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CITY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

CITY MANAGER'S OFFICE

RECEIVED

DEC 17 1985
Melvin H. Johnson
Director

Leslie M. Frink
Deputy Director
Reginald Young
Deputy Director

OFFICE OF THE DIRECTOR

APPROVED
BY THE CITY COUNCIL

DEC 23 1985

AG 85102

OFFICE OF THE
CITY CLERK

December 16, 1985

City Council
Sacramento, California

Honorable Members In Session:

SUBJECT: Amendment to the Sacramento County Regional Sanitation District
Master Interagency Agreement

SUMMARY:

The Sacramento County Regional Sanitation District (SCRSD) has proposed revisions to the SCRSD Connection Fee Ordinance and the Master Interagency Agreement (MIA). The proposed revisions to the Fee Ordinance have been recommended by the SCRSD in order to improve the equity between undeveloped properties inside and outside the district. The proposed amendment to the MIA would provide for the method of computing connection fees that would implement the Fee Ordinance. The Transportation and Community Development Committee considered the proposed amendment at its December 17, 1985 meeting and recommends approval of the attached resolution.

FINANCIAL DATA:

There is no financial impact on the City of Sacramento.

RECOMMENDATION:

The Transportation and Community Development Committee recommends that the City Council adopt the attached resolution, approving the amendments to the Master Interagency Agreement.

Respectfully submitted,

Recommendation Approved:

Walter J. Slipe

WALTER J. SLIPE
City Manager

Melvin H. Johnson

MELVIN H. JOHNSON
Director of Public Works

December 23, 1985
All Districts

22



CITY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

OFFICE OF THE DIRECTOR

Melvin H. Johnson
Director
Leslie M. Frink
Deputy Director
Reginald Young
Deputy Director

December 5, 1985

Transportation & Community
Development Committee
Sacramento, California

Honorable Members in Session

**SUBJECT: AMENDMENT TO THE SACRAMENTO COUNTY REGIONAL SANITATION
DISTRICT MASTER INTERAGENCY AGREEMENT**

The Sacramento County Regional Sanitation District (SCRSD) has proposed revisions to the SCRSD Connection Fee Ordinance and the Master Interagency Agreement (MIA). The proposed revisions to the Fee Ordinance have been recommended by the SCRSD in order to improve the equity between undeveloped properties inside and outside the district. The proposed amendment to the MIA would provide for the method of computing connection fees that would implement the Fee Ordinance.

BACKGROUND

The Sacramento County Regional Sanitation District has proposed revisions to their Fee Ordinance which would provide for better equity between undeveloped properties outside the district, which have to pay an annexation fee to join the district, and those undeveloped properties already inside the district which do not pay an annexation fee (they have been assumed to pay their share of capital cost through taxes).

This proposed Fee Ordinance revision would have a positive impact on property owners of undeveloped properties outside the district. For example, under the current Fee Ordinance an owner of one home on two acres in the Robla area would have to pay a \$3,744 annexation fee plus a capital investment equalization fee (CIE) of \$264 for a total of \$4,008 in order to join the district. Under the proposed revisions to the Fee Ordinance the same property owner would pay \$362

annexation fee (2 acres @ \$181/acre) plus a CIE fee of \$510 (the current \$264 plus \$246 per equivalent family dwelling) for a total of \$872.

Under the current Fee Ordinance the same type of property inside the District would have paid \$362 in taxes plus a CIE fee of \$264 for a total of \$626 (vs. \$4008 for the same property outside the District). This same property would pay \$362 in taxes plus a CIE fee of \$510 for a total of \$872 under the proposed Fee Ordinance revisions (i.e. the same as the property outside the district). (See Attachments A and B for additional computation information).

These Fee Ordinance revisions and amendments to the MIA, allowing the revision to the computation of fees, will be introduced at the December 10, 1985 SCRSD Board meeting. The public hearing, at which final action should take place, will be held on January 14, 1986.

In order to implement the proposed connection fee revisions, the City of Sacramento, the City of Folsom, the County of Sacramento, the County Sanitation District No. 1, and the SCRSD must approve the amendments to the Master Interagency Agreement. If all the parties approve the proposed amendments, the effective date for the fee changes will be March 2, 1986.

FINANCIAL

There is no financial impact on the City of Sacramento.

RECOMMENDATION

It is recommended that the Transportation and Community Development Committee approve the attached resolution, approving the amendments to the Master Interagency Agreement, and forward it to the City Council for adoption.

Respectfully submitted,

Melvin H. Johnson

MELVIN H. JOHNSON
Director of Public Works

Recommendation Approved:

Solon Wisham Jr.

