



Staff Report

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**File #:** 21-1091

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**REQUEST FOR CITY COUNCIL AND  
CORONA UTILITY AUTHORITY ACTION**

**DATE:** 12/01/2021

**TO:** Honorable Mayor and City Council Members  
Honorable President and Board Members

**FROM:** Public Works Department & Utilities Department

**SUBJECT:**

Resolution establishing a construction charge to cover the proportionate share of constructing the sewer lines and appurtenances necessary to connect certain private property located on James Street to the City's Public Sewerage System.

**EXECUTIVE SUMMARY:**

The homeowner at 2844 James Street, Mr. John Ramirez, would like to discontinue using his on-site septic system and connect his single-family home to the public sewer system. There are also seven other properties on James Street that are currently on septic tanks. City staff proposes to construct a sewer extension from the existing terminal manhole near 2804 James Street, approximately 410 lineal feet to the south, in order to serve Mr. Ramirez's home and to also benefit the other seven parcels on James Street by providing the opportunity for future sewer connections. The Corona Municipal Code requires payment of a construction charge to cover the proportionate cost of constructing the public sewer extension prior to connecting to the City's sewer collection system. The attached Resolution would establish the construction charge for the construction of the sewer extension on James Street.

**RECOMMENDED ACTION:**

**That the:**

- a. City Council adopt Resolution 2021-115, establishing a construction charge to cover the proportionate share of constructing the sewer line and appurtenances necessary to connect certain private property located on James Street to the City's Public Sewerage System.
  
- b. City Council appropriate \$175,000 from the Water Reclamation Utility Fund 572 to a newly

created Capital Improvement Project entitled James Street Sewer Extension Project.

- c. Corona Utility Authority review, ratify, and to the extent necessary, direct the City Council to take the above actions.

**BACKGROUND & HISTORY:**

Mr. John Ramirez owns an existing single-family home built in 1973 at 2844 James Street between Fullerton Avenue and Rimpau Avenue and north of East Chase Drive. The single-family home at 2844 James Street is approximately 120 lineal feet from the terminal sewer manhole near 2804 James Street and is currently connected to an active septic system. There are eight single-family homes on septic systems on the south end of James Street, including Mr. Ramirez's property. Mr. Ramirez has expressed interest in abandoning his septic system and connecting to the public sewer system.

To coincide with the State and County's legislation and regulations to protect the water quality and public health, it is the goal of the City of Corona Utilities Department to eventually have all existing homes currently using septic systems to be connected to the City sewer system

**ANALYSIS:**

A property owner desiring to connect to the public sewer system is required to extend an existing public sewer across the property frontage, connect to the sewer system, and purchase sewer capacity.

City staff has received interest from two additional property owners at 2874 James Street and 2894 James Street to convert from their existing on-site septic systems to the public sewer if the sewer line were to be extended to their properties.

Corona Municipal Code (CMC) [13.12.100](#) requires that prior to connecting to the City's sewer collection system, the person requesting such connection shall pay a construction charge to cover the proportionate cost of constructing the public sewer in the amount, manner, and time of payment established by resolution of the City Council. City staff has estimated the Total Cost (as defined in the attached resolution) for the James Street Sewer Extension to be approximately \$175,000.

If multiple properties benefit from the construction of a sewer extension, the cost per property is determined from the ratio of the frontage of that property to the entire length of the frontages. As indicated above, the James Street Sewer Extension will benefit a total of eight residential properties on James Street by providing the infrastructure necessary to connect to the City's sewer system. City staff is proposing that the construction charge for the James Street Sewer Extension be established in an amount equal to the actual Total Cost to construct the James Street Sewer Extension and that such construction charge be allocated to each benefitted parcel based upon the linear footage of the James Street Sewer Extension located along the property frontage of each benefitted parcel. Resolution No. 2021-115 would establish the construction charge and the fair share percentage allocated to each benefitted parcel in the manner described above.

Mr. Ramirez, as well as any other benefitted parcels that connect to the City's sewer system in the future, will also be required to construct a sewer service lateral (lateral) to connect the benefitted

parcel to the sewer main proposed to be constructed as part of the James Street Sewer Extension. Because the lateral is exclusively for the benefit of each benefitted parcel, the cost to construct the lateral must be paid entirely by the property owner. The property owner can either construct the lateral on their own or can request the City to construct it. Resolution No. 2021-115 would also establish a charge to construct the sewer service lateral in an amount equal to the actual construction costs in the event the City constructs the lateral at the time of the construction of the mainline.

Upon completion of the James Street Sewer Extension, the City will document and determine the actual Total Cost of constructing the James Street Sewer Extension and any lateral constructed during the project and then calculate the actual construction charges owed by each benefitted parcel based upon the fair share percentages established in Resolution No. 2021-115.

Corona Municipal Code (CMC) 13.14.060 authorizes homeowners of single-family residential properties that are converting from septic service to City sewer service to enter into payment plans for the payment of construction charges. Resolution No. 2021-115 incorporates a template payment plan agreement to be used for property owners who are unable to pay the full construction charges upfront when connecting to the City's sewer system. The payment plan agreement will allow the property owner to pay the construction charges in monthly installments at 6% simple interest for 60 months. The payment plan agreement would be recorded against the property and would constitute a contractual lien until such time as the constructions charges and interest are paid in full. This will enable the City to recover the cost of the sewer line construction.

City staff proposes to construct the sewer extension from the existing terminal manhole near 2804 James Street, approximately 410 linear feet to the south, in order to serve the remaining properties on James Street currently on septic systems. The sewer extension will front portions of eight properties as shown in Exhibit "1." The action will enable the City to recover sewer construction costs as sewer services are connected.

**FINANCIAL IMPACT:**

Resolution 2021-115 identifies the proportionate share of construction costs attributed to each property based on the ratio of each property's frontage to the total frontage of all eight properties. Cost estimates will be used to prepare the Total Cost estimate and finance agreement for 2844 James Street prior to construction. The Payment Plan Agreement Payment Schedule and Total Payment amount will be adjusted after construction has been completed and actual costs have been determined. Sewer service will be provided for 2844 James Street following payment (or agreement of payment per the Payment Plan Agreement Payment Schedule) of the parcel's fair share for construction of the sewer and lateral and all other sewer service application and capacity fees.

