

**RESOLUTION NO. 2026-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MIDWAY CITY SANITARY DISTRICT OF ORANGE  
COUNTY, CALIFORNIA ADOPTING WASTEWATER  
CAPACITY FEES**

The Board of Directors of the Midway City Sanitary District hereby finds, determines, and declares as follows:

**WHEREAS**, the Midway City Sanitary District ("District") operates a system for the collection of wastewater for transmission to facilities for its treatment and disposal, which protects human health and the environment from the potentially harmful effects of wastewater; and

**WHEREAS**, the District's Sewer Master Plan evaluates and values the District's current wastewater system assets, identifies ongoing capital improvement needs to maintain system reliability, regulatory compliance, and long-term service capacity, and establishes projected flow demands in gallons per day (gpd), and outlines infrastructure improvements necessary to maintain levels of service and public health protections; and

**WHEREAS**, in alignment with the Sewer Master Plan, the District desires to adopt a Wastewater Capacity Fee to recover the cost of infrastructure required to serve new development, or the change or expansion of existing development that increases system demand, to ensure that developers of property making new or expanded direct or indirect connections buy into the existing system and users contribute their proportional share toward system improvements and that existing customers do not subsidize the costs to accommodate new connections, and to maintain the operational integrity and long-term health of the District's sewer system; and

**WHEREAS**, Ordinance No. 75 authorizes the Board of Directors to establish or modify fees by Resolution of the Board of Directors; and

**WHEREAS**, the District engaged IB Consulting, LLC to prepare a Wastewater Capacity Fee Study ("Fee Study") to determine an appropriate and legally permissible capacity fee amount; and

**WHEREAS**, the Wastewater Capacity Fees established by this Resolution are based on the information and analysis set forth in the Fee Study and the Sewer Master Plan, both of which were made available to the public prior to the Board of Directors' public hearing on this matter in accordance with Government Code sections 66013 and 66016 and other applicable provisions of law; and

**WHEREAS**, the Board of Directors has evaluated the amount of the Wastewater Capacity Fees and supporting evidence in accordance with Government Code Section 66016.6 and finds that the Wastewater Capacity Fees do not exceed the estimated reasonable cost of providing service, in accordance with Government Code Section 66013; and

**WHEREAS**, the funds generated by the Wastewater Capacity Fees may be used for system improvements and capital projects to offset funds needed from user rates; and

**WHEREAS**, the Board of Directors finds that the Fee Study and related analysis prepared by IB Consulting and District staff provides adequate evidence to conclude that the District is currently not fully recovering the estimated reasonable cost from new development, and that the proposed Wastewater Capacity Fees do not exceed the proportional costs charged to new and expanded connections; and

**WHEREAS**, the Board of Directors finds that there is a reasonable relationship between the Wastewater Capacity Fees' use and the type of development projects on which the fees is imposed; and

**WHEREAS**, the Board of Directors finds that there is a reasonable relationship between the need for the capital facilities and type of development projects on which the Wastewater Capacity Fees are imposed; and

**WHEREAS**, a public hearing was duly noticed pursuant to Government Code sections 66013 and 66016, and was held before the Board on April 7, 2026, at which time public testimony was received and duly considered on the proposed Wastewater Capacity Fees; and

**WHEREAS**, the adoption of this Resolution is statutorily exempt under the California Environmental Quality Act pursuant to the provisions of Public Resources Code section 21080, subdivision (b)(8) and California Code of Regulations section 15273, subdivision (a); and

**WHEREAS**, the Wastewater Capacity Fees established by this resolution are not imposed as an "incident of property ownership" within the meaning of Article XIID of the California Constitution; thus, the substantive and procedural requirements of Article XIID do not apply.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT AS FOLLOWS:**

1. Recitals. Each WHEREAS paragraph, set forth above, is hereby adopted as a specific finding of the Midway City Sanitary District Board of Directors.

