the District’s sewer system (the “Improvements”), the costs of which are to be borne by the Owners of such properties; and

WHEREAS, the costs of such Improvements may be significant, and Health and Safety Code section 5464 and 5465 authorize Owners to request that the District allow such owner to finance the costs of replacing and/or repairing private sewer laterals connecting such property owner’s property to the District’s sewer system, in exchange for such Owner agreeing to repay the cost of the Improvements, plus interest not to exceed 12% per annum, over a period of time not to exceed 30 years and as agreed upon by the Owner and the District; and

WHEREAS, the District has received requests for such assistance by certain Owners, and now wishes to authorize the form of an agreement (the “Agreement”) which, upon execution by all parties thereto, shall constitute a lien on the property for which the Improvements are to be constructed; and

WHEREAS, the District now wishes to authorize the form of the Agreement attached hereto as Exhibit “A,” and to take other actions relating thereto; and

WHEREAS, the District is further authorized to provide for collection of the Installments on the property tax roll, at the same time and in the same manner as, by the same persons, and at the same time as, together with and not separately from, general taxes, and shall take separate action to provide for such collection; and

WHEREAS, the Agreement serves a public purpose in ensuring safe and efficient repair and replacement of private sewer laterals, to ensure the District is able to continue providing sewer service to customers within its service area;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE EAST PALO ALTO SANITARY DISTRICT AS FOLLOWS:

Section 1. The Recitals set forth above are incorporated herein, are made findings and determination of the Board of Directors, and are an operative part of this Resolution.

Section 2. The Board hereby adopts the Agreement in substantially the form attached hereto, provided, however, that the term of the Agreement entered into with any Owner

shall not exceed [redacted] years, the interest rate shall be [redacted]%, and the Agreement shall be recorded and shall constitute a lien on the affected property. The General Manager, or his or her designee, is authorized to take all actions necessary to execute the Agreement with each requesting Owner to finance Improvements. The Board further expresses its intent and determination that, so long as the Agreement is executed pursuant to the terms set forth in this Section 2, in substantially the form attached hereto as Exhibit "A", the General Manager or his or her designee shall not be required to return to the Board with each Agreement. The General Manager, or his or her designee, and in consultation with the District's general counsel, is authorized to make any revisions to the form of Agreement deemed necessary, so long as such revisions do not change the form of Agreement adopted hereto in any substantial way. Should the General Manager determine it is in the best interest of the District to collect the amounts due under any Agreement on the property tax roll, the Board and the General Manager shall take all actions required for Board approval under Health and Safety Code section 5470 *et seq.*, including preparation of a report detailing all affected properties, providing necessary notice, and submitting all required resolutions to the Board for consideration.

Section 3. If any section, subsection, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

Section 4. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED BY the Board of Directors of the East Palo Alto Sanitary District at a meeting of the Board of Directors held on _____, 2019, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Glenda Savage, President of the District
Board of the East Palo Alto
Sanitary District of San Mateo County, State
of California

ATTEST:

Secretary of the District Board of the
East Palo Alto Sanitary District of San
Mateo County, State of California