SOLON WISHAM, JR.
Assistant City Manager

RESOLUTION NO. 85-992

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

A RESOLUTION APPROVING THE AMENDMENTS TO THE SACRAMENTO COUNTY REGIONAL SANITATION INTERAGENCY AGREEMENT AND AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE THE SAME

APPROVED BY THE CITY COUNCIL DEC 23 1985 OFFICE OF THE CITY CLERK

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

WHEREAS, Regional District, District No. 1, Sacramento, Folsom, and County, have heretofore entered into an Agreement, dated November 1, 1974, which shall be referred to herein as the "Master Interagency Agreement"; and

WHEREAS, Section 12 of the Master Interagency Agreement provides for the method of computing connection fees for new users; and

WHEREAS, the philosophy of these connection fees is to place all new sewer system users in an equivalent position with existing system users in regard to investment in the Regional Sewer System; and

WHEREAS, the Regional District, District No. 1, Sacramento, Folsom and County are desirous of entering into an amendment to the Master Interagency Agreement to provide for revising the definition of the Capital Investment Equalization (CIE) and Annexation Fees to provide for a more equitable comparison of Regional Sewer System Investment between new and existing system users;

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and acting pursuant to Section 4760 of the Health and Safety Code of the State of California and the Joint Exercise of Powers Act of said State, the Regional District, District No. 1, Folsom, Sacramento, and County agree as follows:

Section 1. Term of Agreement.

Agreement shall become effective as of the date hereof and shall continue in full force and effect for a period of time beginning on the date of this Agreement and including and ending on the thirtieth day of June in the year Two Thousand Twenty-Four (2024), or until sooner terminated by mutual agreement of the parties hereto, or by operation of law.

Section 2. Method of Computing Connection Fees for Users

Section 12 of the Master Interagency Agreement shall be amended to read as follows:

All new users connecting to a sanitary sewer owned by Regional District or one of its contributing agencies shall pay an appropriate amount for their share of the capital investment in the Regional System in accordance with the following schedule.

- (a) All new users within the territorial jurisdiction of the Regional District shall pay:

Capital Investment Equalization (CIE) Fee - A fee comprised of two components based upon the overall cumulative average capital costs collected per Equivalent Single Family Dwelling (ESD) through service charges and taxes applied against structures and fixtures if said ESD were within the District's boundary and connected to the sewage system continuously since 1974. An interest factor is applied to the amounts based on the actual interest rate the District earned or is estimated to earn. The cumulative capital costs used for the computation of this fee shall be limited to the most recent twenty (20) year period.

- (b) All new users requiring annexation to the District shall pay:

- (1) The CIE Fee indicated in (a) above; and an
- (2) Annexation Fee - A fee paid by this class of new users based upon the average cumulative taxes paid per acre of land, exclusive of any improvements located thereon, that has been within the District's boundary continually since 1974. An interest factor is applied to the amounts based upon the actual interest rate the District earned or is estimated to earn. The cumulative tax amounts shall be limited to the most recent twenty (20) year period.

Section 3. Reaffirmation.

In all other respects, the aforesaid Agreement remains unchanged and in full force and effect.

Section 4. Entire Agreement.

The Master Interagency Agreement as previously amended and this Amendment constitute the entire understanding between the parties to the Agreement concerning the subject matter hereof.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Members of the Council of the City of Sacramento that the City of Sacramento agree to the proposed amendments to the Sacramento County Regional Sanitation District Master Interagency Agreement and hereby authorize the Mayor and City Clerk to execute the same.

MAYOR

ATTEST:

CITY CLERK

COUNTY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

WATER QUALITY DIVISION F.I. Hodgkins, Chief

9660 Ecology Lane
Sacramento, California 95827November 26, 1985
A100.200.1

Mr. M. Johnson, Director of Public Works
City of Sacramento
City Hall, 915 I Street
Sacramento, CA 95814

Dear Mr. Johnson:

Subject: Master Interagency Agreement (MIA) Amendment

Attached is the November 12, 1985, informational letter from the District Engineer of the Sacramento Regional County Sanitation District (SRCSD) to its Board of Directors which describes proposed revisions to the SRCSD Connection Fee Ordinance and the subject MIA. As indicated in that letter, the ordinance amendment will be introduced and the title thereof read at the Board's December 10, 1985, meeting, followed by a public hearing on January 14, 1986. Assuming approval of the amendment, its effective date will be March 1, 1986.

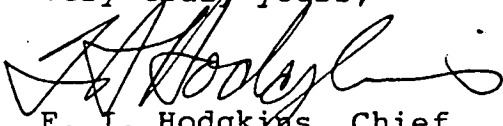
Based on your meeting of November 20, 1985, with staff of this Division, transmitted herewith are four copies of the aforementioned November 12 letter for distribution to the Transportation and Community Development Committee of the City Council, which will consider the matter at their December 17 meeting. It is anticipated that the City Council will act on the proposed MIA amendment at their December 23 meeting. Additional copies of supporting information will be furnished as necessary. Their approval, along with that of the City of Folsom, County of Sacramento, County Sanitation District No. 1, and the SRCSD is necessary to implement the proposed connection fee revisions.

The proposed MIA amendment is Attachment III to the November 12 letter. It will be necessary that seven copies of the amendment be executed. Subsequent to the assumed approval of the amendment by the City of Folsom at their December 16 meeting, those seven copies will be transmitted to the Sacramento City Clerk for execution, assuming approval by your City Council on December 23.

In addition to the November 12 letter to the SRCSD Board of Directors, attached are copies of a tabulation titled "SRCSD Annexation/CIE Fee Development" and a comparison of current SRCSD connection fees with those that would become effective March 1,

1986, under the present ordinance as compared to those in the proposed amendment. Please contact me if any additional information will be necessary for the December 16 committee meeting or the December 23 City Council meeting. We plan to attend both meetings to respond to any questions.

