

**MEMORANDUM  
DEPARTMENT OF FACILITY SERVICES  
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **MAY 12, 2009**

From:  **JAMES DURFEE / WILL DICKINSON** 

Subject: **SEWER AND WATER MAINTENANCE AND OPERATIONS FEE  
INCREASES**

**ACTION REQUESTED/RECOMMENDATION:**

1. Conduct a Public Hearing to receive comments concerning the proposed increases in sewer and water maintenance and operations (M&O) fees as shown in Exhibit A.
2. Adopt the attached Ordinance adjusting M&O fees enumerated in Section 13.12.350 of the Placer County Code.
3. Adopt the attached Resolution confirming the County Service Area (CSA) Zone Report of charges for the Sheridan, Blue Canyon and Applegate CSAs.
4. Make a finding pursuant to Section 21080(b)(8) of the Public Resource Code, that the higher fees are derived directly from the cost of providing service and are necessary to meet operating expenses required for maintenance of service, and are therefore exempt from environmental review.

**BACKGROUND:** The County provides wastewater services in various communities through the operation of three Sewer Maintenance Districts and six CSAs. The Sheridan CSA also provides water service. With the exception of occasional grants from State and Federal agencies, the districts are funded solely through fees collected from their customers. M&O fees pay for ongoing maintenance, operation and construction of sewer pipes, lift stations and treatment plants. Connection fees pay for plant expansion or other capital expenditures necessary to provide capacity for future connections. The recommended actions apply only to the M&O fees. Historical and proposed M&O fees are shown in Exhibit A. A short explanation of the need for the fee increases is provided in Exhibit B, which consists of excerpts from the notification letters sent to sewer customers.

After approving the M&O fee increases in 2007, your Board directed staff to establish a Sewer Infrastructure Financing Committee to review and comment on funding plans for major capital projects. The committee has met five times since its creation, and has approved the reports for Applegate, Sheridan, SMD 1 and SMD 3 attached in Exhibit C. These reports provide additional detailed information regarding capital projects that are driving the need for many of the proposed fee increases. The proposed increases for Blue Canyon, Livoti, Sunset and STEP systems are not related to major capital projects.

As required by Proposition 218, a letter noticing this Public Hearing was mailed to each property owner paying M&O fees. These notices explained the need for the increases and described how to submit an official protest letter. Approximately 6,000 notification letters were mailed. The Clerk of the Board has been the caretaker of all protest letters and will provide a report detailing the number of valid protests submitted by district. Staff also presented information concerning the increases at meetings of the North Auburn,

Weimar/Applegate/Colfax, Horseshoe Bar and Sheridan Municipal Advisory Councils (MACs). The Sheridan MAC took action to support the proposed fee increases for sewer and water, while the Weimar/Applegate/Colfax MAC opposes the sewer fee increase for the Applegate CSA. This Public Hearing and the proposed increases were noticed in newspapers of general circulation, as required by law.

**ENVIRONMENTAL CLEARANCE:** The proposed fee increases are considered exempt from environmental review, pursuant to Section 21080(b)(8) of the Public Resource Code, provided your Board adopts the recommended findings specified in under "Action Requested".

**FISCAL IMPACT:** The timing and extent of fee increases are proposed based on the unique needs of each district. As shown in Exhibit C, SMD 2 and Dry Creek do not require increases this year. For SMD 1, Sunset and Applegate, it is difficult to predict what revenue will be needed in Fiscal Year 2010-11; therefore, a one year increase is proposed. An increase in each of the next two years is proposed for SMD 3, Blue Canyon and Livoti, while Sheridan Sewer and Water needs a large increase that is proposed to be spread out over each of the next three years.

JD/WD

ATTACHMENTS: EXHIBIT A - HISTORICAL AND PROPOSED FEES  
EXHIBIT B - NEED FOR FEE INCREASE  
EXHIBIT C - SEWER INFRASTRUCTURE FINANCING REPORTS  
EXHIBIT D - PROJECTED REVENUE INCREASES  
ORDINANCE  
RESOLUTION

CC. COUNTY EXECUTIVE OFFICE

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**EXHIBIT A**

**Historical and Proposed Sewer Maintenance and Operations Fees  
(cost per month per EDU)**

<b>District</b>	<b>actual 05-06</b>	<b>actual 06-07</b>	<b>actual 07-08</b>	<b>actual 08-09</b>	<b>proposed 09-10</b>	<b>proposed 10-11</b>	<b>proposed 11-12</b>
SMD 1 (N. Auburn)	\$ 54.60	\$ 59.51	\$ 67.84	no change	\$ 82.00		
SMD 2 (Granite Bay)	\$ 40.50	\$ 44.15	\$ 48.12	no change	no change		
SMD 3 (Auburn Folsom Rd)	\$ 62.30	\$ 74.76	\$ 99.43	no change	\$ 105.40	\$ 111.72	
STEP Systems (add charge)	\$ 18.30	\$ 20.50	\$ 24.40	no change	\$ 25.86	\$ 27.42	
CSA 2A3 (Sunset)	\$ 20.50	\$ 24.60	\$ 29.52	no change	\$ 33.06		
CSA 6 (Sheridan Sewer)	\$ 33.60	\$ 33.60	\$ 52.08	no change	\$ 64.58	\$ 77.50	\$ 89.12
CSA 6 (Sheridan Water)	\$ 21.60	\$ 21.60	\$ 27.00	no change	\$ 38.34	\$ 46.00	\$ 52.91
CSA 23 (Blue Canyon)	\$ 16.00	\$ 20.00	\$ 36.00	no change	\$ 43.20	\$ 51.84	
CSA 24 (Applegate)	\$ 55.60	\$ 61.16	\$ 77.06	no change	\$ 82.00		
CSA 55 (Livoti)	\$ 27.05	\$ 29.21	\$ 35.05	no change	\$ 36.80	\$ 38.64	
CSA 173 (Dry Creek)	\$ 24.45	\$ 29.34	\$ 38.14	no change	no change		

- **SEWER MAINTENANCE DISTRICT 1 (North Auburn)**

The current sewer service charge for a single unit of service is **\$67.84** per month. The District proposes to increase this fee to **\$82.00** per month effective July 1, 2009. This increase is necessary because the District must comply with new State and Federal wastewater treatment plant effluent standards by June, 2010. To achieve compliance, the District must invest an estimated \$85 - \$142 million to either: 1) rebuild the existing treatment plant, or 2) build a pump station and pipeline to convey sewage to a treatment plant in Lincoln. These two choices have been discussed in public meetings on 6/24/08, 11/17/08, 12/8/08 and 1/13/09. Either approach will likely require the sale of bonds to finance construction, with further fee increases in future years to support repayment of the bonds. The current increase is needed to help pay for consultant costs associated with project design, environmental review and bond financing.

