Resolution

IN THE MATTER OF ESTABLISHING AND ADJUSTING FEES FOR THE SMALL WATER SYSTEM PROGRAM CHARGED BY THE ENVIRONMENTAL HEALTH DIVISION OF THE CONTRA COSTA HEALTH SERVICES DEPARTMENT

The Contra Costa County Board of Supervisors FINDS, as follows:

A. California Health and Safety Code section 101325, Contra Costa County Ordinance Code section 413-3.204, and other applicable laws, regulations, and ordinances, authorize the County to adopt fees to recover the Health Service Department, Environmental Health Division's ("EH Division") costs to administer its Small Water System Program ("SWS Program").

B. Fees charged by the EH Division are intended to recover the reasonable regulatory costs to the County for issuing licenses and permits, performing investigations, inspections, and audits connected with the SWS Program administered by the EH Division. The amounts of the EH Division's fees are calculated to be no more than necessary to cover the reasonable costs of the EH Division's SWS Program, and the manner in which those costs are allocated to each fee payor bears a fair and reasonable relationship to each payor's burdens on, or benefits received from, the EH Division's SWS Program. (Cal. Const., art. XIII C, § 1(e).)

C. The EH Division's operations and expenses connected with its SWS Program are intended to be financed entirely by revenues from fees imposed by the EH Division. Fees charged by the EH Division for various programs were last reviewed and adopted by the Board of Supervisors in Resolution No. 2025-225 in June 2025. However, at that time the Board elected to revisit the SWS Program fee updates at a later date. Therefore, the fees charged by the EH Division for the SWS Program have not been adjusted since the 2019 adoption of Resolution No. 2019/521. Since 2019, the EH Division's costs to administer its SWS Program have increased. These increased costs include increases in personnel and overhead costs, as well as other expenses. Therefore, revenues from current fees are insufficient to recover the EH Division's reasonable costs to administer its SWS Program. The fees need to be adjusted to ensure that they continue to bear a fair and reasonable relationship to the fee payors' burdens on or benefits from the SWS Program administered by the EH Division, and to ensure the EH Division charges fees that recover the reasonable costs of administering the EH Division's SWS Program.

D. The Division contracted with independent financial consulting firm, NBS, to conduct a review of time accounting data to develop fees that are based on fully-burdened hourly rates aligned with the Division's regulatory activities, as more particularly described in the NBS Fee Study, dated June 6, 2025 ("Fee Study") attached as Attachment 1 to the Staff Report in support of this Resolution. The Fee Study determined that certain regulatory fees for programs require adjustment to ensure the EH Division's fees continue

to bear a fair and reasonable relationship between the fee payors' burdens on or benefits from the regulatory activities for which the fees are charged, and also to ensure the EH Division is able to recover its reasonable costs of performing its regulatory activities.

E. Based on the Fee Study, the Health Services Department, Environmental Health Division recommends that the Board of Supervisors direct the Department to return regulatory authority of public SWS Program to the State, and adopt the fee tables attached as Attachment A to this resolution ("Fee Schedule") and incorporated herein, to establish fees to be charged for the EH Division's SWS Program, including increased fees for the non-public SWS Program. The fees set forth in the Fee Schedule are calculated to recover the reasonable regulatory costs to the County for issuing licenses and permits, performing investigations, inspections, and audits connected with those regulatory activities performed by the EH Division's SWS Program. Additionally, based on the Fee Study, the fees set forth in the Fee Schedule are no more than necessary to recover the reasonable costs of EH Division's activities, and the manner in which those costs are allocated to payors of the fees bears a fair and reasonable relationship to each payor's burdens on, or benefits received from, the EH Division's activities.

F. In accordance with Government Code section 66018, the EH Division caused a hearing notice to be published twice in the East Bay Times, on September 26, 2025, and October 3, 2025, to give notice of the October 7, 2025 hearing on the adoption of the Fee Schedule for the SWS Program.

G. On October 7, 2025, the Board of Supervisors held a noticed public hearing on the EH Division's proposed fee update for the SWS Program. The Board has considered all comments, testimony, and objections submitted verbally or in writing before the close of the public hearing. The Board of Supervisors has considered the Fee Study, the Fee Schedule, the Staff Report, staff presentation, public comments and testimony, any objections to the fees, and all other information and materials presented to the Board before the close of the public hearing.

NOW, THEREFORE, the Board of Supervisors of Contra Costa County hereby RESOLVES, as follows:

1. The Board **FINDS** that the fees set forth in the Fee Schedule, attached hereto as Attachment A, (a) are calculated to recover but not exceed the reasonable regulatory costs to the EH Division for issuing licenses and permits, performing investigations, inspections, and audits in connection with the SWS Program administered by the Division, and (b) each of the fees bears a fair and reasonable relationship to each payor's burdens on and benefits from the SWS Program administered by the EH Division. The Board further **FINDS** that the fees will recover the EH Division's reasonable costs to administer its SWS Program, including the increased fees for the non-public SWS Program.

2. The Board **ADOPTS** the Fee Schedule, attached hereto as Attachment A, as the Fee Schedule for the EH Division's SWS Program. The Fee Schedule attached hereto as Attachment A shall be effective as of October 7, 2025.

3. The Board **AUTHORIZES** the Health Services Director, or designee, to collect delinquent SWS Program permit fees, including penalties and the County's administrative, legal, and collection costs, in accordance with Ordinance Code section 413-3.1206, and any other applicable ordinances and laws.

4. This Resolution is effective immediately upon its adoption on October 7, 2025. This Resolution supersedes and replaces the Small Water System fees established in Resolution No. 2025-225 in their entirety.