Very truly yours,

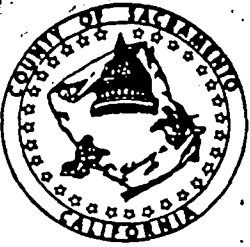


F. I. Hodgkins, Chief
Water Quality Division

FIH:JPG:mm

Attachments

cc: D. W. McKenzie
W. C. Wanderer, Jr.
J. P. Gaffney
V. F. Scotti



COUNTY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

COUNTY ADMINISTRATION BUILDING • ROOM 304 • 827 SEVENTH STREET
SACRAMENTO, CALIFORNIA 95814

November 12, 1985

Honorable Board of Directors
Sacramento Regional County Sanitation District
County of Sacramento
State of California

Members in Session:

Subject: Proposed Revisions to the Sacramento Regional County
Sanitation District Connection Fee Ordinance and Master
Interagency Agreement

Recommendations:

1. Continue action on the proposed revision to the Connection Fee Ordinance until December 10, 1985 at 2:00 p.m., at which time the ordinance will be introduced and the title thereof read, with further reading to be waived.
2. Direct the Clerk of the Board to advertise a public hearing on the proposed revised Connection Fee Ordinance to be conducted on January 14, 1985 at 2:00 p.m.
3. Receive and file the proposed amendment to the Master Interagency Agreement.

Discussion:

The current District fees established on August 12, 1983, include a Capitol Investment Equalization (CIE) Fee and an Annexation Fee. The philosophy of these fees is that when a new user connects to the sewage system, he be required to pay his share of all capital costs incurred by the District since its inception thereby placing all new users on an equivalent basis, with regard to sewer system investment, with existing users. The CIE Fee recovers an amount equivalent to capital costs recovered through service charges plus interest since District billing was initiated. The Annexation Fee recovers an amount from properties not in the District that is equivalent to the taxes paid for capital improvements plus interest from an acre of fully developed land (assumed at five single family dwelling units per acre) if said acre of land has been within the District's boundary since the initiation of District taxation. Since it was not always possible at the time of annexation to determine the extent or type of development to be placed on each parcel, all lands are currently charged an Annexation Fee based upon development at five single

Honorable Board of Directors
November 12, 1985
Page 2

family detached dwelling units per acre (5 ESD's/ac.). The 1985 Annexation Fee is \$1,636/ac.

Recently the City of Sacramento initiated proceedings for the formation of sewer assessment districts in the Robla area. Many of the homes within these proposed assessment districts are situated on lots of 2 acres, or more. Under the existing fee schedule, a single home on 2 acres would be required to pay a combination of Annexation and CIE fees of \$4,008 at projected 1986 rates, plus the cost of local sewage facilities. This would, in many instances, be prohibitive. Staff examined alternatives to the current Annexation Fee structure. During this examination, it became apparent that while the current Annexation Fee provided equity between properties outside the District and developed properties within the District, it did not recognize that undeveloped properties inside the District were not paying their share of capital costs recovered through taxes.

The proposed revisions are recommended in order to improve the equity situation by initiating a split collection of the monies represented as taxes avoided by new users (see Attachment 1). The component that is attributable to unimproved land, \$181 per acre at the 1986 rate, would be collected from properties outside the District at the time of annexation and the component assignable to improvements, \$246 per equivalent single family dwelling (ESD) at the 1986 rate, would be collected from all new users at the time of connection. The former would be the Annexation Fee and the latter would become a component of the CIE Fee.

Other proposed revisions to the Connection Fee Ordinance are as follows:

1. An expansion of the ESD factors used for computing CIE Fees for various commercial uses. The factors have also been revised to conform with those in the County Sanitation District No. 1 Sewer Rate Ordinance, which factors are flow-related.
2. Provision for exempting tax exempt properties from the Annexation Fee. Provision is made to collect such fees if the property is converted to a taxable status.
3. Authorization for the District Engineer to require that users with a very high peak to average flow ratio install peak flow storage facilities.

An amendment to the Master Interagency Agreement (MIA) allowing for the transfer of a portion of the current Annexation Fee to the CIE Fee is also attached. It is the intent of the Department of Public Works to circulate this amendment to the Cities of

Honorable Board of Directors
November 12, 1985
Page 3

Folsom and Sacramento for their approval prior to resubmitting the amendment to the Board of Supervisors and your Board for approval. It is expected that the MIA amendment will be returned to your Board for approval on December 10, 1985.

After completion of today's informational presentation, the various interest groups listed in Attachment 4 will be notified that your Board will consider the fee revisions at its meeting of December 10, 1985, and that a public hearing will be held on January 14, 1986, at which time your Board will consider adoption of the revised ordinance. Staff will present the proposed fee revisions to the Building Industry Association and will be available for discussions with the other groups if requested.