The remaining property owners will reimburse the City for their proportionate share of construction costs and all other sewer service application and capacity fees applicable at the time if a property is converted from septic system to the City sewerage system per [CMC 13.14.070](#). The properties are not obligated to connect to the sewer unless their septic system fails. Future sewer connections by the remaining properties fronting the proposed sewer extension might require a number of years to occur.

In addition to the new sewer construction cost, the sewer capacity fee in effect at the time of sewer connection will be assessed per [CMC 13.12.120](#) as part of the sewer connection charge. The sewer connection charge will include a sewer capacity fee. Current sewer capacity fees are based on a cost of \$15.48 per gallon per day, \$4,644 per single-family home. The sewer capacity for the single-family home at 2844 James Street would total \$4,644 based on the current fee schedule.

With the approval of the recommended actions, funding for the Project is as follows:

Account Name	Fund	Project	Total
Water Reclamation Utility Fund	572	James Street Sewer Extension Project	\$175,000
<b>Total</b>			<b>\$175,000</b>

Fund	07/01/21 Est. Working Capital	Budgeted Revenues/Sources	Budgeted Expenditures/Uses	Working Capital Impacts	06/30/22 Est. Working Capital
Water Reclamation Utility Fund 572	\$38,460,751	\$32,893,509	(\$39,665,436)	Appropriation (\$175,000)	\$31,513,824

**ENVIRONMENTAL ANALYSIS:**

Adoption of this Resolution is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This Resolution simply establishes construction charges to cover the proportionate share of constructing the sewer lines and appurtenances necessary to connect certain private property located on James Street to the City’s public sewerage system. This project is also exempt from CEQA pursuant to Section 15282(k), which includes among the list of statutory exemptions the installation of new pipeline or maintenance, repair, restoration, removal, or demolition of an existing pipeline as set forth in [Section 21080.21](#) of the Public Resources Code, as long as the project does not exceed one mile in length. Therefore, no further environmental analysis is required.

**PREPARED BY:** VERNON R. WEISMAN, P.E., DISTRICT ENGINEER

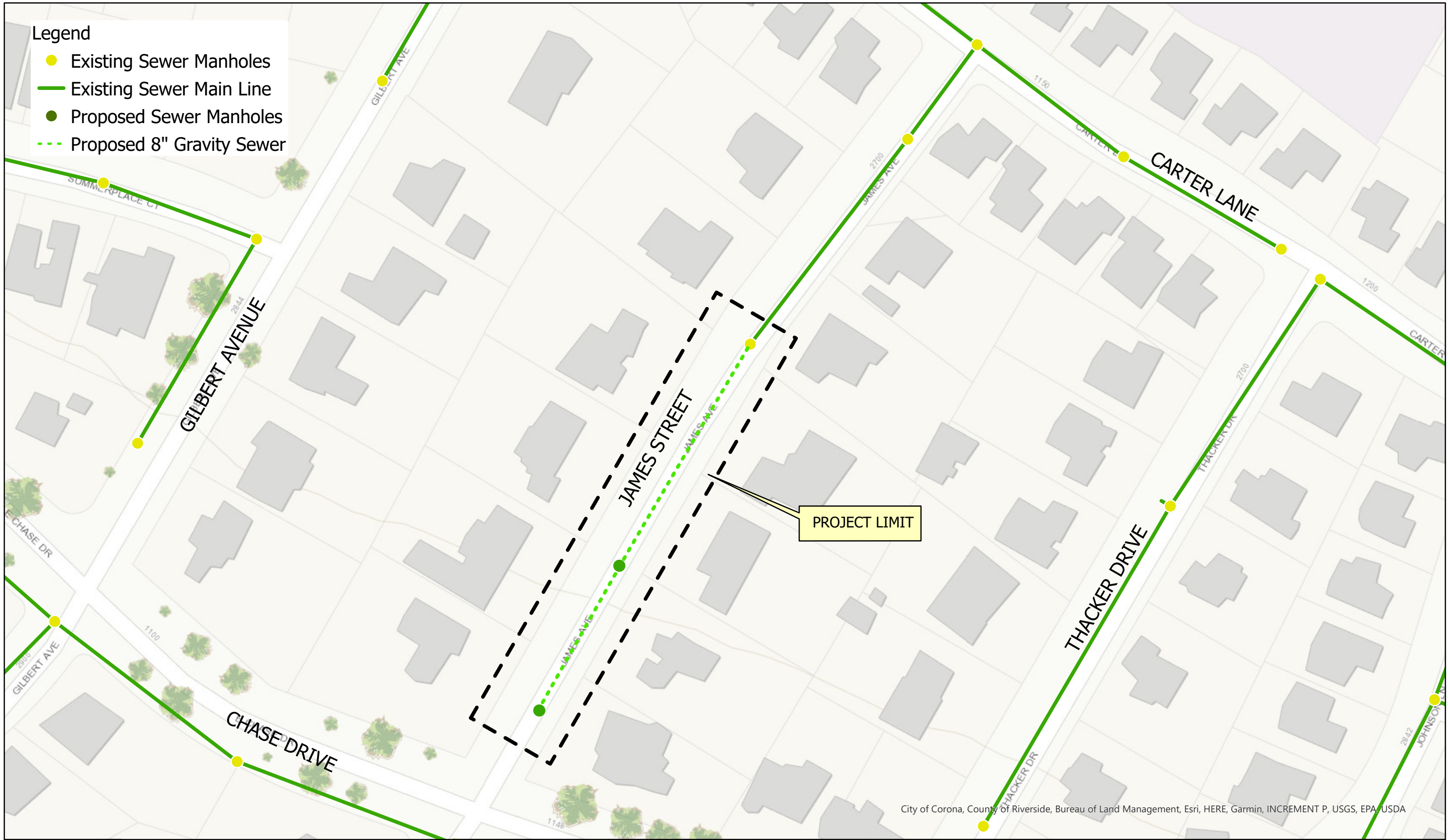
**REVIEWED BY:** SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