- **SEWER MAINTENANCE DISTRICT 3 (Auburn Folsom Road)**

The current sewer service charge for a single unit of service is **\$99.43** per month. The District proposes to increase this fee to **\$105.40** per month effective July 1, 2009, and to **\$111.72** per month effective July 1, 2010. These increases are necessary because SMD 3 is small district that is faced with very difficult regulatory compliance challenges.

The wastewater treatment plant serving SMD 3, known as Plant 3, was built in 1961 and has used most of the same equipment and processes since 1963. In June of 2007, the Central Valley Regional Water Quality Control Board adopted a new permit for Plant 3, with many new effluent limitations that phase in over the 5 year life of the permit. The Board also adopted a Cease and Desist Order requiring compliance with nitrate effluent limitations by June 22, 2011.

The plan to meet regulatory requirements involves two steps. The first step is installation of a denitrification filter to resolve the Cease and Desist Order. However, this is only a short-term solution as Plant 3 is old, uses outdated technology, does not meet current treatment standards and is expensive to operate.

The second step, which is essential to achieving long term compliance, would require decommissioning Plant 3 and constructing a large pump station and force main to connect with existing sewer trunk lines in SMD 2 (Granite Bay). Some upsizing of pipes in the SMD 2 collection system would also be necessary as part of this project to accommodate the additional flow from SMD 3. The estimated cost to complete the SMD 3 Regional Sewer Project and purchase capacity in the Roseville treatment plant is \$17 million.

Annual revenue for SMD 3 averages \$900,000 per year. Annual operating expenses are approximately \$1,050,000, leaving a funding shortfall of \$150,000 per year. The District has reserves of \$252,293. Over the last few years, SMD 3 has received \$1,065,000 in CSA Revolving Fund Loans to cover operational and capital costs. These loans are still outstanding.

In order to improve the financial solvency of SMD 3, staff intends to make the following recommendation to the Placer County Board of Supervisors.

1. Forgive existing debt totaling \$1,065,000 owed by SMD 3 to the CSA Revolving Fund.
2. Provide approximately \$950,000 in contributions from the General Fund to construct the denitrification filter.
3. Provide additional contributions from the General Fund to backfill operating shortfalls through July 1, 2013. Estimated cost - \$320,000.
4. Continue seeking grant funds to build the SMD 3 Regional Sewer Project.
5. Increase fees charged to sewer customers by 6% for each of the next two years to insure coverage of ongoing costs to the District. This last step is critical to making the entire financial package viable.

• **SEWER MAINTENANCE SYSTEM 1, STEP SYSTEMS (Add Charges)**

The current charge for a single STEP service is **\$24.40** per month. The District proposes to increase this fee to **\$25.86** per month effective July 1, 2009. This increase is necessary because STEP systems have proven more susceptible to mechanical problems than previously anticipated.

• **SEWER MAINTENANCE SYSTEM 3, STEP SYSTEMS (Add Charges)**

The current charge for a single STEP service is **\$24.40** per month. The District proposes to increase this fee to **\$25.86** per month effective July 1, 2009, and to **\$27.42** per month effective July 1, 2010. This increase is necessary because STEP systems have proven more susceptible to mechanical problems than previously anticipated.

• **COUNTY SERVICE AREA 2A3 (Sunset)**

The current sewer service charge for a single unit of service is **\$29.52 per month**. The CSA proposes to increase this fee to **\$33.06 per month** effective July 1, 2009. This increase is necessary because: a) the City of Roseville has raised their fee for treating wastewater from the CSA; and b) new regulations are resulting in higher costs for operating the sewage collection system. Without this increase the CSA cannot continue to provide high quality service to our customers while remaining in compliance with State and Federal regulations.

- **COUNTY SERVICE AREA 6 (Sheridan Sewer & Water)**

The current charge for a single unit of sewer service is \$52.08 per month. The current charge for a single unit of water service is \$27.00 per month. The CSA proposes to implement a series of fee increases over a three year period as shown in the table below.

	<b>Current monthly fee</b>	<b>Proposed July 2009</b>	<b>Proposed July 2010</b>	<b>Proposed July 2011</b>
<b>Sewer</b>	\$ 52.08	\$ 64.58	\$ 77.50	\$ 89.12
<b>Water</b>	\$ 27.00	\$ 38.34	\$ 46.00	\$ 52.91
<b>Combined</b>	\$ 79.08	\$ 102.92	\$ 123.50	\$ 142.03

Due to limitations in the Sheridan wastewater and water systems, a moratorium on new sewer and water connections has been in effect since 1985. In addition, the CSA faces severe regulatory penalties if we do not complete projects that will expand our capacity to: a) store, treat and dispose of wastewater, and, b) provide peak day water demand if our main water well goes out of service for any reason.

Phase 1 of the wastewater project, which was completed at a cost of \$1,040,000, required building a new pond for the storage of treated water. This project was funded with a combination of Cemex Development Agreement fees (\$600,000), and loans from the County (\$440,000). Phase 2 is now underway, with the goal of expanding facilities for the disposal of treated water to pasture land. A grant of \$2,000,000 is available to complete Phase 2, provided that additional local matching funds totaling \$300,000 are obtained.

As conceived at this time, the Sheridan Water Supply and Distribution Project would cost \$950,000, with \$700,000 of grant funds and \$250,000 of matching funds needed. A promising grant funding opportunity has been identified with the United States Department of Agriculture (USDA), and the application process is underway. County staff is very hopeful that completion of this project, coupled with completion of the wastewater project, will allow the County to accept new connections to the water and sewer systems equivalent to at least 70 single family residences.

The USDA will not provide grant funds unless: a) outstanding loans are repaid; and b) long term financial stability is demonstrated by raising fees sufficiently to cover all operating costs. This is also a goal of Placer County, which has been loaning money to the CSA for several years. Current Operating Revenue (derived from user fees) is \$200,000 per year, while annual Operating Expenses are approximately \$370,000. Additionally, at least \$30,000 per year should be set aside for capital improvements, replacement and rehabilitation. The purpose of the recommended fee increases is to close this \$200,000 per year operating revenue shortfall.

The Placer County Board of Supervisors has committed to the following actions to assist the CSA in achieving regulatory compliance and attaining a stable financial standing:

1. Forgive existing debt totaling \$1,370,000 owed to the County Service Area Revolving Fund.
2. Contribute approximately \$550,000 from the General Fund to provide matching funds for the Sheridan Sprayfields Expansion Project and the Sheridan Water Supply and Distribution Project.
3. Provide contributions from the General Fund to bridge operating shortfalls anticipated through June 2011. If the recommended fee increases are put in place, this amount is estimated to be \$440,000.
4. Approve the recommended fee increases detailed above.

- **COUNTY SERVICE AREA 23 (Blue Canyon)**

The current sewer service charge for a single unit of service is **\$36.00** per month. The CSA proposes to increase this fee to **\$43.20** per month effective July 1, 2009, and **\$51.84** per month effective July 1, 2010. These increases are needed because the CSA must generate funds for repairs of the leachfield used by the community septic system. Our goal is to keep \$50,000 in reserve for this purpose; however, our current reserves total only \$20,000 and are not increasing. It is likely that we will need to replace the leachfield within the next two to four years. Without these fee increases the CSA will not have the resources available to replace the leachfield and remain in compliance with State and local regulations.