Respectfully submitted,

D. W. McKenzie
District Engineer

DWM:VFS:mm

Attachments: Table Comparing Current vs. Proposed SRCSD Fees.
Revised SRCSD Connection Fee Ordinance.
Amendment to the Master Interagency Agreement
List of Interest Groups to be Notified of
the Proposed Fee Revisions.

ATTACHMENT I

VFS:mm
11/85

SRCSD CONNECTION/ANNEXATION FEES

| <u>Property Description</u> | <u>Current Fee (Proj. 1986 Rate)</u> | <u>Proposed Fee (Proj. 1986 Rate)</u> |
|---|--|---|
| I. 20 Acre parcel to be subdivided into 100 lots. | | |
| A. Inside District | | |
| (1) Taxes paid + interest* | \$ 3,620 | \$ 3,620 |
| (2) CIE Fee | 26,400 | 51,000 |
| TOTAL | <u>\$30,020</u> | <u>\$54,620</u> |
| B. Outside District | | |
| (1) Annexation Fee (in-lieu of taxes) | \$37,440 | \$ 3,620 |
| (2) CIE Fee | 26,400 | 51,000 |
| TOTAL | <u>\$63,840</u> | <u>\$54,620</u> |
| II. 2 Acre parcel containing one home (new) | | |
| A. Inside District | | |
| (1) Taxes paid + interest* | \$ 362 | \$ 362 |
| (2) CIE Fee | 264 | 510 |
| TOTAL | <u>\$ 626</u> | <u>\$ 872</u> |
| B. Outside District | | |
| (1) Annexation Fee (in lieu of taxes) | \$3,744 | \$ 362 |
| (2) CIE Fee | 264 | 510 |
| TOTAL | <u>\$4,008</u> | <u>\$ 872</u> |

*Based upon avg./acre taxes paid per acre of land, since District formation.

11/25/85

JPG:mm

SRCSD CONNECTION FEES

| | | Effective | 3/1/86 |
|--|----------------|-----------------------|------------------------|
| | <u>Current</u> | <u>Present Method</u> | <u>Proposed Method</u> |
| <u>CIE</u> | | | |
| Residential Users per ESD | \$ 222.00 | \$ 264.00 | \$ 510.00 |
| Commercial Users per gross acre | 1,110.00 | 1,320.00 | 2,550.00 |
| Minimum for any commercial establishment | 222.00 | 264.00 | 510.00 |
| Major Commercial (Discharge greater than 60,000 gallons per acre per month) and industrial users, per 1,000 gallons of discharge per month. | 18.50 | 22.00 | 42.50 |
| <u>Annexation</u> | | | |
| Any user, per acre | 1,636.00 | 1,872.00 | 181.00 |

jpgsrcsdconnfee/63

DRAFT
VFS:mmm
October 31, 1985

SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT
OF SACRAMENTO COUNTY

ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR FEES FOR CONNECTING TO ANY SANITARY SEWER OWNED, MAINTAINED, OR OPERATED BY THE DISTRICT: TO BE KNOWN AS THE "REGIONAL CONNECTION FEE ORDINANCE".

The Board of Directors of the Sacramento Regional County Sanitation District does ordain as follows:

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SECTION 1 PURPOSE

Sacramento Regional County Sanitation District Ordinance SRSD 16 is repealed and re-enacted to read as follows:

Section 1.1 Purpose. This ordinance prescribes fees for connecting to any sanitary sewer tributary to sewerage facilities owned, maintained, or operated by the District, and for annexation to the District.

SECTION 2 DEFINITIONS

Unless the context specifically indicates otherwise, the meaning of terms used in this ordinance shall be as follows:

ANNEXATION FEE. A fee paid by all new users requiring annexation to the District prior to receiving service. The fee is based on the cumulative average of taxes paid per acre of land (minus that paid for any improvements thereon) that has been within the Dis-

trict's boundary since 1974. An interest factor is applied to the amounts based upon the actual interest rate the District earned or is estimated to earn. The cumulative tax amounts used for computation of this fee shall be limited to the most recent twenty (20) year period.

CAPITAL INVESTMENT EQUALIZATION (CIE) FEE. A fee to be paid by all new users based upon the cumulative capital cost per Equivalent Single Family Dwelling (ESD) paid if said ESD were connected to the sewerage system continuously since 1974. The CIE Fee shall be computed as follows:

- (1) Cumulative capital costs that would have been paid through service charges by an ESD if said ESD were connected to the sewerage system continuously since 1975, and;
- (2) Cumulative capital costs that would have been paid based upon the average taxes paid per ESD if said average valued ESD had been within the District's boundary since 1974. The value used for computing the average per ESD tax liability shall be based upon the total taxes levied against all improvements within the District's boundary divided by the equivalent number of ESD's billed by the District as of December 31 of each calendar year since 1974.

An interest factor is applied to the amounts determined above based upon the actual interest rate the District earned, or is estimated to earn. The cumulative capital costs used for computation of this fee shall be limited to the most recent twenty (20) year period.

COMMERCIAL USER. Any nonresidential user that the Engineer determines does not meet the definition of an industrial user.

CONTRIBUTING AGENCY. Any public entity other than Sacramento County that is a party to the Master Interagency Agreement and contributes wastewater from its system to the Regional System.

DISTRICT. Sacramento Regional County Sanitation District of Sacramento County, California.

