

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

To: **BOARD OF SUPERVISORS**

Date: **OCTOBER 24, 2006**

From: ~~JD~~ **JAMES DURFEE / WILL DICKINSON**

Subject: **SEWER ASSESSMENT DISTRICT 90 FEES**

ACTION REQUESTED/RECOMMENDATION: Adopt the attached Minute Order regarding the Sewer Assessment District 90 (SAD-90) fee applied to density increases which directs staff to: a) cease collection of the fee, b) freeze the reimbursement payment per lot at the current level, \$4,881, and c) terminate the reimbursement program when specific conditions are met.

BACKGROUND: In 1985-86, a large sewer interceptor was installed in the Granite Bay area. Sewer Assessment District-90 was formed to issue bonds for the local share of the funding for this project. District engineers, using the 1975 Loomis Basin General Plan as a guideline, developed an estimate of the potential development for each property, and used it as a basis for the assessment placed on each property. Some properties paid the assessment and connected to the sewer system, while other property owners were allowed to defer their assessment until they chose to connect. The assessment was \$800 per potential lot and was not inflated over time.

Beginning in 1989, the Board of Supervisors enacted a series of three Minute Orders that established a fee and reimbursement program to compensate property owners for changes in density caused by adoption of the Granite Bay Community Plan. The basic goal was to collect additional funds from property owners who were developing their property at a density higher than that on which their original sewer assessment was based, and to provide compensation to property owners for whom the reverse was true. Unlike the basic assessment, the compensating assessment was inflated at a rate equal to the bond interest rate (7.31%), and now equals \$4,881 per lot.

As of September 2006, the balance in the trust fund was \$272,678. Staff has determined that there is a potential need to reimburse up to \$93,000 in the near future, with very little potential need for reimbursement thereafter. Therefore, staff recommends discontinuing collection of the \$4,881 per lot fee. Staff also recommends holding the reimbursement rate constant at \$4,881 per lot, and terminating the reimbursement program entirely when any one of the following three conditions exists:

1. The trust fund is completely depleted; or
2. All properties that were potential reimbursement candidates have been developed; or
3. Upon reaching the date of January 1, 2010.

ENVIRONMENTAL CLEARANCE: Modification to the SAD-90 Assessment Refund Program is not a project as defined by CEQA and is not subject to environmental review.

FISCAL IMPACT: There will be no impact to SMD 2 from either the cessation of collection of funds, or from continuation of reimbursements under the SAD-90 Assessment Refund Program, as the funds are drawn from a trust and are not a liability of the district. SMD 2 could benefit from transfer of trust funds upon program cessation.

JD:WD:kk

cc: COUNTY EXECUTIVE OFFICE

ATTACHMENT: MINUTE ORDER

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MINUTE ORDER

PLACER COUNTY BOARD OF SUPERVISORS

2006-

During a regular meeting held Tuesday, October 24, 2006, the Placer County Board of Supervisors revoked Minute Orders 89-08, 95-03 and 97-02 pertaining to a reimbursement program for properties in Sewer Assessment District-90 (SAD-90), and recognized and affirmed the following:

SEWERS/SEWER ASSESSMENT DISTRICT-90/GRANITE BAY COMMUNITY PLAN

1. Commencing immediately, the Department of Facility Services shall cease collecting the additional SAD-90 fee applied to parcels developed with densities in excess of those anticipated by the original assessment.
2. Consistent with past practice, the Department is authorized to disburse funds which are currently held in trust to properties that have developed fewer lots than original assessment units, as evidenced by the filing of a final map on each subject property, at a rate of \$4,881 per lot not created.
3. The reimbursement rate of \$4,881 per lot not created shall be held constant until termination of the reimbursement program.
4. The reimbursement program shall terminate upon any of the following occurrences:
 - a) The trust fund is completely depleted; or
 - b) all properties that were potential reimbursement candidates have been developed; or
 - c) upon reaching the date of January 1, 2010.
5. Any funds remaining in trust upon termination of the reimbursement program shall be transferred to the General Reserve for SMD 2, to be used by the District as needed to support operations in SMD 2.
6. Compensation described in Item #2-4 above shall continue to be provided on a first-come, first-served basis.

AYES:

NOES:

Ann Holman,
Clerk of the Board of Supervisors