**Attachments:**

- 1. Exhibit 1 - Location Map
- 2. Exhibit 2 - Resolution 2021-115

Legend

- Existing Sewer Manholes
- Existing Sewer Main Line
- Proposed Sewer Manholes
- - - Proposed 8" Gravity Sewer



City of Corona, County of Riverside, Bureau of Land Management, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA



City of Corona  
Utilities Department  
755 Public Safety Way  
Corona, CA 92880

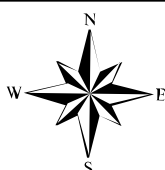
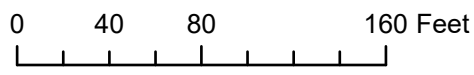


EXHIBIT 1  
JAMES STREET SEWER EXTENSION PROJECT

**RESOLUTION NO. 2021-115**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONA, CALIFORNIA, ESTABLISHING A CONSTRUCTION CHARGE TO COVER THE PROPORTIONATE SHARE OF CONSTRUCTING THE SEWER LINES AND APPURTENANCES NECESSARY TO CONNECT CERTAIN PRIVATE PROPERTY LOCATED ON JAMES STREET TO THE CITY'S PUBLIC SEWERAGE SYSTEM.**

**WHEREAS**, the City of Corona ("City") provides sanitary sewer collection and treatment services to customers within the City utility service area; and

**WHEREAS**, the City encourages utility customers to convert existing sewer septic systems and to the City sewer collection system to protect groundwater from contamination; and

**WHEREAS**, pursuant to Corona Municipal Code section 13.12.060, all buildings and structures that are connected to an individual sewer septic system that is no longer sufficient and adequate are required to connect to the City's sewer collection system if such system is located within 200 feet of the building or structure; and

**WHEREAS**, City Municipal Code 13.12.100 requires that prior to connecting to the City's sewer collection system, the person requesting such connection shall pay a construction charge to cover the proportionate cost of constructing the public sewer in the amount, manner, and time of payment established by resolution of the City Council; and

**WHEREAS**, Corona Municipal Code sections 13.12.100 and 13.14.060 authorize homeowners of single-family residential properties that are converting from septic service to City sewer service to enter into payment plans for the payment of the design, project management, construction, and inspection charges; and

**WHEREAS**, the sewer septic system serving the existing single-family residential structure located at 2844 James Street ("Subject Parcel") remains functional; however, the homeowner is requesting to connect to City sewer, which is located within 200 feet of the Subject Parcel; and

**WHEREAS**, in order to connect the Subject Parcel and benefit the remaining properties on James Street to the City's sewer collection system, it is necessary to construct an approximately 410-foot extension of the City sewer collection system, consisting of a sewer mainline and appurtenances from the existing terminal manhole on James Street in front of the property located at 2804 James Street southward to almost the intersection of James Street and E. Chase Drive ("James Street Sewer Extension"), as well as the sewer service lateral to connect the sewer mainline to the Subject Parcel; and

**WHEREAS**, the James Street Sewer Extension will provide a benefit to the Subject Parcel, as well as the seven additional single-family residential properties located at 2824 James Street, 2874 James Street, 2892 James Street, 2823 James Street, 2843 James Street, 2873 James Street, and 2893 James Street which are currently on individual sewer septic systems (“Future Benefitted Parcels”); and

**WHEREAS**, the Subject Parcel and the Future Benefitted Parcels may be individually referred to as “Benefitted Parcel” or collectively as the “Benefitted Parcels” in this Resolution; and

**WHEREAS**, each of the Benefitted Parcels may now, or in the future, desire or be required to connect to the City’s sewer collection system; and

**WHEREAS**, pursuant to Corona Municipal Code section 13.12.100, the City Council desires to establish a construction charge for the James Street Sewer Extension to be collected prior to connection of a Benefitted Parcel to the City’s sewer collection system; and

**WHEREAS**, the City Council finds and determines that the construction charge should be established and allocated to each Benefitted Parcel based upon the linear footage of the James Street Sewer Extension that is located along the property frontage of each Benefitted Parcel since such allocation provides a fair, reasonable, and rational formula to apportion the total cost of the James Street Sewer Extension in relation to the benefit received by each Benefitted Parcel; and

**WHEREAS**, the City Council desires that the amount of the construction charge for the James Street Sewer Extension be imposed and collected based upon the actual Total Cost (defined below) for the James Street Sewer Extension; and

**WHEREAS**, the City Council desires to authorize the City Manager or his or her designee to enter into payment plans with eligible customers pursuant to Corona Municipal Code sections 13.12.100 and 13.14.060 and to update the amount of the construction charges established herein based upon the Total Cost to construct the James Street Sewer Extension; and

**WHEREAS**, the construction charges imposed and collected for the James Street Sewer Extension pursuant to this Resolution shall be used to reimburse the City of the costs and expenses incurred to construct the James Street Sewer Extension.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CITY OF CORONA, CALIFORNIA, AS FOLLOWS:**

**SECTION 1.** Findings. The recitals set forth above are hereby adopted as findings in support of this Resolution.

**SECTION 2.** Construction Charge. Pursuant to Corona Municipal Code section 13.12.100, the City Council hereby establishes and adopts an amount equal to the Total Cost to

construct the James Street Sewer Extension as the construction charge to be collected from the Benefitted Parcels prior to connection to the City’s sewer system (“Construction Charge”). For purposes of this Resolution and calculating the Construction Charge, the Total Cost of constructing the James Street Sewer Extension shall include, without limitation, all labor materials, tools, equipment, services, incidental and customary work necessary to plan, engineer, design, environmentally review, permit, bid, and construct the James Street Sewer Extension, including without limitation, all costs, and expenses for the following: engineering, architectural, appraisal, legal, and other consultant services throughout the pre-construction and construction phases; bid preparation and administration services (if necessary), soil, project and other surveying, inspection, and testing services; construction and project management services; and all construction and project closeout activities.