DISTRICT BOARD. The Board of Directors of the Sacramento Regional County Sanitation District.

DOMESTIC WASTEWATER. Wastewater originating from residential sources or from sanitary devices in industrial or commercial establishments.

ENGINEER. The Director of Public Works of the County of Sacramento, acting ex-officio as Engineer for the District.

EQUIVALENT SINGLE FAMILY DWELLING (ESD). A parameter used to identify the sewage discharge from a single family detached residential dwelling. For purposes of calculating design sewage discharges, one single family dwelling equals 400 gallons/day (12,000 gallons/month) at average dry weather flow.

INDUSTRIAL USER.

(a) Any nongovernmental, nonresidential user of a publicly owned treatment works which discharges more than the equivalent of 50,000 gallons per day (gpd) of wastewater, excluding domestic wastewater, and which is identified in the Standard Industrial Classification Manual, 1972, Office of Management and Budget, as amended and supplemented under one of the following divisions:

Division A - Agriculture, Forestry, and Fishing

Division B - Mining

Division D - Manufacturing

Division E - Transportation, Communications, Electric, Gas and Sanitary Services

Division I - Services

After excluding domestic wastewater flows, any discharger in the above divisions that has a volume exceeding 50,000 gpd or the weight of biochemical oxygen demand (BOD) or suspended solids (SS) equivalent to that weight found in 50,000 gpd of domestic wastewater shall be considered industrial users, or

(b) Any nongovernmental user of a publicly owned treatment works which discharges wastewater to the treatment works which contains toxic pollutants or poisonous solids, liquids, or gases in sufficient quantity either singly or by interaction with other wastes, to contaminate the sludge of any municipal system, or to injure or to interfere with any sewage treatment process, or which constitutes a hazard to humans or animals, creates a public nuisance, or creates any hazard in or has an adverse effect on the waters receiving any discharge from the treatment works.

INTERCEPTOR SEWER. The term "Interceptor Sewer" shall mean any existing sewer and in-line treatment facilities appurtenant thereto including pumping facilities as shown in the Master Interagency Agreement, and any future sanitary sewers which meet either of the following criteria:

- (a) Any sanitary sewer designed to carry a peak wet weather flow of 10 MGD or greater; or,
- (b) Any sanitary sewer that has its upstream and downstream ends adjacent and connected to an existing interceptor sewer described in the Master Interagency Agreement.

MASTER INTERAGENCY AGREEMENT. The agreement between the District and the Contributing Agencies, dated November 1, 1974, and as subsequently amended which defines the interrelationship of the District with the Contributing Agencies.

MGD. Million gallons per day.

MULTIPLE-FAMILY DWELLING. Multiple-family dwellings include duplexes, triplexes, quadplexes, apartments, mobile homes, condominiums, townhouses and individual dwelling units within a planned unit development.

REGIONAL SYSTEM. All facilities for the conveyance, storage, treatment, and discharge of wastewater that are owned or operated by the District.

RESIDENTIAL USER. A user whose premises are used solely for non-transient human habitation.

SANITARY SEWER. A sewer which carries sewage or industrial wastes and to which inflow and infiltration are not permitted.

SINGLE-FAMILY DWELLING. Any detached residential premise designed to house one family.

STANDARD SINGLE-FAMILY RESIDENTIAL DENSITY. Five single-family detached dwelling units per acre.

TERRITORIAL JURISDICTION. That area of land encompassed within the exterior boundary or boundaries of the District or a Contributing Agency, whichever is applicable in the context used, excluding in the case of Sacramento City and Folsom City the portions of said cities that are within the local service area of any other Contributing Agency.

SECTION 3 FEES

Except as otherwise provided, all properties shall be subject to prescribed fees for connecting to the District's sewerage system.

All new users connecting to a sanitary sewer shall pay an appropriate amount for their share of existing and future capital investment in the Regional system. This amount shall be comprised of two components and shall be applicable to those users listed herein: 1) A Capital Investment Equalization (CIE) Fee, and 2) an Annexation Fee. For each class of users, these fees are established as follows:

Residential Users

- a. Until altered or amended by action of the District, the CIE Fee for each ESD shall be:

\$510 on March 1, 1986, increasing annually on March 1 of each succeeding year. The annual increase shall consist of three

elements; 1. an incremental cost per ESD that is equal to the capital costs allocated to user charges per ESD as shown in the District's Revenue Program in effect on the date of the increase, 2. an incremental cost per ESD that is equal to the average annual tax per ESD on improvements collected by the District with said annual tax amount to be as maintained by the District Engineer for the most recent fiscal year, and 3. an interest increment that is equal to the interest rate that the District estimates it will earn during the fiscal year containing the date of the increase multiplied by the CIE Fee in effect for the year immediately preceding the date of the increase.

For purposes of determining fees, each individual multiple family dwelling unit shall be assigned 0.75 ESD.