- **COUNTY SERVICE AREA 24 (Applegate)**

The current sewer service charge for a single unit of service is **\$77.06** per month. The County proposes to increase this fee to **\$82.00** per month effective July 1, 2009. This increase is necessary because Applegate Sewer is a small CSA whose operating costs consistently exceed revenues due to difficult regulatory compliance challenges.

The Applegate Sewer CSA consists of a wastewater collection system and treatment facility serving 27 connections. The wastewater treatment plant was constructed in 1975 and consists of three unlined storage ponds. The ponds are located over rocky soil in an area with high groundwater and spring activity. During the winters of 1995-2000 and 2005, the ponds were unable to contain the incoming wastewater and rainwater and consequently discharged treated wastewater to an adjacent creek. These discharges were violations of the treatment plant permit issued by the Central Valley Regional Water Quality Control Board (CVRWQCB). The CVRWQCB has issued several enforcement actions in response to these discharges.

On October 10, 2006, the County signed an agreement with the CVRWQCB that established the terms and conditions for settlement of the enforcement actions. These terms included the construction of a pipeline to convey flows from Applegate to the Sewer Maintenance District 1 (SMD 1) collection system. Until this is complete, all wastewater discharged in the district must be stored and trucked to the SMD 1 collection system. Consultants for the CSA have recently completed a pre-design report for the pipeline and have begun the environmental review process.

Annual revenue for the Applegate Sewer CSA averages \$35,000 per year. Annual operating expenses are approximately \$200,000 per year, leaving a funding shortfall of \$165,000 per year. The District has no reserves. Over the last few years, Applegate Sewer has received \$1,348,000 in CSA Revolving Fund Loans to cover operational and capital costs. These loans are still outstanding.

In order to improve the financial solvency of the Applegate Sewer CSA and move forward with the pipeline construction project, staff intends to make the following recommendation to the Placer County Board of Supervisors.

1. Forgive existing debt totaling \$1,348,000 owed by the Applegate Sewer CSA to the CSA Revolving Fund.
2. Provide approximately \$3,900,000 in contributions from the General Fund to begin construction of the pipeline and lift station to convey wastewater to the SMD 1 system.
3. Provide additional contributions from the General Fund to backfill operating shortfalls through July 1, 2013. Estimated cost - \$300,000.
4. Increase fees charged to Applegate sewer customers as outlined above.

• **COUNTY SERVICE AREA 55 (Livoti)**

The current charge for a single unit of sewer service is **\$35.05** per month. The CSA proposes to increase this fee to **\$36.80** per month effective July 1, 2009, and **\$38.64** per month effective July 1, 2010. These increases are necessary because the CSA has incurred higher costs due to new regulatory requirements and higher fees charged by the City of Sacramento and the City of Roseville for treating wastewater collected from this CSA. Without these increases the CSA cannot continue to provide high quality service without drawing down reserves to levels that could leave the CSA unable to meet operating costs if faced with unexpected expenses.

## SEWER INFRASTRUCTURE FINANCING COMMITTEE REPORT

## SEWER MAINTENANCE DISTRICT 3 (SMD 3)

District Profile

➤ Service Area	Folsom Lake / Horseshoe Bar Area
➤ Miles of Collection Pipe	16.7
➤ Number of Lift Stations	3
➤ Treatment Plant	SMD 3 Wastewater Treatment Plant (WWTP)
➤ Current Users	615 EDUs
➤ Build Out Users	1,400 EDUs
➤ Current Fees	\$99.45 monthly Sewer O&M per EDU
➤ Annual Revenue from Fees	\$740,000
➤ Annual Revenue from taxes	\$103,000
➤ Annual O&M Expenses	\$1,150,000

Background

SMD 3 provides the Folsom Lake / Horseshoe Bar area with sewage collection and treatment for approximately 600 connections. Placer County staff manages the District.

SMD 3 is a small and financially challenged District which did not grow as quickly as expected. In order to comply with State and Federal regulations that are impacting sewer districts throughout California, the District must build expensive capital improvements. In addition, new permit requirements are driving up operating costs such as labor, lab testing, electrical power and chemical use.

The wastewater treatment plant for this District, Plant 3, is at approximately one-third of its capacity during dry weather flows. However, it has a high peaking factor during wet weather, indicating leaks into the sewer collection system from inflow and infiltration (I&I). Identifying and repairing these sources of I&I is a regulatory and practical requirement for the District.

The WWTP was built in 1961 and has, except for the addition of chlorination and dechlorination capabilities, used the same equipment and processes since 1963. The WWTP consists of a primary clarifier, trickling filter, secondary clarifier, final clarifier, chemical feed system, sand filtration, chlorination and dechlorination. The treated wastewater is discharged into Miners Ravine, which is a tributary to Dry Creek, the Natomas East Main Drainage Canal, Bannon Sough and the Sacramento River.

On June 22, 2007 the Central Valley Regional Water Quality Control Board adopted a new permit for Plant 3, with many new effluent limitations that phase in over the 5 year life of the permit. The Board also adopted a Cease and Desist Order (CDO) requiring compliance with nitrate effluent limitations by June 22, 2011.

Staff is attempting to achieve compliance with nitrate limitations by adding a new treatment process called a denitrification filter. However, due to the age of Plant 3 it is doubtful that it could be modified to achieve all the effluent limitations contained in the current permit.

Over the last few years, SMD 3 has received financial assistance to cover operational and capital costs. These are detailed below:

<b>Fiscal Year</b>	<b>Source</b>	<b>Amount in Dollars</b>
2006/07	CSA Revolving Fund Loan	210,000
2007/08	CSA Revolving Fund Loan	855,000
	<b>Outstanding Loan Balance To Date</b>	<b>1,065,000</b>

The District has current reserves of \$252,293. Connection fees are the source of these reserves, so they can only be used for projects that expand capacity within the collection or treatment system.

### Goals

1. Achieve financial self-sufficiency by July 1, 2013.
2. Achieve compliance with all regulatory requirements.

Achieving financial self-sufficiency will require funding of needed capital projects from outside sources, forgiveness of previous loans from the CSA Revolving Fund, additional funding to cover operating losses through 2013, additional fee increases and continued expansion of the District to enlarge the customer base.

The plan to meet regulatory requirements involves two steps. The first step is installation of the denitrification filter to resolve the Cease and Desist Order. However, this is only a short-term solution as Plant 3 is old, uses outdated technology, does not

meet current treatment standards and is expensive to operate. It is not expected that the current plant can be brought up to the necessary treatment levels.

The second step is to either build a new treatment plant or dismantle Plant 3 and send all flows to a treatment plant in Roseville. The County contracted with a consultant to perform a cost comparison of these two options and determined that the lowest overall cost would result from regionalization. In January 2008, the Board of Supervisors directed staff to proceed with design and environmental review of the regionalization option.