**SECTION 3. Fair Share Allocation of Construction Charge.** Pursuant to Corona Municipal Code section 13.12.100, the City Council hereby allocated the Construction Charge to each Benefitted Parcel based upon the percentage of linear footage of the portion of the James Street Sewer Extension that is located along the property frontage of each Benefitted Parcel, as compared to the total linear footage of the James Street Sewer Extension. Such fair share allocation shall be as follows:

<b>James Street Sewer Main Extension - Estimated Fair Share Allocation of Construction Charge</b>			
<b>Benefitted Parcel Address</b>	<b>APN</b>	<b>Frontage Along Sewer (LF)</b>	<b>Fair Share Percentage (%)</b>
2824 James Street	120-111-009	115	14%
2844 James Street	120-111-008	115	14%
2874 James Street	120-111-007	115	14%
2892 James Street	120-111-006	65	8%
2823 James Street	120-112-005	116	14%
2843 James Street	120-112-001	110	14%
2873 James Street	120-112-002	110	14%
2893 James Street	120-112-003	64	8%
<b>Total</b>		<b>810</b>	<b>100%</b>
<b>Total Cost Estimate</b>		<b>\$</b>	<b>175,000.00</b>

**SECTION 4. Estimated Fair Share Construction Charge.** Upon completion of the James Street Sewer Extension, the City shall: (1) document and determine the actual total cost of constructing the James Street Sewer Extension; (2) calculate the actual Construction Charge owed by the Benefitted Parcels based upon the fair share percentages provided in Section 3 above; and (3) provide by certified mail such information to the owner(s) of each Benefitted Parcel, as such owner(s) appear on the last secured assessment roll as of the date of mailing. Each Benefitted Parcel shall be obligated to pay its fair share allocation of the actual Construction Charge prior to its connection to the City’s sewer system or enter into a payment plan agreement, as provided in



Section 7 below. For informational purposes only, the City has estimated the Total Cost of constructing the James Street Sewer Extension to be \$175,000, and thus as of the date of this Resolution estimates the fair share of the Construction Charge for each Benefitted Parcel as follows:

<b>James Street Sewer Main Extension - Estimated Fair Share Allocation of Construction Charge</b>				
<b>Benefitted Parcel Address</b>	<b>APN</b>	<b>Frontage Along Sewer (LF)</b>	<b>Fair Share Percentage (%)</b>	<b>Estimated Fair Share Cost</b>
2824 James Street	120-111-009	115	14%	\$ 24,845.68
2844 James Street	120-111-008	115	14%	\$ 24,845.68
2874 James Street	120-111-007	115	14%	\$ 24,845.68
2892 James Street	120-111-006	65	8%	\$ 14,043.21
2823 James Street	120-112-005	116	14%	\$ 25,061.73
2843 James Street	120-112-001	110	14%	\$ 23,765.43
2873 James Street	120-112-002	110	14%	\$ 23,765.43
2893 James Street	120-112-003	64	8%	\$ 13,827.16
<b>Total</b>		<b>810</b>	<b>100%</b>	<b>\$ 175,000.00</b>
<b>Total Cost Estimate</b>		<b>\$ 175,000.00</b>		

**SECTION 5. Site Plan for James Street Sewer Extension.** The site plan showing the proposed James Street Sewer Extension and the Benefitted Parcels is attached hereto as Exhibit A and incorporated herein by reference.

**SECTION 6. Construction Cost of Lateral Sewer Line.** To the extent that the City constructs a lateral sewer line to connect the sewer mainline to a Benefitted Parcel, the owner of that Benefitted Parcel shall also pay to the City one hundred percent (100%) of the Total Cost (defined above) to construct the lateral sewer line.

**SECTION 7. Payment Plan Agreement.** As authorized by Corona Municipal Code sections 13.12.100 and 13.14.060, the owner of a Benefitted Parcel, if they are an “eligible customer,” may enter into a payment plan agreement with the City, in substantially the same form attached hereto as Exhibit B and incorporated herein by reference, for the payment of their fair share of the Construction Charge for the James Street Sewer Extension and the Total Cost, if any, for the construction of the lateral sewer connection to the Benefitted Parcel, plus interest at the rate of 6 percent (6%) simple interest commencing upon connection of the Benefitted Parcel to the City’s sewer system.

**SECTION 8. CEQA Findings.** The City Council finds that the adoption of this Resolution is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Adoption of this Resolution is also exempt pursuant to Section 15303(d), which provides that the construction of water main, sewage, electrical, gas, and other

utility extensions of a reasonable length to serve an adjacent single-family residence are exempt from CEQA. This Resolution simply establishes construction charges to cover the proportionate share of constructing the sewer lines and appurtenances necessary to connect a limited number of single-family residences located on James Street to the City's public sewerage system. The construction of the sewer extension will be reviewed as a separate project. Therefore, no further environmental analysis is required for establishment of the proportionate share of construct costs among certain private properties along James Street.

**SECTION 9. Effective Date.** This Resolution shall become effective on December 1, 2021.

**PASSED, APPROVED AND ADOPTED** this 1<sup>st</sup> day of December, 2021.

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Mayor of the City of Corona, California

**ATTEST:**

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City Clerk of the City of Corona, California

**CERTIFICATION**

I, Sylvia Edwards, City Clerk of the City of Corona, California, do hereby certify that the foregoing Resolution was regularly passed and adopted by the City Council of the City of Corona, California, at a regular meeting thereof held on the 1<sup>st</sup> day of December, 2021, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the City of Corona, California, this 1<sup>st</sup> day of December, 2021.

