



PASSED FOR  
PUBLICATION  
& CONTINUED  
TO 4-28-87 **APPROVED**  
BY THE CITY COUNCIL

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APR 28 1987

DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

OFFICE OF THE  
CITY CLERK  
1391-35TH AVENUE  
SACRAMENTO, CA  
95822-2911

WATER DIVISION

April 21, 1987

916-449-5271

City Council  
Sacramento, California

CITY MANAGER'S OFFICE  
**RECEIVED**  
APR 15 1987

Honorable Members in Session:

SUBJECT: WATER SYSTEM DEVELOPMENT FEE INCREASE

#### SUMMARY

Expansion of the City's water treatment, storage, and transmission capacity is necessary to meet the requirements for anticipated City growth. In 1985, a water resources management plan was prepared by the consulting firm of Metcalf and Eddy for the City, County, and Arcade Water District. The Council has previously received this report in which the consultant identified the necessary new water facilities and recommended they be financed by an increase in water development fees charged at the time of each new connection. This report presents a proposed fee structure with staff's recommendation for adoption, based on the Metcalf and Eddy Study, as well as a resolution of findings, and a resolution defining the City Infill Program. This item was approved by the Joint Budget and Finance/Transportation and Community Development Committees at their April 14, 1987, meeting.

#### BACKGROUND

A detailed report to the Joint Budget and Finance/Transportation and Community Development Committees is attached.

#### FINANCIAL

The associated financial impacts of the proposed increase in the water development fee are also contained in the attached report to the Joint Budget and Finance/Transportation and Community Development Committee dated April 14, 1987.




City Council  
April 21, 1987  
Page 2

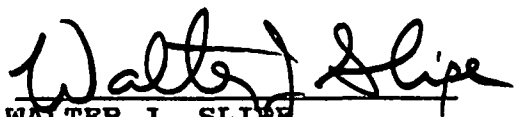
RECOMMENDATION

It is recommended that the attached Ordinance, amending City Code Section 47.321, the resolution establishing an increased water development fee, the resolution of findings, and the resolution defining the City Infill Program be approved.


Respectfully submitted,

  
\_\_\_\_\_  
JAMES G. SEQUEIRA  
Acting Division Manager

RECOMMENDATION APPROVED:

  
\_\_\_\_\_  
WALTER J. SLIFE  
City Manager

APPROVED:

  
\_\_\_\_\_  
MELVIN H. JOHNSON  
Director of Public Works

April 21, 1987  
ALL DISTRICTS

w/attachment

MASSACHUSETTS

OFF DISTRICTS  
APRIL 21, 1981

CITY MANAGER  
MURIEL J. GIBB

DIRECTOR OF PUBLIC WORKS  
MELVIN H. JOHNSON

RECOMMENDATION APPROVED:

APPROVED:

ACTING DISTRICT MANAGER  
JAMES G. SEBASTIAN

RECOMMENDATION APPROVED:

RESOLUTION THE CITY IN THE YEAR OF APPROVED.  
DEVELOPMENT THE THE RESOLUTION OF THE CITY AND THE RESOLUTION  
SECTION 41.321 THE RESOLUTION DESCRIBED IN INCREASED COST  
IT IS RECOMMENDED THAT THE ATTACHED ORDINANCE, AMENDING CITY CODE

RECOMMENDATION

Page 3  
APRIL 21, 1981  
CITY COMMISSION



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DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

1391-35TH AVENUE  
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WATER DIVISION

April 14, 1987

916-449-5271

Joint Budget and Finance/Transportation and  
Community Development Committee  
Sacramento, California

Honorable Members in Session:

SUBJECT: WATER SYSTEM DEVELOPMENT FEE INCREASE

SUMMARY

Expansion of the City's water treatment, storage, and transmission capacity is necessary to meet the requirements for anticipated City growth. In 1985, a water resources management plan was prepared by the consulting firm of Metcalf and Eddy for the City, County, and Arcade Water District. The Council has previously received this report in which the consultant identified the necessary new water facilities and recommended they be financed by an increase in water development fees charged at the time of each new connection. This report presents a proposed fee structure with staff's recommendation for adoption, based on the Metcalf and Eddy Study, as well as updated staff analysis which both establishes the capital projects and demonstrates the need for the increased fee.