- b. The Annexation Fee for each acre of land located outside District boundaries shall be:

\$181/acre on March 1, 1986, increasing annually on March 1 of each succeeding calendar year. The annual increase shall contain two elements: 1. an amount per acre that is equivalent to the average taxes paid in the intervening year on an acre of land without improvements within the District, and 2. an interest increment that is equal to the interest rate that the District estimates it will earn during the fiscal year containing the date of the increase multiplied by the Annexation Fee in effect for the year immediately preceding the date of the increase.

The following formula shall be used to determine the amount of the annual increase in the Annexation Fee related to taxes paid on land minus improvements.

$$\Delta/\text{ac.} = \frac{\text{Total secured property taxes received less property taxes on improvements*}}{\text{Total number of acres in District**}}$$

*As reflected in the final budget for the year containing the date of increase.

**As maintained by the District Engineer for the current fiscal year.

Commercial Users

The CIE Fees for certain classes of commercial users shall be at the ratios specified below to those fees for an ESD, unless the minimum per acre fee specified below governs:

| | | | |
|---|--------------------------|------|-------|
| Hotel or motel | per sleeping room | 0.30 | ESD's |
| Hospitals | per bed | 1.0 | ESD's |
| Dormitories, rest and convalescent homes, boarding houses, fraternities, etc. | per bed | 0.3 | ESD's |
| Public Agencies (including eating facilities) | per 1000 ft ² | 0.6 | ESD's |
| Office buildings (non-public, including eating facilities) | per 1000 ft ² | 0.2 | ESD's |
| Schools, Elementary | per 100 students | 1.4 | ESD's |
| Schools, Jr. High, High and College | per 100 students | 1.8 | ESD's |
| Restaurants, dine on | per 1000 ft ² | 2.0 | ESD's |
| Restaurants, take out | per 1000 ft ² | 1.7 | ESD's |
| Restaurants, combined dine on and take out | per 1000 ft ² | 1.9 | ESD's |
| Bars | per 1000 ft ² | 0.7 | ESD's |
| *Parks | per comfort, sta. | 1.0 | ESD's |
| Places of worship | per 1000 ft ² | 0.2 | ESD's |

*A comfort station is determined as having a combined total of 8 water closets and lavatories. An additional ESD shall be assigned to the comfort station for each unit of flow, or fraction thereof in excess of the 8 fixtures mentioned herein.

The minimum fees for all commercial users shall be as follows:

a. The minimum CIE Fee for each user shall be as follows, with the exception of Public Agencies, Public Schools or Colleges, Parks and Places of Worship for which the above fee schedule is applicable:

\$2,550 per acre on March 1, 1986, increasing at five times the annual increase computed for a similarly located ESD per year effective the first day of March of each succeeding calendar year.

b. The Annexation Fee for each acre of land located outside District boundaries shall be:

\$181 per acre on March 1, 1986 increasing effective the first day of March of each succeeding calendar year by the same amount as computed for residential users. The Annexation Fee shall not apply to properties in the ownership of Public Agencies, Public Schools or Colleges, Parks or Places of Worship, except as otherwise provided herein. Annexation to the District will, however, be mandatory.

In no event shall the CIE Fee for any commercial establishment be less than that charged one residential ESD.

Industrial and Major Commercial Users

a. Effective March 1, 1986, CIE Fees for all industrial and those major commercial users, not otherwise covered herein, where the

discharge is greater than 60,000 gallons per acre per month shall be as follows:

\$42.50 per 1,000 gallons of discharge per month. The flow on the average day in the anticipated maximum month of discharge shall be the basis of calculation for the CIE Fee.

In no event shall the CIE fees for any industrial user be less than that charged a commercial user.

In cases where a user expects to contribute a peak hourly flow rate that exceeds the average hourly flow rate on the average day of the maximum month by a factor greater than 4.2, the District Engineer may require the user to construct, at his own cost, peak flow attenuation facilities which will reduce the peak hourly flow rate to not more than 4.2 times the average flow rate during said average day of the maximum month (see Section 5 for siting constraints).

- b. The Annexation Fee shall be at the rate of \$181 per acre for each user located outside the District boundaries.

The fees above shall be adjusted on the first day of March of each succeeding calendar year as follows:

Adjustments to the CIE Fee shall be in proportion to corresponding changes in that fee for residential users. Adjustments in the Annexation Fee will be the same as for residential users.

CIE Fees for industrial and major commercial users contributing in excess of 60,000 gallons per acre per month, and where a flow factor is not shown within this Ordinance, will be based on an estimate furnished by applicant. If no estimate is furnished by the applicant for a commercial use where the flow factor for that specific use is not shown within this Ordinance, the Engineer may use the factor shown in the District's most recent "Sewer Rate Ordinance" to determine flows for calculating CIE fees. After the end of the first two years of operation, the Engineer may adjust such fees to reflect actual flows experienced during the first two years of operation, occupancy, or discharge. Any additional fee assessed will be paid in a lump sum subject to limitations stated hereinabove. Any reduction in fee will be credited against any unpaid fees or returned in a lump sum if there is no outstanding balance.

If the wastewater discharge from an existing commercial or industrial user is increased by 400 gallons per day or more, fees based upon the increase in discharge shall be due and shall be paid at the time the flow increase occurs.

Payment of CIE Fee

CIE Fees are due and payable in full at the time of connection to the sewerage system in the manner prescribed by the District.