2. Adoption of Wastewater Capacity Fees. Wastewater Capacity Fees are hereby adopted and imposed, as set forth in this resolution.
3. Limited Use of Fees. The revenue raised by payment of the Wastewater Capacity Fees shall be placed in a separate and special account, and such revenue, along with any interest earnings on that account, shall be used solely for repair or replacement of existing sewer facilities or the construction of new sewer facilities the purposes for which the to pay for the District's future construction of facilities or to reimburse the District for such facilities constructed by the District with funds advanced by the District from other sources, provided, however, that said revenue shall not be used to pay or reimburse the District for improvements required to address existing sewer system deficiencies.
4. Payment Required. Except as otherwise provided in Section 66007 of the Government Code, no application for a permit for a direct or indirect connection of a structure to the District's sanitary sewer facilities shall be approved, nor a permit issued, until a Wastewater Capacity Fee is paid by the applicant.
5. Time of Payment. Payment of the Wastewater Capacity Fee shall be required at the time of issuance of the building permit for all construction within the District, except in the case of a building legally exempt from the requirement of obtaining a permit. The payment of the Wastewater Capacity Fee for such exempt buildings will be required at the time of and prior to the issuing of a plumbing connection permit for any construction within the territorial limits of the District, or if none, prior to the issuance of a certificate of occupancy or equivalent approval. Upon application of any property owner seeking to connect to the District's sewerage system, the General Manager or his or her designee, upon a finding of compelling need, may, pursuant to the authority of California Health and Safety Code section 5474, approve an agreement with the property owner for the payment of the applicable fees in installment payments over a period not to exceed five (5) years, bearing an interest rate on the unpaid balance of not to exceed ten (10%) per annum and that the charges and interest shall constitute a lien on the property.
6. Wastewater Capacity Fee Amounts. Every person or entity connecting any new or expanded building or structure to the District's sewer system facilities shall pay a Wastewater Capacity Fee in the amount for the applicable customer class set forth in Table A, below, as updated annually pursuant to Section 7 of this Resolution.

**Table A**

<b>Wastewater Capacity Fee by Customer Class</b>				
<b>Customer Class</b>	<b>Wastewater Flows (gpd)</b>	<b>Units</b>	<b>Capacity Fee</b>	
Single Family Residential - 1 bedroom	121	<i>DU</i>	<b>\$1,443</b>	<i>per DU</i>
Single Family Residential - 2 bedrooms	163	<i>DU</i>	<b>\$1,943</b>	<i>per DU</i>
Single Family Residential - 3 bedrooms	205	<i>DU</i>	<b>\$2,444</b>	<i>per DU</i>
Single Family Residential - 4 bedrooms	247	<i>DU</i>	<b>\$2,945</b>	<i>per DU</i>
Single Family Residential - 5+ bedrooms	289	<i>DU</i>	<b>\$3,445</b>	<i>per DU</i>
Multi-Family Residential - Studio	41	<i>DU</i>	<b>\$489</b>	<i>per DU</i>
Multi-Family Residential- 1 bedroom	83	<i>DU</i>	<b>\$990</b>	<i>per DU</i>
Multi-Family Residential - 2 bedrooms	125	<i>DU</i>	<b>\$1,490</b>	<i>per DU</i>
Multi-Family Residential- 3 bedrooms	167	<i>DU</i>	<b>\$1,991</b>	<i>per DU</i>
Multi-Family Residential - 4+ bedrooms	209	<i>DU</i>	<b>\$2,492</b>	<i>per DU</i>
Accessory Dwelling Unit	84	<i>1k sqft</i>	<b>\$1,002</b>	<i>per 1k sqft</i>
Commercial	83	<i>1k sqft</i>	<b>\$990</b>	<i>per 1k sqft</i>
Industrial	18	<i>1k sqft</i>	<b>\$215</b>	<i>per 1k sqft</i>
Warehouse	18	<i>1k sqft</i>	<b>\$215</b>	<i>per 1k sqft</i>
Hotel	125	<i>room</i>	<b>\$1,490</b>	<i>per room</i>
Elementary School	15	<i>student</i>	<b>\$179</b>	<i>per student</i>
Middle/High School	20	<i>student</i>	<b>\$239</b>	<i>per student</i>
Restaurant	13	<i>seat</i>	<b>\$155</b>	<i>per seat</i>
Parks/Recreation/Open Space	200	<i>acre</i>	<b>\$2,384</b>	<i>per acre</i>

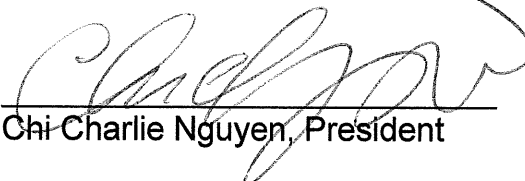
7. **Annual Updates.** The Wastewater Capacity Fees set forth in Table A shall be updated annually based upon the increases in the Engineering News-Record Construction Cost Index for the Los Angeles area (ENR) as of December of the prior year until completion of the next fee study.
  