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City Clerk of the City of Corona, California

(SEAL)

**EXHIBIT A**  
**JAMES STREET SEWER EXTENSION**

SEE ATTACHED 1 PAGE



**Legend**

- Existing Sewer Manholes
- Existing Sewer Main Line
- Proposed Sewer Manholes
- - - Proposed 8" Gravity Sewer

City of Corona, County of Riverside, Bureau of Land Management, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA

# JAMES STREET SEWER EXTENSION



**EXHIBIT B**  
**MODEL FINANCE AGREEMENT**

SEE ATTACHED 12 PAGES

RECORDED AT REQUEST OF  
AND WHEN RECORDED RETURN TO:  
City of Corona  
400 S. Vicentia Ave  
Corona, California 92882  
Attn: City Clerk (Utilities Department)

Fee Exempt - Gov't Code §27383

APN: 120-111-008

(Space above for Recorder's Use)

**CITY OF CORONA  
PAYMENT PLAN AGREEMENT**

**JAMES STREET SEWER EXTENSION - CONSTRUCTION CHARGES  
(RESIDENTIAL USER – 2844 JAMES STREET)**

**1. PARTIES AND DATE.**

This Payment Plan Agreement (“Agreement”) is made and entered into this 1<sup>st</sup> day of December, 2021 (“Effective Date”) by and between the City of Corona, a California municipal corporation (“City”), and John Ramirez (“Owner”). City and Owner are at times referred to collectively as “Parties” and individually as “Party” herein.

**2. RECITALS.**

2.1 Subject Property. The Owner is the record owner of certain real property located at 2844 James Street, Corona, California 92881, more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (“Subject Property”). The Subject Property is currently served by an individual sewer septic system and the Owner desires to connect the Subject Property to the City’s sewer collection system.

2.2 Connection Fee/Charge. Corona Municipal Code section 13.12.100 requires that prior to connecting to the City’s sewer system, the person requesting such connection shall pay a construction charge to cover the proportionate cost of constructing the public sewer in the amount, manner, and time of payment established by resolution of the City Council.

2.3 James Street Sewer Extension; Construction Charge. The homeowner at 2844 James Street is currently on septic system and would like to discontinue using his system and connect his single-family home to the public sewerage system. The City’s sewer collection system is located within 200 feet of such parcel. In order to connect such parcel to the City’s sewer collection system, it was necessary to construct an approximately 410-foot extension of the City sewer system, consisting of a sewer main line and appurtenances, from the existing terminal manhole in James Street in front of the property located at 2804 James Street southward towards Chase Drive (“James Street Sewer Extension”). Pursuant to Resolution No. 2021-XXX, the City Council established a Construction Charge (defined below) for the construction of the James Street

Sewer Extension equal to the actual Total Cost (as defined in Resolution No. 2021-XXX) of construction.

2.4 Allocation for Benefitted Parcels. Including the parcel noted above, the James Street Sewer Extension will permit the following seven (7) single-family residential properties, which are currently on individual sewer septic systems, to be connected to the City's sewer system: 2824 James Street, 2874 James Street, 2892 James Street, 2823 James Street, 2843 James Street, 2873 James Street, and 2893 James Street ("Benefitted Parcels"). Pursuant to Resolution No. 2021-XXX, the City Council has allocated the construction charge on a proportional basis to the Benefitted Parcels based upon the percentage of linear footage of the portion of the James Street Sewer Extension that is located along the property frontage of each Benefitted Parcel compared to the total linear footage of the James Street Sewer Extension.

2.5 Optional Sewer Lateral. In addition to the James Street Sewer Extension, it is necessary to construct a lateral sewer line to connect the sewer main line to the Subject Property. If the Owner wishes to have the City construct such sewer lateral, this Agreement shall also obligate Owner to pay the actual Total Cost incurred by the City to construct said lateral sewer line, as provided further herein.

2.6 Payment Agreement. Pursuant to Section 13.12.100 and Resolution No. 2021-XXX, the construction charge for the James Street Sewer Extension and, if applicable, the Total Cost of the lateral sewer line connecting the sewer main line to the Subject Property, may be paid pursuant to this payment plan agreement entered into by the Owner and the City.

### **3. AGREEMENT.**

3.1 Incorporation of Recitals & Resolution No. 2021-XXX. The Parties acknowledge that the above recitals are true and correct, and incorporate those recitals by reference into this Agreement. The Parties also acknowledge that Corona City Council Resolution No. 2021-XXX is incorporated herein by reference.

3.2 Construction Charge. Pursuant to Resolution No. 2021-XXX, the City has established a construction charge equal to the Total Cost (as defined in Resolution No. 2021-XXX) to construct the James Street Sewer Extension to be collected from the Benefitted Parcels, including the Subject Property, prior to connection to the City's sewer system ("Construction Charge"). The Construction Charge is allocated to the Benefitted Parcels based upon the percentage of linear footage of the portion of the James Street Sewer Extension that is located along the property frontage of each Benefitted Parcel, as compared to the total linear footage of the James Street Sewer Extension.

3.2.1 Allocation of Construction Charge for Subject Property. Pursuant to Resolution No. 2021-XXX, the fair share percentage allocated to the Subject Property is fourteen percent (14%).

3.2.2 Estimated Construction Charge; Financed Construction Charge. For informational purposes only, the City has estimated the Total Cost of constructing the James Street



Sewer Extension to be One Hundred Seventy Five Thousand Dollars (\$175,000), and thus as of the Effective Date estimates that the fair share of the Construction Charge for the Subject Property is Twenty-Four Thousand Eight Hundred Forty-Five Dollars and Sixty-Eight Cents (\$24,845.68) (“Estimated Construction Charge”). Upon completion of the James Street Sewer Extension and the Lateral Line, the City shall: (1) document and determine the actual Total Cost of constructing the James Street Sewer Extension; (2) calculate the actual Construction Charge owed by the Owner for the Subject Property based upon the fair share percentages provided in Section 2.2.1 above (“Financed Construction Charge”); and (3) provide by certified mail such information to the Owner.

3.3. Requested Lateral Sewer Line - Cost. At the request of Owner, City shall construct a lateral sewer line to connect the Subject Property to the sewer main line that will be constructed as part of the James Street Sewer Extension (“Lateral Line”). Owner agrees to pay one hundred percent (100%) of the actual Total Cost (as defined in Resolution No. 2021-XXX) to construct the Lateral Line (“Actual Lateral Line Cost”). For informational purposes only, the current estimated Lateral Line Cost, based upon the City’s most recent engineering estimates and other reasonably available data, is Twelve Thousand Dollars (\$12,000) (“Estimated Lateral Line Cost”).

