

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

To: **BOARD OF SUPERVISORS**

Date: **OCTOBER 11, 2011**

From: **JAMES DURFEE / WILL DICKINSON**

Subject: **TERMINATION OF FACILITY FEE AND ADJUSTMENT OF SEWER CONNECTION, ANNEXATION AND IN-LIEU FEES**

ACTION REQUESTED / RECOMMENDATION:

1. Conduct a Public Hearing to receive public comment concerning proposed adjustments to Connection Fees, Annexation Fees and In-Lieu Fees as described in the attached Ordinance.
2. Adopt the attached Ordinance deleting reference to the facility fee and adjusting the above-referenced fees.
3. Make a finding pursuant to Section 21080(b)(8), of the Public Resource Code, that the 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 collects various fees in conjunction with the operation of public sewer systems, including connection, annexation and in-lieu fees. These fees were last adjusted in August 2009 to reflect costs as of June of that year. In order to account for inflation, Section 13.12.270 of the County Code requires adjusting these fees in accordance with the Construction Code Index produced in the Engineering News Record. This index increased by 6.4% from July 2009 to September 2011.

Additionally, a \$200 Facility Fee instituted pursuant to Ordinance 5258-B will terminate on November 8, 2011. This fee was created to collect funds for a new shop for the Utilities Division of Facility Services. Due to the current economic downturn, it was decided to use the funds to renovate the existing shop rather than expend funds for a new shop. As a result of the termination of the Facility Fee, the connection fees delineated in Placer County Code Section 13.12.350 must be reduced by \$200. However, the connection fees for the Applegate and Sheridan sewer districts will remain the same because the facility fee was never applied to their connection fees.

In order to adjust fees, your Board must conduct a Public Hearing, approve an Ordinance revision and make a finding that the fees are derived directly from the cost of providing service and are necessary to meet operating expenses required for maintenance of service. In compliance with public notice requirements, the public hearing was advertised more than 10 days in advance of the hearing date.

ENVIRONMENTAL CLEARANCE: The proposed rate adjustments are considered exempt from environmental review, pursuant to Section 21080(b)(8), of the Public Resource Code, provided your Board adopts findings at the time the rates are approved that the rates are derived directly from the cost of providing service.

FISCAL IMPACT: The sewer connection fees, annexation fees and in-lieu fees will provide funds necessary for construction of infrastructure to provide capacity for new connections. The revenue generated from these fees comes from new development. As such the fiscal impact of these adjustments is entirely dependent on the amount of new development in the affected communities.

ATTACHMENTS: SUPPLEMENTAL BACKGROUND
FEE ORDINANCE

JD:WD:KK LM

CC: COUNTY EXECUTIVE OFFICE

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**SEWER FEE ADJUSTMENTS
 SUPPLEMENTAL BACKGROUND**

Description of Fees

Connection Fees are paid upon application for connection to the sewage system of a district. They provide funding for improvements needed to create additional capacity in the sewage collection and treatment system.

Annexation Fees are fees paid at the time property is annexed to a district for the privilege of utilizing the existing public sewer facilities that have been previously constructed, installed and paid for by other property owners within the district.

"In-lieu fee" means the amount paid by a property owner as reimbursement for the property owner's share of the cost of construction of a previously constructed collecting sewer system across the boundary frontage of a property that provides sewer service to the property.