As currently envisioned, the SMD 3 Regional Sewer Project would require decommissioning of Plant 3 and construction of a large pump station and force main to connect with sewer trunk lines in SMD 2 (Granite Bay). Some upsizing of pipes in the SMD 2 collection system would also be necessary as part of this project to accommodate the additional flow from SMD 3. Although the force main and other downstream improvements will be sized to accommodate the General Plan build out of approximately 1,500 EDUs, this project would still leave capacity restrictions in some trunk line segments in SMD 2. Additional pipe upsizing would be necessary if and when sewer system capacity in excess of 1,150 EDUs is needed.

Goal 2 will be achieved when the SMD 3 Regional Sewer Project is complete and sewage from SMD 3 is flowing to the treatment plant in Roseville.

**Funding Needs**

Current operating revenue from Maintenance and Operations Fees is \$740,000 per year. Additional sources of revenue for SMD 3 include:

- Secured Property Taxes \$100,000 / year
- Sewer Connection Fees variable – specific purpose
- Other (Annexations Fees, etc.) variable

A reliable estimate of annual revenue for SMD 3 is \$900,000 per year. Annual operating expenses are approximately \$1,050,000, not including interest on loans (which has not been assessed to date), leaving a funding shortfall of \$150,000 per year.

The cost to complete the denitrification filtration system is estimated to be \$950,000.

The cost to complete the SMD 3 Regional Sewer Project and purchase capacity in the Roseville treatment plant is estimated at \$17.5 million. Congress has authorized \$5 million in federal funding for this project, but only \$1,000,000 has been appropriated to date. The County is hopeful Congress will appropriate the entire \$5 million – or perhaps a larger amount as part of an economic stimulus package - in the future.

**Proposed Solution**

It is recommended that the County take the following actions:

1. Forgive existing debt totaling \$1,065,000 owed to the County Service Area Revolving Fund.
2. Provide approximately \$950,000 in contributions from the General Fund to construct the denitrification filter.
3. Provide additional contributions from the General Fund to backfill operating shortfalls through July 1, 2013. Estimated cost - \$320,000.
4. Increase fees charged to sewer customers sufficiently to insure coverage of ongoing costs to the District. A 6% increase is proposed for each of the next three years. These increases will raise the monthly cost of sewer service from \$99.43 to \$118.42.
5. Continue to seek outside funding for the SMD 3 Regional Sewer Project. Approximately \$16 million in additional funding is needed.

Financial projections for the Operating Budget, the SMD 3 Regional Sewer Project and the Denitrification Filter Project are attached.

**Action Needed**

1. Staff will continue exploring grant opportunities.
2. County staff will conduct a public outreach effort to educate the residents of SMD 3 regarding the need for the proposed fee increases. This will include direct mail to each customer and appearances at the Horseshoe Bar MAC. We can expect significant concern from the residents.
3. Design of the Denitrification Filter Project is underway. It is expected that this project will be categorically exempt from environmental review. Construction is expected to begin in the fall of 2009.
4. Planning and pre-design of the SMD 3 Regional Sewer Project is underway. Construction is expected to begin in fiscal year 2011/12, assuming additional funding is located.

## SEWER INFRASTRUCTURE FINANCING COMMITTEE REPORT

## SHERIDAN SEWER, WATER AND LIGHTING DISTRICT

## CSA 28, ZONE 6

January 13, 2009 Update

District Profile

➤ Service Area	Sheridan
➤ Miles of Collection Pipe	3
➤ Number of Lift Stations	1
➤ Treatment Plant	Sheridan Treatment Plant
➤ Current Users	209 edus
➤ Build Out Users	308 edus
➤ Current Fees	\$52.08 Monthly Sewer O&M Fee \$27.00 Monthly Water O&M Fee
➤ Annual Revenue from Fees	\$200,000 / year
➤ Annual O&M Expenses	\$370,000 / year

Background

CSA 28, Zone 6, provides the community of Sheridan with sewage collection and treatment, domestic water service and street lighting service for approximately 200 connections. Placer County staff manages the CSA.

This is a very small and financially challenged CSA that must build expensive capital improvements in order to comply with State and Federal regulations that are impacting sewer and water districts throughout California. In addition, new permit requirements are driving up operating costs such as labor, lab testing, electrical power and chemical use.

Prior to 2007, wastewater in Sheridan was treated and stored in a series of three ponds, and disposed of through evaporation, percolation, and spray irrigation to nearby pasturelands during the dry season. During wet winters, when spray irrigation is not permitted, wastewater flows have exceeded the storage capacity of the ponds, and the facility has been compelled to discharge to surface waters. This discharge to surface water was previously permitted under an NPDES

permit. However, the wastewater treatment plant (WWTP) was not designed to meet the effluent limitations contained in the permit and was issued a Cease and Desist Order (CDO) by the State of California requiring compliance with more stringent surface water discharge requirements by December 30, 2006. The surface water permit was recently rescinded along with the CDO so any future surface water discharge will be considered an unpermitted discharge to surface waters and result in fines.

Staff is attempting to achieve regulatory compliance in the CSA wastewater system by constructing new capital improvements and changing operating procedures. Over the last three years the CSA has completed construction of a new pond that provides storage of treated sewage effluent. It has also commenced design and substantially completed environmental review for the second phase of the sewer compliance project: purchase of land and construction of various improvements needed to expand the fields used to dispose of the treated wastewater. This second phase is known as the Sheridan Sprayfields Expansion Project.

To allow new utility connections in Sheridan, the CSA must also expand the water supply and distribution system. As conceived at this time, the Sheridan Water Supply and Distribution Project would cost \$950,000 and would require \$250,000 of the matching funds. The project would consist of: 1) constructing a new water well with pump, chlorination building, storage tank and associated piping; 2) increasing the capacity of an existing well and providing standby power; and 3) adding 41 isolation valves to the water distribution system.

The Sheridan CSA has received financial assistance to cover operational and capital costs for several years. These are detailed below:

<b>Fiscal Year</b>	<b>Source</b>	<b>Amount in dollars</b>
1998/99	Special Districts (loan)	60,000
2003/04	CSA Revolving Loan Fund	75,000
2005/06	CSA Revolving Loan Fund	220,000
2006/07	CSA Revolving Loan Fund	1,135,000
2007/08	CSA Revolving Loan Fund	540,000
	<b>Total Loans</b>	<b>2,030,000</b>
2007/08	Repayment from Cemex Development Agreement to CSA RLF	(600,000)
	<b>Outstanding Loan Balance</b>	<b>1,430,000</b>
2008/09	County General Fund Contribution	280,000

**Goals**

1. Achieve financial self-sufficiency by July 1, 2011.
2. Remove the moratorium on new connections to the sewer and water systems.
3. Achieve compliance with all regulatory requirements.