3.4. Total Principal Obligation. The terms “Financed Construction Charge” and, if applicable, “Actual Lateral Line Cost” shall hereafter be collectively referred to as the “Total Principal Obligation” throughout this Agreement.

3.5 Monthly Payment Schedule. In lieu of paying the Total Principal Obligation in one lump-sum payment, Owner agrees to pay the Total Principal Obligation, plus six percent (6%) simple interest, in monthly installments (“Monthly Payment”) for a period of sixty (60) months in the amounts specified in the amortization schedule set forth in **Exhibit B** attached hereto and incorporated herein by reference (“Amortization Schedule”). Each Monthly Payment shall be due and payable in immediately available funds on or before fifth (5<sup>th</sup>) day of each month commencing with the first full month following completion of the James Street Sewer Extension and the Lateral Line.

3.5.1 Estimated Total Principal Obligation; Updated Amortization Schedule. The Parties acknowledge that the Amortization Schedule is based upon the Estimated Construction Charge and the Estimated Lateral Line Cost. Once the Financed Construction Charge and the Actual Lateral Line Cost are determined pursuant to Sections 3.2.2 and 3.3 of this Agreement, the Parties agree that the Amortization Schedule will be updated accordingly to reflect the Total Principal Obligation, Owner shall sign such updated Amortization Schedule, and said updated Amortization Schedule shall be automatically incorporated into this Agreement by reference without an amendment to this Agreement.

3.6 Non-Transferable. Owner understands and agrees that the connection rights supplied by the City are not transferable and shall remain with the Subject Property, and that neither Owner nor any other person or party shall be entitled to a refund of any amounts paid under this Agreement, for any reason.

3.7 Discontinuation of Sewer/Water Service. If an Event of Default occurs, including failure to timely make any required Monthly Payment, Owner understands, acknowledges and

agrees that City reserves the right to discontinue water service to the Subject Property to the extent authorized by applicable law. City shall have the right to completely discontinue water service to the Subject Property until the unpaid balance has been paid in full and shall not be required to provide limited service according to a pro rata formula. Owner expressly waives any and all rights it may have under any uniform codes (including, but not limited to, the California Building Code), or under any other applicable law(s), to receive sewer and/or water service, except in compliance with this Agreement and to the extent authorized by applicable law.

3.8 Contractual Lien. Owner further agrees for itself, its heirs, successors, and assigns, that effective upon the execution of this Agreement, City shall have a lien upon the Subject Property to guarantee the full and timely performance by Owner of its obligations under this Agreement. The lien upon the Subject Property shall be in an amount equal to the unpaid portion of the Total Principal Obligation, plus any accrued interest and any costs incurred by the City to enforce this Agreement. Such lien may be enforced in the manner provided by law. This lien is in addition to any rights or remedies which the City may have which may arise by operation of any applicable law, including, without implied limitation, the Corona Municipal Code. The lien created pursuant to this Agreement shall occupy a priority position against the Subject Property senior to all other non-statutory monetary liens and encumbrances against the Subject Property, except to the extent that Owner lacks the right to grant the lien priority over other liens and encumbrances against the Subject Property existing as of the date of this Agreement.

3.9 Recordation and Enforcement. City may record this Agreement in the official records of the County of Riverside, and may take such action in law, equity, or otherwise, as City deems necessary to enforce the provisions of this Agreement, including but not limited to actions for injunctive relief. This Agreement shall run with the land. The obligations of and the lien created by this Agreement shall run with the Subject Property, and the requirements imposed by this Agreement shall bind the heirs, successors and assigns of Owner as owner of the Subject Property until satisfied in full. Owner further agrees and acknowledges the City may take such measures as it deems necessary to collect the Total Principal Obligation in the event of nonpayment, including tendering the debt to a collection agency and/or initiating legal action for collection.

3.10 Attorneys' Fees. If any legal action, or any arbitration or other proceeding is initiated for the enforcement of this Agreement or because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees, witness fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

3.11 Indemnity. Owner shall indemnify, defend and hold harmless City, its elected officials, board members, officers, agents, employees and authorized volunteers from and against any and all claims, damages, demands, liability, costs, losses and expenses, including, without limitation, court costs, reasonable attorneys' fees, and expert witness fees, arising out of, in connection with or in any way related to the negligence or misconduct of Owner relating to this Agreement, including but not limited to any breach of this Agreement by Owner, and including, without limitation, all costs of collection, including attorneys' fees and all costs of suit, in the event any payment required under this Agreement is not made when due.

3.12 Term. This Agreement shall be in full force and effect from the Effective Date and shall continue in full force and effect until Owner has paid all money due to City hereunder.

3.13. Events of Default. Upon the occurrence of any of the events listed below, an “Event of Default” shall be deemed to have occurred and City may, at City’s option, without prior notice, (i) declare the then-unpaid principal amount of the Total Principal Obligation, plus any accrued interest (collectively, the “Payment Amount”) to be immediately due and payable, and the same shall immediately become due and payable; and (ii) exercise all rights and remedies provided in this Agreement:

3.13.1 Owner shall fail to make any payment under this Agreement when due or within ten (10) days following written notice of such failure from City; or

3.13.2 There shall occur any breach of this Agreement by Owner; or

3.13.3 Owner shall (i) become insolvent or unable to pay Owner’s debts generally as they mature, (ii) make a general assignment for the benefit of creditors, (iii) admit in writing Owner’s inability to pay Owner’s debts generally as they mature, (iv) file or have filed against it a petition in bankruptcy or a petition or answer seeking a reorganization, arrangement with creditors or other similar relief under the Federal bankruptcy laws or under any other applicable law of the United States of America or any state thereof, or (v) consent to the appointment of a trustee or receiver for it or for a substantial part of the Subject Property; or

