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DEPARTMENT OF
PUBLIC WORKS

WATER DIVISION

CITY OF SACRAMENTO
CALIFORNIA

1391 - 35TH AVENUE
SACRAMENTO, CA
95822-2911

916-449-5271
FAX 916-449-8555

September 11, 1990

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: FEE FOR SAFE DRINKING WATER DEVELOPMENT PLAN

SUMMARY

A mandated, one-time fee on public water systems which serve more than 500 connections has been levied by the State Department of Health Services for the exclusive purpose of covering its costs in preparing the Safe Drinking Water Plan. It is requested that the City's fee of \$10,000, be transferred from Water Fund Contingency to the Water Division's operating budget.

BACKGROUND

Assembly Bill 21 (Sher), which was approved by the Governor last September, among other things, added a section to the Health and Safety Code which would require the Department of Health Services to develop a comprehensive Safe Drinking Water Plan for California. A subsection of this addition establishes a one time fee on public water systems to cover the Department's costs in preparing the plan.

The fee is set at a rate of \$0.0915 per service connection up to a maximum of \$10,000. Since the City presently has 110,000 customers, our fee will be \$10,000.

Budget and Finance

FEE FOR SAFE DRINKING WATER DEVELOPMENT PLAN

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At the time of City budget preparation, it was decided that since the State had not yet decided to levy the fee that it not be included in the Water Division's submitted budget.

FINANCIAL

The source of the \$10,000 fee would be the Water Contingency Fund (413-710-7012-4999) which has a current balance of \$6,374,000 as indicated in the proposed 1990-91 Budget.

POLICY CONSIDERATIONS

Payment of the \$10,000 fee is required by State law as a result of the passage of AB 21.

MBE/WBE EFFORTS

Not applicable.

RECOMMENDATION

It is recommended that the Budget and Finance Committee approve the transfer of \$10,000 from the Water Contingency Fund to the Water Division's operating budget and forward this report to the full City Council for approval of the attached resolution.

Respectfully submitted,



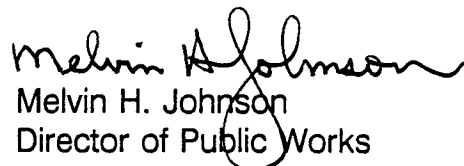
Jim Sequeira
Water Division Manager

RECOMMENDATION APPROVED:



Jack R. Crist
Deputy City Manager

APPROVED:



Melvin H. Johnson
Director of Public Works

September 11, 1990

All Districts

Contact Person:

Jim Sequeira, Water Division Manager - 449-1291

JS:ar

Code: ARBF.01

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION TRANSFERRING \$10,000 FROM
THE WATER FUND CONTINGENCY TO THE WATER PRODUCTION
OPERATING BUDGET TO PAY FOR THE
STATE'S SAFE DRINKING WATER DEVELOPMENT PLAN FEE

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

The 1990-91 Water Division Operating Budget is hereby amended by:

Transferring \$10,000 from the Water Fund Contingency (4-13-710-7012-4999) to Organization 3152 (Water Production) 1990-91 budget (4-13-310-3152-4362) to pay for the Safe Drinking Water Development Plan Fee.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____