Capacity for 70 additional Equivalent Dwelling Units (EDUs) of sewer and water service, which equates to 70 single family residences, should be available upon completion of the Sheridan Sprayfields Expansion Project and the Sheridan Water Supply and Distribution Project. Bringing new connections into the system would help the financial status of the CSA through collection of connection fees and by broadening the customer base.

**Funding Needs**

Current Operating Revenue (derived from user fees) is \$200,000 per year, while annual Operating Expenses are approximately \$370,000. At least \$30,000 per year should be set aside for capital improvements, replacement and rehabilitation. Therefore, Operating Revenue needs to increase by 100% over the next three years in order to meet Goal #1.

On January 6, 2009, the State of California Water Resources Control Board awarded a grant of up to \$1,937,571 to complete the Sheridan Sprayfields Expansion Project. Additional matching funds of \$140,000 are needed from the County.

A grant of up to \$700,000 may be available from the United States Department of Agriculture (USDA) to assist with funding the Sheridan Water Supply and Distribution Project. Matching requirements for this grant are likely not to exceed \$250,000.

**Proposed Solution**

It is recommended that the County take the following actions:

1. Forgive existing debt totaling \$1,370,000 owed to the County Service Area Revolving Fund.
2. To complete the Sheridan Sprayfields Expansion Project, provide approximately \$300,000 in contributions from the General Fund in Fiscal Year 2008/09 to supplement the Small Communities Wastewater Grant of \$1,937,571. The County has already provided \$160,000 this Fiscal Year, so an additional contribution of \$140,000 is needed.
3. Apply for a grant from the United States Department of Agriculture for the Sheridan Water Supply and Distribution Project, and provide approximately

\$250,000 in contributions from the General Fund in Fiscal Year 2008/09 as matching funds.

4. Provide contributions from the General Fund to bridge operating shortfalls anticipated from April 2009 through June 2011. If the recommended fee increases are put into place, this amount is estimated to be \$440,000.
5. Increase fees charged to sewer and water customers sufficiently to insure coverage of ongoing costs to the CSA. These increases must be fully in place by the time any grant funds are needed. Increases are proposed for the next three years as follows: effective July 1, 2009, 30% increase; July 1, 2010, 20% increase; July 1, 2011, 15% increase. These increases will raise the combined monthly cost of sewer and water service from \$79.08 to \$141.87.

Financial projections for the Operating Budget, the Sheridan Water Supply and Distribution Project, and the Sheridan Sprayfields Expansion Project (assuming all recommended actions are followed) are attached.

**Action needed**

1. Although the Board of Supervisors indicated their support for the proposed sewer solution on December 9, 2008, they are not scheduled to take action on the entire plan until they are assured of grant funding (this happened on 1-6-09) and have had an opportunity for appropriate public notice and a public hearing on the proposed fee increases. This is expected to take place at the May 12, 2009, BOS meeting.
2. County staff will conduct a public outreach effort to educate the residents of Sheridan regarding the need for the proposed fee increases. This will include direct mail to each customer and appearances at the Sheridan MAC. We can expect significant concern from the residents.
3. Design of the Sheridan Sprayfields Expansion Project is underway. Environmental review is almost complete. Construction is expected to begin in late spring of 2009.
4. Staff will request Board approval to submit the USDA application on January 27<sup>th</sup>. If approved, we will enter into contracts with environmental and engineering consultants to complete the application process.

## SEWER INFRASTRUCTURE FINANCING COMMITTEE REPORT

## SEWER MAINTENANCE DISTRICT 1 (SMD 1)

District Profile

➤ Service Area	North Auburn/Bowman/Christian Valley
➤ Miles of Collection Pipe	102
➤ Number of Lift Stations	21
➤ Treatment Plant	Plant 1, located on Joeger Road
➤ Current Users	7,818 EDUs
➤ Build Out Users	17,150 EDUs
➤ Current M&O Fees	\$67.84/month/EDU
➤ Annual Revenue from Fees	\$6,400,000 / year
➤ Annual O&M Expenses	\$6,100,000 / year

Background

SMD 1 provides the North Auburn, Christian Valley and Bowman areas with sewage collection and treatment. SMD 1 currently serves 7,818 Equivalent Dwelling Units (EDUs), of which 2,586 are for commercial establishments. Placer County staff manages the District.

SMD 1 has a relatively small number of customers when compared to Roseville, Lincoln or Sacramento, but is spread out over a large area. The ratio of EDUs per mile of pipe equals 77 in SMD 1, as compared to the City of Roseville at 112, and the South Placer Municipal Utility District at 121. Because SMD 1 is also located in an area of rolling hills, it has an unusually high number of pump stations (21) for a district serving 7,800 EDUs. Pump stations require maintenance 2-3 times per week and significantly add to power and chemical costs incurred by the District.

The waste water treatment plant serving SMD 1, known as Plant 1, is located on Joeger Road near the confluence of Rock Creek and Dry Creek. The treated wastewater from Plant 1 is discharged into Rock Creek, which flows into Dry Creek, then Coon Creek.

Plant 1 was constructed in 1961. It uses biological and filtration processes that cannot meet the requirements of the permit approved by the Central Valley Regional Water

Quality Control Board (CVRWQCB) in June 2005. Through the terms of this permit and an accompanying Cease and Desist Order, the District must meet specific deadlines for coming into compliance with each new standard. Failure to achieve compliance with the new discharge standards will result in additional enforcement action from the CVRWQCB, including the assessment of penalties that could total several hundred thousand dollars per year. Plant 1 is also approaching its capacity to treat both wet and dry weather flows.

SMD 1 has a high peaking factor during wet weather, indicating leaks into the sewer collection system from inflow and infiltration (I&I). Identifying and repairing these sources of I&I is a regulatory requirement for the District because the State has recently adopted strict requirements for inspecting, categorizing and repairing pipe defects and inflow sources. Reduction of I&I will decrease wet weather flows which will reduce treatment costs and the potential for sewage overflows.

**Goals**

1. Comply with the permit requirements for Plant 1 and avoid future fines.
2. Comply with new regulatory requirements for the sewage collection system.
3. While upgrading treatment and collection infrastructure, provide additional capacity needed to serve new development within the limits identified in the Auburn Bowman Community Plan and the Placer County General Plan.
4. Obtain funds necessary to achieve 1, 2 and 3 above.

Two alternatives exist for bringing Plant 1 into compliance with its permit requirements:

1. Upgrade Plant 1 by constructing modern treatment processes on the existing site.
2. Regionalize the system by converting Plant 1 into a pump station and storage area (to provide flow equalization). Wastewater collected there would be conveyed via pipeline to a treatment plant owned by the City of Lincoln.