DISTRICT	DISTRICT CONNECTION FEE (per EDU)	ANNEXATION FEE (per acre)
SMD 1 (North Auburn Area)		
Existing	\$ 7,772	\$ 5,962
Less Facility Fee <\$200>	\$ 7,572	N/A
Proposed 6.4% Increase	\$ 8,057	\$ 6,344
SMD 2 (Granite Bay Area)		
Existing	\$ 1,734	NA
Less Facility Fee <\$200>	\$ 1,534	
Proposed 6.4% Increase	\$ 1,632	
SMD 3 (Auburn Folsom Rd.)		
Existing	\$ 1,734	\$ 4,173
Less Facility Fee <\$200>	\$ 1,534	N/A
Proposed	\$ 1,632	\$ 4,440
CSA 2 (Sunset/Whitney)		
Existing	\$ 1,734	\$ 182
Less Facility Fee <\$200>	\$ 1,534	N/A
Proposed 6.4% Increase	\$ 1,632	\$ 194
CSA 23 (Blue Canyon)		
Existing	\$ 4,141	NA
Less Facility Fee <\$200>	\$ 3,941	
Proposed 6.4% Increase	\$ 4,193	
CSA 173 (Dry Creek)		
Existing	\$ 1,734	NA
Less Facility Fee <\$200>	\$ 1,534	
Proposed 6.4% Increase	\$ 1,632	
CSA 55 (Livoti)		
Existing	\$ 1,205	NA
Less Facility Fee <\$200>	\$ 1,005	
Proposed 6.4% Increase	\$ 1,069	
ALL DISTRICTS	IN LIEU FEE	LOW PRESSURE IN LIEU FEE
Existing	\$45.05/lf	\$22.57/lf
Proposed 6.4% Increase	\$47.92/lf	\$23.97/lf

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

In the matter of: AN ORDINANCE AMENDING
SUBSECTION 13.12.350, and 13.12.360
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.: _____
First Reading: _____

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.

Chairman,
Board of Supervisors

Attest:

Clerk of said Board

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	= \$82.00 per month per EDU.
Annexation fee	= \$5,962.00 \$6,344.00 per acre.
Sewer connection fee	= \$7,772.00 \$8,057.00 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	= \$8,281.00 \$8,179.00 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	= \$105.40 per month per EDU. = \$111.72 per month per EDU.
Effective July 1, 2009	
Effective July 1, 2010	
Annexation fee	= \$4,173.00 \$4,440.00 per acre.
Sewer connection fee	= \$8,281.00 \$8,179.00 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	= \$33.06 per month per EDU.
Annexation fee	= \$182.00 \$194.00 per acre.
Sewer connection fee	= \$8,281.00 \$8,179.00 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	= \$64.58 per month per EDU. = \$77.50 per month per EDU. = \$89.12 per month per EDU.
Effective July 1, 2009	
Effective July 1, 2010	
Effective July 1, 2011	
Sewer connection fee	= \$5,549.00 per EDU.

Water service charge Effective July 1, 2009	= \$38.34 per month per EDU.
Effective July 1, 2010	= \$46.00 per month per EDU.
Effective July 1, 2011	= \$52.91 per month per EDU.
Water Connection Fee	= \$3,717.00 per EDU.

- F. County Service Area No. 28, Zone No. 23 (Blue Canyon). The following schedule of harges 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 Effective July 1, 2009	= \$43.20 per month per EDU.
Effective July 1, 2010	= \$51.84 per month per EDU.
Sewer connection fee	= \$4,141.00 \$4,193.00 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	= \$82.00 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 Effective July 1, 2009	= \$36.80 per month per EDU.
Effective July 1, 2010	= \$38.64 per month per EDU.
Sewer connection fee	= \$10,655.00 \$10,519.00 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	= \$8,281.00 \$8,179.00 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 13.12.360 of Chapter 13 of the Placer County Code is hereby amended to read as follows:

13.12.360 In-lieu fees and fee schedule.

- A. For any property owner who is required to pay an in-lieu fee pursuant to Section 13.12.280(A), the in-lieu fee shall be ~~forty five dollars and four cents (\$45.04)~~ **forty seven dollars and ninety-two cents (\$47.92)** per foot of frontage; provided, however, if the parcel is an area specifically designated to be served by a low pressure style collection system, the in-lieu fee shall be ~~twenty two dollars and fifty three cents (\$22.53)~~ **twenty three dollars and ninety-seven cents (\$23.97)** per foot of frontage.

Section 3: This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. The Clerk is directed to publish it within fifteen (15) days in accordance with Government Code Section 25124.