8. **Accessory Dwelling Units.** Pursuant to Government Code section 66311.5, Wastewater Capacity Fees may only be charged for an Accessory Dwelling Unit for which a new or separate connection to the District's system is made. No Wastewater Capacity Fee shall be charged for a Junior Accessory Dwelling Unit or for an Accessory Dwelling Unit that is not built at the same time as a new primary dwelling unit or does not have a separate connection to the District's system.

9. Replacement Structures. For new construction replacing former structures, the Wastewater Capacity Fee shall be calculated and paid to the District on the rate basis of the customer class of the new use, less a credit amount, up to the amount of new Wastewater Capacity Fee, equal to a charge that would have applied to the structure and use which was terminated and removed.
10. Remodeled Structures. In the case of existing structures connected to the District's system facilities, to which new construction or alteration is made to change the customer class or increase the wastewater flow, a Wastewater Capacity Fee shall be calculated and paid to the District on the rate basis of the new customer class and/or wastewater flow, less a credit amount, up to the amount of the new Wastewater Capacity Fee, equal to a charge that would have applied to structure and use prior to the construction or alteration.
11. Credit for Construction of New Sewer Facilities or Dedication of Land. Whenever an owner or developer, is required, as a condition of approval of connection to the District's facilities, to construct a public facility or dedicate land to be owned by the District and such construction or dedication is necessary to provide efficient and timely construction of the facilities, a credit against the Wastewater Capacity Fee which would otherwise be charged pursuant to this resolution shall be available to the owner or developer upon dedication of the land and/or completion of the facility for the value of the land dedicated and/or cost to construct the facilities, as reasonably determined by the General Manager, provided that such credit shall not exceed the amount of the Wastewater Capacity Fee).
12. Wastewater Capacity Fee Adjustments. A property owner or developer of a project subject to a Wastewater Capacity Fee imposed pursuant to this Resolution may apply to the District for a reduction or adjustment to fee, or a waiver of that fee, based upon (a) substantial evidence that the wastewater flows anticipated to be actually generated by the development or use differ from wastewater flows assumed for the customer class and size of the development or (b) the absence of a reasonable relationship or nexus between the sewer impacts of that development and either the amount of the fee or the type of facilities to be financed. The application shall be in writing and filed with the District Engineer at or prior to a request for a permit to connect to the District's system. The application shall state in detail the factual basis of the claim of waiver, reduction, or adjustment. The General Manager shall consider and may approve or deny the application, in whole or in part, based upon substantial evidence in the record. The General Manager's determination may be appealed to the Board of Directors within ten (10) business days of written notice to the applicant of the decision by filing written notice of appeal with the Board Secretary. The Board of Directors shall


consider and act on such appeal within sixty (60) days. The decision of the Board of Directors shall be final. If a reduction, adjustment, or waiver is granted, any change in use within the development shall invalidate the waiver, adjustment, or reduction of the fee.

13. No Refund or Transfer. A Wastewater Capacity Fee is paid for the connection of a specific building or structure on a parcel of property. No refund of any charge shall be made because of non-use or change of use, or any other reason once the connection has been made. If the connection is not made and the request for connection is withdrawn within 12 months of the payment date, the charges paid will be refunded upon establishing proof of a canceled permit.
14. Administration. The District General Manager is authorized to implement this Resolution and make reasonable interpretations of its terms.
15. Effective Date. This Resolution shall take effect 60 days from its adoption, on June 6, 2026.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of Midway City Sanitary District of Orange County, California, held ~~this~~ 7th day of April, 2026.

  
Chi Charlie Nguyen, President

ATTEST:

  
Sergio Contreras, Secretary

**CERTIFICATION**

I, Sergio Contreras, Secretary of the MIDWAY CITY SANITARY DISTRICT of Orange County, California, do hereby certify that the foregoing Resolution No. 2026-04 was duly adopted at a meeting of the Governing Board of said District held on the 7th day of April, 2026, by the following vote of the members of the Board:

AYES: A. Nguyen, Diep, M. Nguyen, Contreras

NOES:

ABSENT: C. Nguyen

and I further certify that Chi Charlie Nguyen, as President, and Sergio Contreras, as Secretary, signed and approved said Resolution No. 2026-04 on the 7th day of April, 2026.