These two alternatives have been the subject of an extensive public outreach program and were discussed at the following public meetings:

Meeting Date	Venue
6-24-08	Board of Supervisors Workshop
11-17-08	Special Public Meeting
12-9-08	North Auburn Municipal Advisory Council
1-13-09	Board of Supervisors Workshop
1-13-09	North Auburn Municipal Advisory Council

On January 13, 2009, the North Auburn MAC voted to support the upgrade of Plant 1 as the preferred option for achieving regulatory compliance. According to a poll taken in November 2008, seventy-five percent of SMD 1 customers also prefer this approach. Although the Board of Supervisors has not yet made a final decision regarding these two options, they did take action on March 10, 2009, to proceed with pre-design of the

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plant upgrade option while exploring funding alternatives for the Regional Sewer Project.

The District has also embarked on an ambitious program to inspect and repair I&I sources. The program includes smoke testing, Closed Circuit TV inspections, manhole lining, pipe lining and replacement of severely damaged pipes and STEP tanks.

### **Funding Needs**

Current operating revenue from Maintenance and Operations Fees is \$6.4 million per year. Additional sources of revenue for SMD 1 include:

- Interest - \$372,000 in FY 08-09, but trending downward due to reduced returns on investment. Interest will be substantially less as we draw down reserves to complete capital projects.
- Sewer Connection Fees - \$390,000 in FY 08-09, but trending downward very quickly due to reduced development activity. Connection fees are put into reserve and can only be used for expanding system capacity.
- Other (Annexations Fees, etc.) - \$90,000 in FY 08-09.

The District has the following reserve account balances:

- General Reserve - \$1,581,587
- Plant Improvements - \$6,891,379

Annual operating expenses are approximately \$6.1 million (which includes \$600,000 for collection system I&I programs), leaving a reliable surplus of approximately \$600,000 per year that can be applied toward capital projects. In FY 08-09 we expect to spend \$1,560,000 on capital projects in SMD 1. Another \$5.5 million is needed in FY 09-10.

The cost to complete the Plant 1 Upgrade Project is currently estimated at \$87 million. The Regional Sewer Project capital cost is estimated at \$141 million. These figures are very preliminary because we do not yet have a design. It is clear, however, that substantial fee increases will be needed to fund either project.

### **Proposed Solution**

It is recommended that the County take the following actions:

1. Continue working on the design of the Plant 1 Upgrade Project.
2. Continue to seek outside funding for the SMD 1 Regional Sewer Project. Approximately \$40 million in additional funding is needed to reduce this project's cost to the same level as the Upgrade Project.
3. When the federal funding situation becomes clear, the Board of Supervisors should choose which of the two projects to pursue further.
4. Increase M&O fees charged to sewer customers sufficiently to provide funding for engineering, environmental and financial consultants needed to proceed with

whichever treatment plant project is selected by the Board of Supervisors. An increase of \$14.16/EDU/month to \$82.00/EDU/month is proposed for July 2009. This will increase annual revenue by \$1.3 million per year.

5. A second major fee increase will be needed to repay debt incurred to construct the necessary capital improvements. County staff will bring forward the second recommendation when the design is complete and financing costs are known. This increase will likely be needed in 2010 or 2011.

**SEWER INFRASTRUCTURE FINANCING COMMITTEE REPORT  
COUNTY SERVICE AREA (CSA) 28, ZONE 24 - APPLGATE**

**District Profile**

➤ Service Area	Applegate
➤ Miles of Collection Pipe	2.0
➤ Number of Lift Stations	1
➤ Treatment Plant	Applegate Wastewater Treatment Plant (WWTP)
➤ Current Users	37.2 EDUs
➤ Build Out Users	Unknown
➤ Current Fees	\$77.06 monthly Sewer O&M per EDU
➤ Annual Revenue from Fees	\$34,000 / year
➤ Annual M&O Expenses	\$190,000 / year

**Background**

The Applegate WWTP provides the Applegate area with sewage collection and treatment for approximately 28 connections. Placer County staff manages the CSA.

Applegate is an extremely small and financially challenged CSA. There are not enough users to support the annual cost of treatment at any reasonable monthly rate. Additionally, there is a moratorium on new connections, so the user base cannot be expanded under the existing conditions.

The WWTP was constructed in 1974. It is comprised of a domestic wastewater collection system and three evaporation and percolation ponds. Wastewater is transported from the Applegate community southwest to a siphon that goes under the Union Pacific Railroad tracks and discharges into the bottom of the first stabilization pond. The ponds are each approximately 1 acre in size and six feet deep. Pond 1 is the primary settling pond and Pond 2 is the secondary settling pond. The water from Pond 2 is pumped and disinfected into Pond 3, where it percolates and evaporates. Pursuant to the Waste Discharge Requirements (WDRs) imposed by the California Regional Water Quality Control Board – Central Valley Region (CRWQCB), Applegate is prohibited from discharging into the surface waters.

For the last three years the County has emptied the ponds from September to May and

## EXHIBIT C

trucked all of the raw sewage from the Applegate collection system to the SMD 1 collection system in north Auburn, at an annual cost of approximately \$55,000. This action is necessary in order to avoid discharge of treated effluent from the ponds into adjacent surface waters during extreme rain events. This is not a sustainable method of dealing with sewage as it is extremely costly.

The County has determined that the most feasible long-term solution to meeting current regulatory requirements for treating wastewater is the Applegate Regional Sewer Project. This Project consists of closing and remediating the Applegate WWTP, constructing new septic tank effluent pump systems for parcels that cannot flow by gravity into the new line, and building a lift station and pipeline to convey wastewater to the SMD 1 collection system for treatment at Plant 1 in north Auburn.

Over the last several years, Applegate has received financial assistance to cover operational and capital costs. These are detailed below:

<b>Fiscal Year</b>	<b>Source</b>	<b>Amount in Dollars</b>
2001/02	CSA Revolving Fund Loan	73,000
2002/03	CSA Revolving Fund Loan	150,000
2003/04	CSA Revolving Fund Loan	85,000
2004/05	CSA Revolving Fund Loan	50,000
2005/06	CSA Revolving Fund Loan	125,000
2006/07	CSA Revolving Fund Loan	165,000
2007/08	CSA Revolving Fund Loan	700,000
	<b>Outstanding Loan Balance To Date</b>	<b>1,348,000</b>

### Goals

1. Comply with the terms of a Settlement Agreement entered into with the CVRWQCB by closing the Applegate WWTP and building a pipeline to convey wastewater from Applegate to the SMD 1 collection system.
2. Obtain funds necessary to achieve #1 above.

Preliminary engineering has determined that the most cost effective route to connect Applegate to the SMD 1 system would be through the Winchester Subdivision. This requires construction of approximately 3.5 miles of pipeline and one or two pump stations. The proposed alignment would parallel I-80 on the east side from Applegate to approximately Clipper Gap. It would then cross the freeway and run northwest along Placer Hills Road to Winchester Club Drive where it would connect to the existing SMD 1 collection system. The pipeline would be sized to handle the existing wastewater flows from the Applegate sewer service area. Any additional capacity in the pipeline would be available to existing or future development. However, no specific developments are planned to be served.