3.13.4 Any order, judgment or decree shall be entered appointing, without Owner’s consent, a trustee or receiver for it or for a substantial part of the Subject Property that is not removed within sixty (60) days from such entry; or

3.13.5 A judgment against Owner for the payment of money totaling in excess of \$10,000 shall be outstanding for a period of sixty (60) days without a stay of execution thereof; or

3.13.6 The holder of any senior or junior encumbrance on the personal property collateral encumbered by this Agreement shall institute foreclosure or other proceedings for the enforcement of its remedies thereunder; or

3.13.7 Owner permits or suffers Owner’s leasehold or other interest in the Subject Property to be divested, sold, transferred, terminated, or otherwise conveyed, whether voluntarily or involuntarily. This provision shall apply to each and every sale, transfer or conveyance, regardless of whether or not City has consented to, or waived, City's right hereunder, whether by action or nonaction, in connection with any previous sale, transfer, or conveyance, whether one or more.

Notwithstanding the above, in the event of an actual or deemed entry of an order for relief with respect to Owner under the United States Bankruptcy Code, this Agreement and all interest and other amounts due hereon shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by Owner. City may exercise its option to accelerate after any Event of Default, regardless of any prior forbearance.

3.14. Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

3.15. Modification. This Agreement may be modified only in writing, signed by both Parties.

3.16. Notice. Written notice, whenever required by this Agreement, shall become effective upon personal service or deposit in the United States mail, postage prepaid, addressed to the following:

CITY:	OWNER:
City of Corona	John Ramirez
755 Public Safety Way	2844 James Street
Corona, CA 92880	Corona, CA 92881
Attn: Tom Moody, General Manager	
Utilities Department	

3.17. Venue. This Agreement shall be interpreted according to the laws of the State of California. Venue shall be in Riverside County, California.

3.18. Counterparts. This Agreement may be executed in counterparts, all of which, taken together, shall be deemed one original.

3.19. Corona Utility Authority. Owner understands that the City has entered into a Water Enterprise Management Agreement and a Wastewater Enterprise Management Agreement, both dated as of February 6, 2002, with the Corona Utility Authority ('CUA') for the maintenance, management and operation of those utility systems (collectively, the 'CUA Management Agreements'). To the extent that this Agreement is deemed to be a "material contract" under either of the CUA Management Agreements, the following provisions shall apply: (1) City enters into this Agreement on behalf of the CUA and subject to the terms of the applicable CUA Management Agreement(s); and (2) Owner has no right to terminate this Agreement, either with or without cause, based upon the existence or non-existence of either or both of the CUA Management Agreements. Therefore, if an applicable CUA Management Agreement expires or terminates for any reason, Owner shall remain fully obligated to perform under this Agreement on behalf of the CUA or another third party contracted by the CUA for the maintenance, management and operation of the applicable utility system. In recognition of the foregoing, the parties hereto have executed this Payment Plan Agreement for Construction Charges to Connect to City's Sewer System the day and year first stated above.

**[SIGNATURES ON NEXT TWO PAGES]**

**CITY SIGNATURE PAGE TO**

**CITY OF CORONA  
PAYMENT PLAN AGREEMENT**

**JAMES STREET SEWER EXTENSION - CONSTRUCTION CHARGES  
(RESIDENTIAL USER – 2844 JAMES STREET)**

**CITY OF CORONA**

By: \_\_\_\_\_  
Tom Moody  
General Manager

Approved as to Form:

By: \_\_\_\_\_  
Dean Derleth  
City Attorney

**OWNER SIGNATURE PAGE TO**

**CITY OF CORONA  
PAYMENT PLAN AGREEMENT**

**JAMES STREET SEWER EXTENSION - CONSTRUCTION CHARGES  
(RESIDENTIAL USER – 2844 JAMES STREET)**

**John Ramirez**

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Title (Print)

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Title (Print)

**EXHIBIT A**

**LEGAL DESCRIPTION/DEPICTION OF SUBJECT PROPERTY**

[SEE ATTACHED ONE (1) PAGE]



**PUBLIC WORKS DEPARTMENT**

(951) 736-2266  
(951) 279-3627 (FAX)

400 SOUTH VICENTIA AVENUE, P.O. BOX 940, CORONA, CALIFORNIA 92879-0940  
CITY HALL - ON LINE ALL THE TIME (<http://www.discovercorona.com>)

Legal Description/Depiction of Subject Property

Parcel 3 in Book 8 Page 9 of Parcel Maps as recorded in the Office of the recorder of Riverside County, California being a Portion of Lot 201 of Division No. 1 of Amended Map of Orange Heights as shown by Map on File in Book 2 Page 1 of Maps, records of Riverside County, California.

Parcel ID: 120-111-008



**EXHIBIT B**

**AMORTIZATION SCHEDULE**

[SEE ATTACHED ONE (1) PAGE]

## Amortization Schedule

## Payment Plan Agreement Exhibit B

Loan amount	\$ 24,845.68
Annual interest rate	6.00%
Loan period in years	5
Monthly payment	\$ 480.34
Number of payments	60
Total interest	\$ 3,974.52
Total cost of loan	\$ 28,820.20

