

RESOLUTION NO. 2026 – 02

A RESOLUTION AUTHORIZING AN AMENDMENT TO THE ACCESSORY DWELLING UNIT (ADU) POLICY AS ATTACHED

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WHEREAS, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District to amend the District's ADU policy first approved April 28, 2022 and

WHEREAS, the Board desires that the policy incorporate the following points:

- 1) Update the policy to charge impact fees (connection/capacity) one time fees on ADUs over 750 square feet constructed concurrently with a primary dwelling unit. Impact fees would not be applied to ADUs constructed on properties with existing primary dwelling units.
- 2) Timing: For units constructed prior to passage of original policy (April 28, 2022) and not previously charged, the District will not charge sewer user fees until such time as the property changes ownership or there is a substantial remodel/revision (i.e. in excess of \$50,000), or a plumbing permit is required.

WHEREAS the Board of Directors agrees that these amendments to the policy better serve the District goals of an equitable distribution of costs.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District finds that the amendment to the ADU policy meets the District goals and serves the District mission.

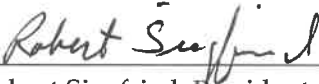
PASSED AND ADOPTED at a meeting of the Board of Directors of the Carmel Area Wastewater District duly held on January 29, 2026 by the following vote:

AYES:BOARD MEMBERS: PRESIDENT SIEGFRIED,
DIRECTORS: COLE, URQUHART, WEILAND,WHITE

NOES:BOARD MEMBERS:

ABSENT:BOARD MEMBERS:

ABSTAIN:BOARD MEMBERS:



Robert Siegfried, President of the Board

ATTEST:



Domine Barringer, Board Clerk



Accounting Policies & Procedures	Topic No.:
Function: Accessory Dwelling Unit Policy	Topic: ADU
	Date: January 2026

ACCESSORY DWELLING UNITS (ADU)

Definitions

Accessory Dwelling Unit (ADU) means one permanent attached or detached residential dwelling unit, which provides complete independent living facilities for one or more persons and is accessory to one existing or proposed single-family dwelling (SFD). It includes permanent provisions for living, sleeping, eating, cooking and sanitation.

Junior ADU (JADU): Built into existing structure, less than 500 square feet with kitchen and separate entrance. These are excluded from monthly user fees and impact fees.

User fee: Monthly sewer service fee that is charged on the property tax bill. The 12 monthly charges are added up for the total year and then split into 2 payments via the property tax bill.

Impact Fees (connection/capacity fees)- One-time fees assessed when a property is first connected to the sewer system or during new development.

An ADU may be created by constructing a new accessory structure or an addition, or by converting the existing permitted interior space of a single-family residence or accessory structure into an ADU. In 2018, state law expanded the definition of accessory structure to include converted garages, carports or covered parking structures.

California Government Code Section 65852.2 requires local government to ease local requirements for ADUs and expedite local permitting processes associated with ADUs.

Carmel Area Wastewater District (CAWD/District) Policy

CAWD will follow all applicable state regulations as regards to ADUs.

Impact Fees (connection/capacity fees)- Fees will not be applied to ADUs under 750 square feet or if constructed on a property with an existing home.

Impact Fees (connection/capacity fees)- Fees will be applied proportionately if an ADU is over 750 square feet and is constructed concurrently with a new single-family home. The connection fee must be less than the primary dwelling and proportionate.

An example would be if a 2000 square foot house is constructed with a 1000 square foot ADU then the connection fee would be 50% of the primary dwelling connection fee.

If an ADU is greater than 1,200 square feet it is considered a Single-Family Dwelling Unit and will be assessed as a single-family home.

User fees(Monthly Service Fee Billed on Property Tax): excluding JADUs, a user fee shall be assessed as calculated in the annual rate model for a residential unit.

User Fees (Monthly Service Fee Billed on Property Tax): ADU user fees are assessed on properties added to the District sewer fee registry through the permitting process and private sewer lateral inspection program.

Annually the District sewer fee registry is updated and sent to the County via tax roll form for billing purposes.

This applies to properties assessed through the permitting process before or after April 28, 2022 adoption of the District ADU policy. Properties that were not added through the permitting process or private sewer lateral inspection program, but have qualifying ADUs will be added to the District sewer user fee registry as property changes ownership or there is a substantial remodel/revision to the property (i.e. in excess of \$50,000 or more) or the sewer permitting process.

An audit, back to April 28, 2022, will review County and City permits to confirm ADUs were correctly classified per state regulation and the District sewer fee registry will be updated based on the audit information.

ADU Type	User Fee	Impact Fee (Connection/Capacity)
JADU under 500 square feet and part of primary dwelling.	No	No
ADU 500-750 Square feet, attached or detached with kitchen, bath, separate entrance.	Yes	No
ADU greater than 750 square feet with existing primary dwelling, attached or detached with kitchen, bath, separate entrance.	Yes	No
ADU greater than 750 square feet built concurrently with primary dwelling, attached or detached with kitchen, bath, separate entrance.	Yes	**Yes
**Impact fee proportionate to square footage of primary dwelling		

Summary of State of California ADU Laws (For Reference)

Changes in ADU laws effective January 1, 2021 further reduce barriers, better streamline approval processes, and expand capacity to accommodate the development of ADUs. (Government Code Section 65852.150)

ADUs are permissible only on lots where adequate water and sewage disposal systems are or can be made available. Shared water and sewage disposal systems between the primary unit and the ADU is permissible.

A local agency, special district or water corporation shall not consider ADUs as a new residential use for the purpose of calculating connection fees or capacity charges for utilities, including water and sewer services. However, these provisions do not apply to ADUs that are constructed concurrently with a new single-family home. (Gov Code, §§ 65852.2, subdivision (f), and 66000)

A JADU is exempt from incurring impact fees(connection & capacity fees) from local agencies, special districts, and water corporations if less than 750 square feet. Should an ADU, be 750 square feet or larger, impact fees (connection/capacity fees) shall be charged proportionately in relation to the square footage of the ADU to the square footage of the primary dwelling unit. Agencies may waive impact and other fees for ADUs.

ADUs converted from existing space and Junior Accessory Dwelling Unit (JADUs) shall not be considered by a local agency, special district or water corporation to be a new residential use for purposes of calculating connection fees or capacity charges for utilities, unless constructed with a new single-family dwelling. The connection fee or capacity charge shall be proportionate to the burden of the proposed ADU, based on its square footage or plumbing fixtures as compared to the primary dwelling.

A (JADU), or conversion of existing space that is contained entirely within an existing or proposed SFR is not considered a separate or new dwelling unit.

State ADU law does not cover monthly user charge fees. (Gov Code § 6582.2, subd. (f)(2)(A).