Payment of Annexation Fees

All annexation fees due shall be submitted in full with the request for annexation to the District, except as provided below for public uses. The request for annexation to the District shall be submitted and accepted prior to the approval of improvement plans submitted to Sacramento County for processing, unless otherwise approved by the District Engineer. If a single parcel that does not require improvements requests annexation, the Annexation Fee shall be paid in full prior to the issuance of a connection permit.

Payment of Fees for Conversion from Public to Private Use

In the event that property in the ownership of Public Agencies, Public Schools or Colleges, Parks or Places of Worship is converted to private ownership, said property shall be subject to the District Annexation Fee and the component of the CIE Fee derived from avoided taxes in effect at the time the new owners initiate use of the sewer system. The basis for computing the fees owed shall be based upon the gross acreage of the parcel for the Annexation Fee and the total number of ESD's placed upon the property for the CIE Fee. No permits will be issued or service provided until said fees are paid in full.

Credits Toward Component of CIE Fee Derived from Taxes On Improvements.

Certain parcels of land have paid District taxes or have paid in lieu taxes either in full or in part through either being taxed for developed property that was sewered by a private disposal system or by paying the full District Annexation Fee in effect between August 12, 1983, and February 28, 1986. These parcels shall be exempted, or partially exempted from the portion of the CIE Fee imposed in lieu of taxes, as follows:

- (a) Existing structures. When an existing structure is sewered by a private disposal system located on property that has been within the District boundary since 1974 and makes a connection to the public sewer system, said structure shall be exempted from the component of the CIE Fee derived from taxes on improvements.
- (b) Lands that paid August 12, 1983 to February 28, 1986 Annexation Fee. Lands that paid the full District Annexation Fee in effect between the above stated dates shall be credited with an amount equivalent to the component of the CIE Fee which replaces avoided taxes that would have been applicable if that component of the CIE Fee were in effect on the date of payment of the Annexation Fee. Said credits shall be limited to five ESD's per gross acre.

SECTION 4 ANNEXATION

Annexation of an area to the District shall be in accordance with the terms of the Master Interagency Agreement.

SECTION 5 SITING CONSTRAINTS FOR MAJOR DISCHARGERS

The Engineer shall not authorize connection of any single user if the peak flow added at the point of connection to the Regional Interceptor sewers would preempt more than 5% of the capacity allocated to future users at the time of final design of the interceptors. Capacity constraints for the purposes of siting major discharges are as shown on Exhibit A of this Ordinance.

Appeals from the Engineer's decision can be made to the Board of Directors. The Directors may authorize the connection.

SECTION 6 PERMIT AND CONTRACT FOR CONNECTION - COMMERCIAL AND INDUSTRIAL USERS

All industrial users, and commercial users discharging other than domestic wastewater, upon applying for connection to a sewerage system tributary to the Regional System, shall obtain a Sewer Use Permit in a form to be specified by the Engineer.

SECTION 7 ENFORCEMENT

The Engineer is hereby charged with enforcement of the provisions of this ordinance and with coordination among all officials and departments of the Contributing Agencies, the County of Sacramento, and the District in order to achieve this purpose.

SECTION 8 SEVERABILITY

If any provision of this ordinance, or the application thereof to any person or circumstance, is held invalid, the remainder of the ordinance, or the application of such provision to other persons or circumstances, shall not be affected thereby.

All ordinances or parts of ordinances and resolutions or parts of resolutions in conflict herewith are hereby repealed.

SECTION 9 ADOPTION AND EFFECTIVE DATE

This ordinance was introduced and the title thereof read at the regular meeting of the Board of Directors on , , and on , , further reading was waived by unanimous vote of the Directors present.

This ordinance shall take effect and be in full force on and after March 1, 1986, and before the expiration of fifteen (15) days from the date of its passage, a summary of this ordinance shall be published with the names of the members of the Board of Directors voting for and against the same, said publication to be made in

Daily Recorder, a newspaper of general circulation published in the County of Sacramento.

On a motion by _____, seconded by _____, the foregoing ordinance was passed and adopted by the Board of Directors of the Sacramento Regional County Sanitation District, this _____, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

ABSENT: Directors,

Chairman of the Board of Directors

ATTEST:

Clerk of the Board

(vs/srsdord3/63)

VFS:mm
11/85**AN AGREEMENT AMENDING THE MASTER INTERAGENCY AGREEMENT TO REDEFINE ANNEXATION AND CAPITAL INVESTMENT EQUALIZATION FEES**

This Agreement made this _____ day of _____, 1985, by and between the following public entities:

- (a) Sacramento Regional County Sanitation District, a political subdivision of the State of California, hereinafter referred to as "Regional District";
- (b) County Sanitation District No. 1, a political subdivision of the State of California, successor in interest to Arden Sanitation District, Central Sanitation District, Cordova Sewer Maintenance District, County Sanitation District No. 2, County Sanitation District No. 6, Highland Estates Sewer Maintenance District, Linwood Sewer Maintenance District, Natomas Sanitation District, Northeast Sacramento County Sanitation District, and Sabre City Sewer Maintenance District, hereinafter referred to as "District No. 1";
- (c) City of Folsom, a municipal corporation, hereinafter referred to as "Folsom";
- (d) City of Sacramento, a municipal corporation, hereinafter referred to as "Sacramento"; and
- (e) County of Sacramento, a political subdivision of the State of California, hereinafter referred to as "County":