No.	Beginning Balance	Payment	Principal	Interest	Ending Balance
1	\$ 24,845.68	\$ 480.34	\$ 356.11	\$ 124.23	\$ 24,489.57
2	\$ 24,489.57	\$ 480.34	\$ 357.89	\$ 122.45	\$ 24,131.68
3	\$ 24,131.68	\$ 480.34	\$ 359.68	\$ 120.66	\$ 23,772.00
4	\$ 23,772.00	\$ 480.34	\$ 361.48	\$ 118.86	\$ 23,410.53
5	\$ 23,410.53	\$ 480.34	\$ 363.28	\$ 117.05	\$ 23,047.24
6	\$ 23,047.24	\$ 480.34	\$ 365.10	\$ 115.24	\$ 22,682.14
7	\$ 22,682.14	\$ 480.34	\$ 366.93	\$ 113.41	\$ 22,315.22
8	\$ 22,315.22	\$ 480.34	\$ 368.76	\$ 111.58	\$ 21,946.46
9	\$ 21,946.46	\$ 480.34	\$ 370.60	\$ 109.73	\$ 21,575.85
10	\$ 21,575.85	\$ 480.34	\$ 372.46	\$ 107.88	\$ 21,203.40
11	\$ 21,203.40	\$ 480.34	\$ 374.32	\$ 106.02	\$ 20,829.08
12	\$ 20,829.08	\$ 480.34	\$ 376.19	\$ 104.15	\$ 20,452.89
13	\$ 20,452.89	\$ 480.34	\$ 378.07	\$ 102.26	\$ 20,074.81
14	\$ 20,074.81	\$ 480.34	\$ 379.96	\$ 100.37	\$ 19,694.85
15	\$ 19,694.85	\$ 480.34	\$ 381.86	\$ 98.47	\$ 19,312.99
16	\$ 19,312.99	\$ 480.34	\$ 383.77	\$ 96.56	\$ 18,929.22
17	\$ 18,929.22	\$ 480.34	\$ 385.69	\$ 94.65	\$ 18,543.53
18	\$ 18,543.53	\$ 480.34	\$ 387.62	\$ 92.72	\$ 18,155.91
19	\$ 18,155.91	\$ 480.34	\$ 389.56	\$ 90.78	\$ 17,766.35
20	\$ 17,766.35	\$ 480.34	\$ 391.50	\$ 88.83	\$ 17,374.84
21	\$ 17,374.84	\$ 480.34	\$ 393.46	\$ 86.87	\$ 16,981.38
22	\$ 16,981.38	\$ 480.34	\$ 395.43	\$ 84.91	\$ 16,585.95
23	\$ 16,585.95	\$ 480.34	\$ 397.41	\$ 82.93	\$ 16,188.55
24	\$ 16,188.55	\$ 480.34	\$ 399.39	\$ 80.94	\$ 15,789.15
25	\$ 15,789.15	\$ 480.34	\$ 401.39	\$ 78.95	\$ 15,387.76
26	\$ 15,387.76	\$ 480.34	\$ 403.40	\$ 76.94	\$ 14,984.36
27	\$ 14,984.36	\$ 480.34	\$ 405.41	\$ 74.92	\$ 14,578.95
28	\$ 14,578.95	\$ 480.34	\$ 407.44	\$ 72.89	\$ 14,171.51
29	\$ 14,171.51	\$ 480.34	\$ 409.48	\$ 70.86	\$ 13,762.03
30	\$ 13,762.03	\$ 480.34	\$ 411.53	\$ 68.81	\$ 13,350.50
31	\$ 13,350.50	\$ 480.34	\$ 413.58	\$ 66.75	\$ 12,936.92
32	\$ 12,936.92	\$ 480.34	\$ 415.65	\$ 64.68	\$ 12,521.27
33	\$ 12,521.27	\$ 480.34	\$ 417.73	\$ 62.61	\$ 12,103.54
34	\$ 12,103.54	\$ 480.34	\$ 419.82	\$ 60.52	\$ 11,683.72
35	\$ 11,683.72	\$ 480.34	\$ 421.92	\$ 58.42	\$ 11,261.80
36	\$ 11,261.80	\$ 480.34	\$ 424.03	\$ 56.31	\$ 10,837.77
37	\$ 10,837.77	\$ 480.34	\$ 426.15	\$ 54.19	\$ 10,411.62
38	\$ 10,411.62	\$ 480.34	\$ 428.28	\$ 52.06	\$ 9,983.34
39	\$ 9,983.34	\$ 480.34	\$ 430.42	\$ 49.92	\$ 9,552.92
40	\$ 9,552.92	\$ 480.34	\$ 432.57	\$ 47.76	\$ 9,120.35
41	\$ 9,120.35	\$ 480.34	\$ 434.73	\$ 45.60	\$ 8,685.62
42	\$ 8,685.62	\$ 480.34	\$ 436.91	\$ 43.43	\$ 8,248.71
43	\$ 8,248.71	\$ 480.34	\$ 439.09	\$ 41.24	\$ 7,809.62
44	\$ 7,809.62	\$ 480.34	\$ 441.29	\$ 39.05	\$ 7,368.33
45	\$ 7,368.33	\$ 480.34	\$ 443.49	\$ 36.84	\$ 6,924.83
46	\$ 6,924.83	\$ 480.34	\$ 445.71	\$ 34.62	\$ 6,479.12
47	\$ 6,479.12	\$ 480.34	\$ 447.94	\$ 32.40	\$ 6,031.18
48	\$ 6,031.18	\$ 480.34	\$ 450.18	\$ 30.16	\$ 5,581.00
49	\$ 5,581.00	\$ 480.34	\$ 452.43	\$ 27.90	\$ 5,128.57
50	\$ 5,128.57	\$ 480.34	\$ 454.69	\$ 25.64	\$ 4,673.87
51	\$ 4,673.87	\$ 480.34	\$ 456.97	\$ 23.37	\$ 4,216.91
52	\$ 4,216.91	\$ 480.34	\$ 459.25	\$ 21.08	\$ 3,757.65
53	\$ 3,757.65	\$ 480.34	\$ 461.55	\$ 18.79	\$ 3,296.11
54	\$ 3,296.11	\$ 480.34	\$ 463.86	\$ 16.48	\$ 2,832.25
55	\$ 2,832.25	\$ 480.34	\$ 466.18	\$ 14.16	\$ 2,366.07
56	\$ 2,366.07	\$ 480.34	\$ 468.51	\$ 11.83	\$ 1,897.57
57	\$ 1,897.57	\$ 480.34	\$ 470.85	\$ 9.49	\$ 1,426.72
58	\$ 1,426.72	\$ 480.34	\$ 473.20	\$ 7.13	\$ 953.52
59	\$ 953.52	\$ 480.34	\$ 475.57	\$ 4.77	\$ 477.95
60	\$ 477.95	\$ 480.34	\$ 477.95	\$ 2.39	\$ 0.00