Construction of a pump station requires excavation for a wet well, an emergency storage tank, and installation of a power pole and a transformer. Decommissioning the existing

WWTP requires the removal of the existing structures and tank. The ponds would have to be drained, filled and graded.

Some of the existing parcels will require installation of a septic tank effluent pump system, as they will not be able to flow by gravity into the new pipeline. The STEP systems remove solids prior to pumping and reduce maintenance issues along the pipeline.

Construction of the pipeline, closure of the ponds and transfer of waste processing to the SMD 1 WWTP will require funding from outside sources, forgiveness of previous loans from the CSA Revolving Fund, and additional funding to cover operating losses and construction costs through project completion.

### **Funding Needs**

Current operating revenue from Maintenance and Operations Fees is \$34,000 per year. Annual operating expenses for the Applegate WWTP are approximately \$190,000, not including interest on loans (which has not been assessed to date), leaving a funding shortfall of \$156,000 per year.

The cost to complete the Applegate Regionalization Project is estimated to be \$6.6 million. There is currently \$2.2 million available from federal grant funds. It is anticipated that the \$4.4 million remainder might be contributed by the Placer County General Fund, although it would be preferable to obtain additional grant funding. M&O fees will not be available for this project.

### **Proposed Solution**

It is recommended that the County take the following actions:

1. Forgive existing debt totaling \$1,348,000 owed to the County Service Area Revolving Fund.
2. Provide approximately \$4.4 million in contributions from the General Fund toward the construction of the Applegate Regionalization Project.
3. Provide additional contributions from the General Fund to backfill operating shortfalls through project completion. Estimated cost - \$300,000.
4. Increase operations and maintenance fees to achieve parity with SMD 1. This increase would raise the monthly cost of sewer service from \$77.06 to \$82.00.
5. Proceed with design and environmental review of the Applegate Regionalization Project.
6. Continue to seek outside funding for the Applegate Regionalization Project.

**EXHIBIT D**

**Projected Revenue Increases From  
Proposed Maintenance & Operations Fee Increases**

<b>District</b>	<b>09-10</b>	<b>10-11</b>	<b>11-12</b>
	<b>% fee inc revenue inc</b>	<b>% fee inc revenue inc</b>	<b>% fee inc revenue inc</b>
SMD 1 (N. Auburn)	20.9% \$ 1,342,745		
SMD 2 (Granite Bay)	none \$ -		
SMD 3 (Auburn Folsom Rd)	6.0% \$ 44,314	6.0% \$ 47,125	
STEP Systems (add charge)	6.0% \$ 7,906	6.0% \$ 8,380	
CSA 2A3 (Sunset)	12.0% \$ 50,203		
CSA 6 (Sheridan Sewer)	24.0% \$ 31,348	20.0% \$ 34,718	15.0% \$ 32,641
CSA 6 (Sheridan Water)	42.0% \$ 28,441	20.0% \$ 20,585	15.0% \$ 19,428
CSA 23 (Blue Canyon)	20.0% \$ 2,160	20.0% \$ 2,592	
CSA 24 (Applegate)	6.4% \$ 2,193		
CSA 55 (Livoti)	5.0% \$ 4,895	5.0% \$ 5,140	
CSA 173 (Dry Creek)	none \$ -		

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# BEFORE THE BOARD OF SUPERVISORS COUNTY OF PLACER, STATE OF CALIFORNIA

In the matter of: AN ORDINANCE AMENDING  
SECTION 13.12.350 AND 13.12.380 OF CHAPTER 13  
OF THE PLACER COUNTY CODE RELATING TO  
CHARGES AND FEES FOR PLACER COUNTY  
SEWER MAINTENANCE DISTRICTS AND  
COUNTY SERVICE AREAS

Ord. No. \_\_\_\_\_

The following Ordinance was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held, \_\_\_\_\_ by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

\_\_\_\_\_  
Chairperson, Board of Supervisors

Attest:  
Clerk of the Board

\_\_\_\_\_  
Ann Holman

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## THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, DOES HEREBY ORDAIN THAT:

Section 1: Section 13.12.350 of Chapter 13 of the Placer County Code is hereby amended to read as follows:

### 13.12.350 Fee schedules.

- A. Sewer Maintenance District No. 1. The following schedule of charges and fees shall apply to property within Placer County sewer maintenance district No. 1 and are based upon a flow rate of one equivalent dwelling unit (EDU). Calculation of a charge and fee for a use that is billed at a rate other than one equivalent dwelling unit shall be based upon the schedules set forth in subsections E and F of Section 13.12.240.

Sewer service charge	= <del>\$67.84</del> <b>\$82.00</b> per month per EDU.
Annexation fee	= \$5,500.00 per acre.
Sewer connection fee	= \$7,170.00 per EDU.

- B. Sewer Maintenance District No. 2. The following schedule of charges and fees shall apply to property within Placer County sewer maintenance district No. 2 and are based upon a flow rate of one equivalent dwelling unit (EDU). Calculation of a charge and fee for a use that is billed at a rate other than one equivalent dwelling unit shall be based upon the schedule set forth in subsection H of Section 13.12.240.

Sewer service charge	= \$48.12 per month per EDU.
Annexation fee	= \$1,500.00 per acre.
Sewer connection fee	= \$7,505.00 per EDU.

- C. Sewer Maintenance District No. 3. The following schedule of charges and fees shall apply to property within Placer County sewer maintenance district No. 3 and are based upon a flow rate of one equivalent dwelling unit (EDU). Calculation of a charge and fee for a use that is billed at a rate other than one equivalent dwelling unit shall be based upon the schedule set forth in subsections E and F of Section 13.12.240.

Sewer service charge	= <del>\$99.43</del> <b>\$105.40</b> per month per EDU. = <del>\$405.50</del> <b>\$111.72</b> per month per EDU.
<b>Effective July 1, 2009</b>	
<b>Effective July 1, 2010</b>	
Annexation fee	= \$3,850.00 per acre.
Sewer connection fee	= \$7,505.00 per EDU.

- D. County Service Area No. 28, Zone No. 2, A3 (Sunset). The following schedule of charges and fees shall apply to property within county service area No. 28, Zone 2, A3 and are based upon a flow rate of one equivalent dwelling unit (EDU). Calculation of a charge and fee for a use that is billed at a rate other than one equivalent dwelling unit shall be based upon the schedule set forth in subsection H of Section 13.12.240.

Sewer service charge	= <del>\$29.52</del> <b>\$33.06</b> per month per EDU.
Annexation fee	= \$168.00 per acre.
Sewer connection fee	= \$7,505.00 per EDU.

- E. County Service Area No. 28, Zone No. 6 (Sheridan). The following schedule of charges and fees shall apply to property within county service area No. 28, Zone 6 and are based upon a flow rate of one equivalent dwelling unit (EDU). Calculation of a charge and fee for a use that is billed at a rate other than one equivalent dwelling unit shall be based upon the schedule set forth in subsections E and F of Section 13.12.240.