WITNESSETH:

WHEREAS, Regional District, District No. 1, Sacramento, Folsom, and County, have heretofore entered into an Agreement, dated November 1, 1974, which shall be referred to herein as the "Master Interagency Agreement"; and

WHEREAS, Section 12 of the Master Interagency Agreement provides for the method of computing connection fees for new users; and

WHEREAS, the philosophy of these connection fees is to place all new sewer system users in an equivalent position with existing system users in regard to investment in the Regional Sewer System; and

WHEREAS, the Regional District, District No. 1, Sacramento, Folsom and County are desirous of entering into an amendment to the Master Interagency Agreement to provide for revising the definition of the Capital Investment Equalization (CIE) and Annexation Fees to provide for a more equitable comparison of Regional Sewer System investment between new and existing system users;

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and acting pursuant to Section 4760 of the Health and Safety Code of the State of California and the Joint Exercise of Powers Act of said State, the Regional District, District No. 1, Folsom, Sacramento, and County agree as follows:

Section 1. Term of Agreement.

This Agreement shall become effective as of the date hereof and shall continue in full force and effect for a period of time beginning on the date of this Agreement and including and ending on the thirtieth day of June in the year Two Thousand Twenty-four (2024), or until sooner terminated by mutual agreement of the parties hereto, or by operation of law.

Section 2. Method of Computing Connection Fees for Users.

Section 12 of the Master Interagency Agreement shall be amended to read as follows:

All new users connecting to a sanitary sewer owned by Regional District or one of its Contributing Agencies shall pay an appropriate amount for their share of the capital investment in the Regional System in accordance with the following schedule.

- (a) All new users within the territorial jurisdiction of the Regional District shall pay:

Capital Investment Equalization (CIE) Fee - A fee comprised of two components based upon the overall cumulative average capital costs collected per Equivalent Single Family Dwelling (ESD) through service charges and taxes applied against structures and fixtures if said ESD were within the District's boundary and connected to the sewage system continuously since 1974. An interest factor is applied to the amounts based on the actual interest rate the District earned or is estimated to earn. The cumulative capital costs used for the computation of this fee shall be limited to the most recent twenty (20) year period.

- (b) All new users requiring annexation to the District shall pay:

- (1) The CIE Fee indicated in (a), above; and an
- (2) Annexation Fee - A fee paid by this class of new user based upon the average cumulative taxes paid per acre of land, exclusive of any improvements located thereon, that has been within the District's boundary continually since 1974. An interest factor is applied to the amounts based upon the actual interest rate the District earned or is estimated to earn. The cumulative tax amounts shall be limited to the most recent twenty (20) year period.

Section 3. Reaffirmation.

In all other respects the aforesaid Agreement remains unchanged and in full force and effect.

Section 4. Entire Agreement.

The Master Interagency Agreement as previously amended and this Amendment constitute the entire understanding between the parties to the Agreement concerning the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Master Interagency Agreement the date and year first above written.

SACRAMENTO REGIONAL COUNTY
SANITATION DISTRICT, a political
subdivision of the State of
California

By _____
Chairman

ATTEST:

Clerk of the Board of Directors

CITY OF FOLSOM, a municipal corporation

By _____
Mayor

ATTEST:

City Clerk

CITY OF SACRAMENTO, a municipal corporation

By _____
Mayor

ATTEST:

City Clerk

COUNTY SANITATION DISTRICT NO. 1
a political subdivision of the
State of California

By _____
Chairman

ATTEST:

Clerk of the Board of Directors

COUNTY OF SACRAMENTO, a political
subdivision of the State of
California

By _____
Chairman

ATTEST:

County Clerk

ATTACHMENT IV

**INTEREST GROUPS TO BE NOTIFIED OF
THE PROPOSED FEE REVISIONS**

Building Industry Association of Superior California
Don Reed, President
2211 Royale Road
Sacramento, CA 95815
Ph. 925-2772

Sacramento Area Commerce & Trade Organization
John R. Roberts, Executive Director
300 Capitol Mall, Suite 1210
Sacramento, CA 95814
Ph. 441-2144

Sacramento Metropolitan Chamber of Commerce
Norman Phillips, President
917 - 7th Street
Sacramento, CA 95814
Ph. 443-3771

League of Women Voters
Trudy Schafer, President
2206 K Street
Sacramento, CA 95816
Ph. 443-3678

Western Mobile Home Association
1121 L Street
Sacramento, CA 95814
Ph. 444-8847

Apartment Association of Sacramento
1330 - 21st Street
Sacramento, CA 95814
Ph. 443-5977

Sacramento County Tax Payers League
A. E. Randall, Executive Vice President
5660 Freeport Boulevard, Suite 200
Sacramento, CA 95822
Ph. 392-9075

Sacramento Builders Exchange, Incorporated
Scott Leary
1331 T Street
Sacramento, CA 95814
Ph. 442-8991