

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

To: **BOARD OF SUPERVISORS**

Date: **AUGUST 24, 2010**

From: **JAMES DURFEE / WILL DICKINSON**

Subject: **FIVE YEAR EXTENSION FOR REIMBURSEMENT AGREEMENTS**

ACTION REQUESTED / RECOMMENDATION: Approve the attached Ordinance amending Section 13.12.230 C and E of the Placer County Code to:

1. Extend the period of reimbursement agreements from ten years to fifteen years.
2. Grant the Director of Facility Services authorization to extend reimbursement agreements in effect as of July 1, 2010 an additional five years, for a period not to exceed fifteen years.
3. Specify that the Director of Facility Services has authority to enter into reimbursement agreements when the total amount to be reimbursed is less than \$50,000.

BACKGROUND: Pursuant to Placer County Code, when a property owner builds sewer infrastructure which benefits other properties, the owner may be entitled to receive reimbursement from the benefitted properties for a proportional share of the construction costs. Reimbursement is made through fees collected by the County from the benefitted parcels served at the time they wish to connect to the sewer.

Reimbursement agreements have typically been limited to a ten year term. During normal economic times a ten year agreement has been sufficient to allow the property owner to recover a substantial portion of their cost. Due to the current economic situation, many owners have no potential for recovering their investment. This has created a hardship for owners and has substantially limited the potential for new privately financed sewer construction. To address this concern, staff recommends amending the Ordinance to allow a fifteen year reimbursement period for new agreements and extending the currently active ten year agreements for an additional five years.

It has been the Department's practice to only take reimbursement agreements that exceed \$50,000 to the Board for approval. Staff recommends codifying the authority of the Director of Facility Services to enter into reimbursement agreements which are less than \$50,000.

ENVIRONMENTAL CLEARANCE: This action is exempt from environmental review pursuant to the California Environmental Quality Act Guidelines Section 15061(b)(3).

FISCAL IMPACT: The recommended changes will result in slightly higher administrative costs for additional oversight of the agreements. This cost will be absorbed by the various sewer districts without difficulty. There will be no impact to the General Fund from these actions.

WD:KK:LM

ATTACHMENT: ORDINANCE

CC: COUNTY EXECUTIVE OFFICE

T:FAC\BSMEMOS2010\EE\REIMBURSEMENT AGREEMENT 5 YR EXTENSION

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

In the matter of: AN ORDINANCE AMENDING
SECTION 13.12.230 C AND E OF THE PLACER
COUNTY CODE RELATING TO REIMBURSEMENT
AGREEMENTS

Ord. No. _____
First Reading: _____

The following ORDINANCE was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, 2010, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chairman, Board of Supervisors

Clerk of said Board

THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, DOES HEREBY ORDAIN as follows:

Section 1: Section 13.12.230 of Article 13.12 of Chapter 13 of the Placer County Code is hereby amended to read as follows:

Section 13.12.230 Responsibility of the property owner for construction of collecting system sewer and other improvements—Reimbursement.

C. Any reimbursement agreement entered into pursuant to subsection B of this section shall specify that reimbursement shall be made solely from in-lieu fees collected by the county pursuant to Section 13.12.360(B)(2) to the extent the county is lawfully able to do so, and shall be without interest. Reimbursement may be limited by the county to those fees which are collected over the fifteen (15) ~~ten (10)~~ year period commencing on the date of execution of the reimbursement agreement. The Engineer shall have the authority to extend reimbursement agreements in effect as of July 1, 2010 by five (5) additional years, for a period not to exceed fifteen (15) years. The Engineer shall have authority to enter into reimbursement agreements when the total amount of reimbursement is less

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than Fifty Thousand Dollars (\$50,000.00). When the total amount of reimbursement is Fifty Thousand Dollars (\$50,000.00) or more, the reimbursement agreement shall be approved by the Board of Supervisors.

E. Any reimbursement agreement entered into pursuant to subsection D of this section shall specify that reimbursement shall be made solely from fees collected by the county pursuant to Section 13.12.360(C), to the extent the county is lawfully able to do so, and shall be without interest. Reimbursement may be limited by the county to those fees which are collected over the **fifteen (15)** ~~ten (10)~~ year period commencing on the date of execution of the reimbursement agreement. **The Engineer shall have the authority to extend reimbursement agreements in effect as of July 1, 2010 by five (5) additional years, for a period not to exceed fifteen (15) years. The Engineer shall have authority to enter into reimbursement agreements when the total amount of reimbursement is less than Fifty Thousand Dollars (\$50,000.00). When the total amount of reimbursement is Fifty Thousand Dollars (\$50,000.00) or more, the reimbursement agreement shall be approved by the Board of Supervisors.**

Section 2: This ordinance shall take effect and be in full force and effect thirty (30) days after its passage. The Clerk is directed to publish a summary of this ordinance within fifteen (15) days in accordance with Government Code Section 25124.

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