  
\_\_\_\_\_  
Sergio Contreras, Secretary

(District Seal)

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STATE OF CALIFORNIA     )  
  ) ss.  
COUNTY OF ORANGE     )

I, Sergio Contreras, Secretary of the Midway City Sanitary District of Orange County, California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2026-04 passed and adopted by the Board of Directors of said District at a meeting thereof held on the 7th day of April, 2026.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed my official Seal of said District this 7th day of April, 2026.

  
\_\_\_\_\_  
Sergio Contreras, Secretary

AFFP

161799 PH Capacity Fee -Olsder

## Affidavit of Publication

STATE OF CALIFORNIA }  
COUNTY OF ORANGE } SS

I am a citizen of the United States; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principle clerk of the printer of WESTMINSTER JOURNAL, a newspaper of general circulation, published ONCE WEEKLY in the city of WESTMINSTER, County of ORANGE, which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of ORANGE, State of California under the date of November 12, 1980, Case Number A-106329; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

March 19, 2026, March 26, 2026

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

Beverly Lavallee  
Westminster Journal

Subscribed to and sworn by me this 26th day of March 2026.

MIDWAY CITY SANITARY DISTRICT  
DISTRICT OFFICE  
14451 CEDARWOOD STREET  
WESTMINSTER, CA  
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN, that the Board of Directors of the Midway City Sanitary District ("District") will hold a public hearing to consider the adoption of wastewater capacity fees to be levied against new connections to the District's sanitary sewer system to recover the cost of infrastructure required to serve new development or the change or expansion of existing development that increases system demand. The capacity fees are necessary to ensure that growth pays its fair share of costs and existing customers do not subsidize the cost to accommodate new connections. The proposed capacity fees will be adopted in accordance with Government Code sections 66013 and 66016. The hearing will be held on April 7, 2026, at 5:30 p.m., or as soon thereafter as the matter may be heard, at the District's regular meeting of the Board of Directors, in the Board's Meeting Room located at 14451 Cedarwood Street, Westminster, California 92683. The capacity fee report and all supporting data for the proposed capacity fees will be made available to the public for review at least fourteen (14) days prior to the Public Hearing during normal business hours at the District's offices, 14451 Cedarwood Street, Westminster, California, and on the District's website at <https://www.midwaycitysanitaryca.gov/>.

PERSONS DESIRING further information or wishing to submit written comments may contact the following:

Gordon Copley, Director of Finance  
Midway City Sanitary District  
14451 Cedarwood Street  
Westminster, CA 92683  
Phone: (714) 893-3553

If you challenge the decision of the Board of Directors in Court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this Notice, or in written correspondence delivered to the Board of Directors at, or prior to, the Public Hearing.

Published: Westminster Journal, March 19, 2026 and March 26, 2026  
Westminster Journal 3/19,26/2026-161799

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WHJ-MIDWAY CITY SANITARY DIST  
14451 CEDERWOOD AVE.  
WESTMINSTER, CA 92683

AFFP

161799 PH Capacity Fee -Olsder

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**COPY**

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WESTMINSTER, CA 92683

# Advertising Invoice

Westminster Herald/Journal

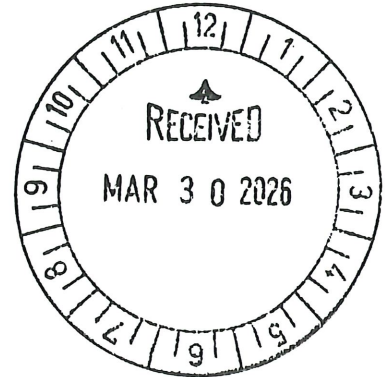
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PLEASE NOTE OUR NEW MAILING ADDRESS  
294 F Street  
Chula Vista, CA 91910  
Phone: 619-427-3000

010  
WHJ-MIDWAY CITY SANITARY DIST  
14451 CEDERWOOD AVE.  
WESTMINSTER, CA 92683

Acct. #: 00007327  
Phone #: (714)893-3553  
Post Date: 03/26/2026  
Job #

Ad #	Text	Start	Stop	Ins.	Amount	Prepaid	Due
00161799	161799 PH Capacity Fee -Olsder	03/19/2026	03/26/2026	2	410.00	0.00	410.00



# COPY

Thank you for your business.  
Credit/Debit cards accepted with a 3% fee applied by our processing service provider.

Please return a copy with payment	<b>Total Due</b>	<b>410.00</b>
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