Sewer service charge	= <del>\$52.08</del> <b>\$64.58</b> per month per EDU. = <del>\$64.58</del> <b>\$77.50</b> per month per EDU. = <del>\$77.50</del> <b>\$89.12</b> per month per EDU.
<b>Effective July 1, 2009</b>	
<b>Effective July 1, 2010</b>	
<b>Effective July 1, 2011</b>	
Sewer connection fee	= \$1,700.00 per EDU.
Water service charge	= <del>\$27.00</del> <b>\$38.34</b> per month per EDU. = <del>\$38.34</del> <b>\$46.00</b> per month per EDU. = <del>\$46.00</del> <b>\$52.91</b> per month per EDU.
<b>Effective July 1, 2009</b>	
<b>Effective July 1, 2010</b>	
<b>Effective July 1, 2011</b>	

F. County Service Area No. 28, Zone No. 23 (Blue Canyon). The following schedule of charges and fees shall apply to property within county service area No. 28, Zone 23 and are based upon a flow rate of one equivalent dwelling unit (EDU). Calculation of a charge and fee for a use that is billed at a rate other than one equivalent dwelling unit shall be based upon the schedule set forth in subsections E and H of Section 13.12.240.

Sewer service charge	= \$36.00 <del>\$36.00</del> <b>\$43.20</b> per month per EDU.
<b>Effective July 1, 2009</b>	
<b>Effective July 1, 2010</b>	= \$43.20 <del>\$43.20</del> <b>\$51.84</b> per month per EDU.
Sewer connection fee	= \$3,820.00 per EDU.

G. County Service Area No. 28, Zone No. 24 (Applegate). The following schedule of charges and fees shall apply to property within county service area No. 28, Zone 24 and are based upon a flow rate of one equivalent dwelling unit (EDU). Calculation of a charge and fee for a use that is billed at a rate other than one equivalent dwelling unit shall be based upon the schedule set forth in subsection E and F of Section 13.12.240.

Sewer service charge	= <del>\$77.06</del> <b>\$82.00</b> per month per EDU.
Sewer connection fee	= \$1,500.00 per EDU.

H. County Service Area No. 28, Zone No. 55 (Livoti). The following schedule of charges and fees shall apply to property within county service area No. 28, Zone 55 and are based upon a flow rate of one equivalent dwelling unit (EDU). Calculation of a charge and fee for a use that is billed at a rate other than one equivalent dwelling unit shall be based upon the schedule set forth in subsection H of Section 13.12.240.

Sewer service charge	= <del>\$35.05</del> <b>\$36.80</b> per month per EDU.
<b>Effective July 1, 2009</b>	
<b>Effective July 1, 2010</b>	= <del>\$36.80</del> <b>\$38.64</b> per month per EDU.
Sewer connection fee	= \$10,600.00 per EDU.

I. County Service Area No. 28, Zone No. 173 (Dry Creek Sewers). The following schedule of charges and fees shall apply to property within county service area No. 28, Zone No. 173 and are based upon a flow rate of one equivalent dwelling unit (EDU). Calculation of a charge and fee for a use that is billed at a rate other than one equivalent dwelling unit shall be based upon the schedule set forth in subsection (H) of Section 13.12.240.

Sewer service charge	= \$38.14 per month per EDU.
Sewer connection fee	= \$7,505.00 per EDU.

J. Sewer connection fees charged pursuant to this section, as such fees may be changed from time to time shall be reduced by two hundred dollars (\$200.00) per EDU effective November 8, 2011. The purpose of this reduction is to sunset the "shop fee" component of sewer connection fees enacted on September 9, 2003. (Ord. 5387-B § 1, 2005; Ord. 5353-B (part), 2005; Ord 5302-B § 1, 2004; Ord. 5258-B § 1, 2003; Ord. 5248-B § 1, 2003; Ord. 5157-B, 2002; Ord. 5156-B, 2002; Ord. 5120-B § 1, 2001; Ord. 5116-B § 1, 2001; Ord. 5059-B § 27, 2000; Ord. 4965-B § 1, 1999; prior code § 18.50)

Section 2: Section 13.12.380 of Chapter 13 of the Placer County Code is hereby amended to read as follows:

**13.12.380 Septic tank effluent pump--STEP fee schedule.**

The following fees shall apply to all connections to county maintained STEP systems:

<b>SMD 1 STEP Service Charge</b>	= <del>\$24.40</del> <b>\$25.86</b> per month.
<b>SMD 2 STEP Service Charge</b>	= <b>\$24.40</b> per month.
<b>SMD 3 STEP Service Charge</b>	
<b>Effective July 1, 2009</b>	= <del>\$24.40</del> <b>\$25.86</b> per month.
<b>Effective July 1, 2010</b>	= <del>\$25.86</del> <b>\$27.42</b> per month.

The STEP service charge noted above shall be charged to a STEP connection user in addition to the standard sewer service charge for the district. (Ord. 5387-B § 4, 2005: Ord. 5248-B § 2, 2003: Ord. 5116-B § 2, 2001: Ord. 5059-B § 31, 2000

# Before the Board of Supervisors County of Placer, State of California

In the matter of: A RESOLUTION TO  
CONFIRM THE COUNTY SERVICE AREA  
FEE REPORT FOR 2009/2010 FOR CSA #28,  
ZONES 2-A3, 6, 23, 24, 55, 173 & 183

Resol. No: \_\_\_\_\_

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held \_\_\_\_\_, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

\_\_\_\_\_  
Chairperson, Board of Supervisors

Attest:

\_\_\_\_\_  
Clerk of said Board

**WHEREAS**, the County Service Area Fee Report for 2009/2010 has been prepared in accordance with Section 33.05 (b) of the Placer County Code, detailing the user fees necessary to provide the authorized sewer and/or water services for each parcel in County Service Area No. 28, Zone of Benefit Nos. 2-A3, 6, 23, 24, 55, 173 and 183 (the Report), and said Report is available for public review at the Clerk of the Board's Office and the Department of Facility Services, and

**WHEREAS**, notice of adoption of the Maintenance and Operation (M&O) fees as set forth in the Report has been given as required by law,

**NOW THEREFORE, BE IT HEREBY RESOLVED** by the Board of Supervisors of the County of Placer, State of California, as follows:

1. That the revenues derived from the M&O fees as set forth in the Report do not exceed the funds required to provide the sewer and/or water services.
2. That the revenues derived from the M&O fees as set forth in the Report shall only be used for providing sewer and/or water services, the purpose for which the fee is being imposed.

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3. That the amount of the fee does not exceed the proportional cost of providing sewer service to the parcel.
4. That the sewer services being funded by the M&O fee are actually being used by, or are immediately available for use by, the owner of each parcel.
5. That the sewer services provide a special benefit to the parcels.
6. That the County Service Area Fee Report for 2009/2010 as on file with the Clerk of the Board is hereby confirmed and adopted, and the Board does hereby authorize collection of the M&O fees on the County property tax roll as allowed by law.