

SOUTH PLACER MUNICIPAL UTILITY DISTRICT POLICIES

Policy Name:	3350 – DEFERRED PARTICIPATION CHARGES		
Approval Authority:	SPMUD BOARD OF DIRECTORS	Adopted:	
Resolution No.	97-09, 13-08, 15-23	Revised:	

PURPOSE

The purpose of this policy is to establish criteria to accommodate the short term deferral of the payment of Sewer Participation Charges required by the District for the privilege of connecting to the District's wastewater system.

POLICY STATEMENT

Section 1: General

The District requires the payment of Sewer Participation Charges to offset the cost of connecting to the District's wastewater system. In some cases, payment of these charges poses a significant burden on certain residential, commercial or industrial users. To accommodate these users, the District has established a procedure for the short term deferral of the payment of these charges

Section 2: Qualifications

In order to qualify for the Participation Fee Deferral Program, a project must meet one of the following criteria:

1. Existing commercial or industrial businesses relocating within the District, expanding facilities or changing use in a way that additional Participation Fees are due the District, where a hardship can be demonstrated, as determined by the General Manager.

2. New commercial or industrial projects where the public entity having jurisdiction over land-use planning or building has acted to permit deferred payments of any fees, charges or other incentives and found that such commercial or industrial concern will provide an economic community benefit.

3. Single-family residential home where a hardship can be demonstrated, as determined by the General Manager.

Section 3: Payment Plan

The applicant for sewer services for any project(s) that qualify may request that the Participation fees which would be due to the District be paid through a deferred payment plan in accordance with the following conditions:

1. This policy applies to single parcel ownership.

2. The proposed usage shall be known, with no estimates for density or usage.

3. Applicant shall enter into a deferred payment agreement with the District.
4. No deferred payment agreement shall be in excess of five (5) years for commercial and industrial projects and one (1) year for residential projects.
5. Deferred payment agreements are non-transferrable.
6. The District shall charge interest on the amount of Participation fees deferred at one percent (1%) per annum over the current South Placer Wastewater Authority Revenue Bond interest rate.
7. Any such deferral payment agreement shall be recorded and shall contain a provision authorizing the District to impose a lien on the property served in the event of default or non-payment of any installment payment when due.
8. Prior to the approval of any deferred payment agreement in excess of five (5) Equivalent Dwelling Units (EDU's), the General Manager shall submit a written report to the Board of Directors, for approval, citing the justification for the deferral, the terms of the repayment plan, and a listing of the current outstanding obligations due the District under these payment deferral plans.

Section 4: Delegation to the General Manager

The Board of Directors delegates the following authority to the General Manger:

1. to determine whether an applicant meets the qualifications set forth in Section 2, above.
2. to execute deferred payment agreement for connections of five (5) Equivalent Dwelling Units (EDU's) or less, provided that the application meets the requirement of Sections 2 and 3, above. All other requests for deferred payment agreements must be approved by the Board of Directors.