BACKGROUND

Historical Water Facility Development. The Sacramento area has been blessed with abundant water resources, both surface water and ground water. While the availability of generally high quality supplies continues to hold true today, gradual depletion of groundwater aquifers in the area has been observed. Surface water, on the other hand, is underutilized. The City of Sacramento has surface water entitlements that will meet its current and apparent future requirements. These entitlements were predicated on continued development within City limits, with eventual delivery of surface water to the entire water entitlement place of use.

The City first diverted surface water from the Sacramento River in about 1852. Diversions have increased more or less continuously since that time. In 1916, the City conducted a major water supply study, evaluating alternative sources of surface water and groundwater to meet Sacramento's long term needs. As a result of this study, the commitment was made to pursue surface water as the City's primary supply. Application for additional water rights were obtained and a major water treatment facility was constructed in 1922 to utilize Sacramento River water.

By the 1940's, however, it was evident that additional water supplies would be required to keep pace with the City's continued growth. The City acquired water rights on the American River. These rights and associated contract with the U. S. Bureau of Reclamation provide for increasing diversions to meet projected requirements in the year 2030.

By 1960, continued growth had created water requirements beyond the capacity of the Sacramento River Water Treatment Plant, so a facility of approximately equal size was constructed on the American River utilizing the water rights obtained earlier. This plant was designed to be the first of five similar modules that ultimately would utilize the entire 245,000 acre-feet of annual permitted diversions from the American River.

By 1980, City water facilities were approaching capacity, and it was recognized that continued growth would once again necessitate expansion of treatment capacity. These needs coupled with a declining groundwater table in certain County areas prompted the City, the County, and Arcade Water District to authorize a joint study and report to define alternative water management options for the metropolitan Sacramento area.

The Metcalf and Eddy Report. The report, prepared in 1985 by the consulting firm of Metcalf and Eddy, addressed the major issues of water rights, groundwater depletion, facilities expansion, and financing alternatives. It also included projections of growth and the needed expansions of major facilities to meet water requirements related to that growth. In addition, a suggested schedule of expansion increments was developed for cost estimating and financial program analysis. The report recognized the fact that more definitive studies could result in variations from the suggested expansion schedule and plan, depending on growth rates and engineering factors. However, overall costs per unit of water production capacity would not vary significantly from those suggested. These cost estimates were developed from historic experience and estimating

methods widely accepted in the engineering consulting profession (see Metcalf and Eddy Report attached hereto and incorporated as Exhibit A: Sacramento Area Water Resources Management Plan and Appendix).

Capital cost estimates contained in the Metcalf and Eddy report were explained in terms of cost per basic user unit, otherwise known as equivalent residential dwelling unit (EDU). This figure, about \$2,100, represents the actual cost, including debt service, of providing the treatment capacity, storage, and major transmission mains to serve the typical residential unit connection to the water system through a one-inch pipe.

Moreover, the report contained a suggested plan for financing the proposed facilities. The majority of annual revenues necessary to amortize the debt would be obtained from a development fee initially set at \$1,500 per EDU but with an escalation rate of 10 percent per annum until such time that the charges match the cost of improvements.

More recently, in 1985, the engineering consulting firm of Dewante and Stowell prepared a master plan and cost estimates for a water system to serve the North Natomas area. The Council has previously received this report in which the estimated capital costs of a water system to serve this growth area generally supported the figures developed in the Metcalf and Eddy report (see Dewante and Stowell Study attached hereto and incorporated as Exhibit B).

Updated Water Expansion Plans. In 1986, a more detailed analysis of treatment plant alternatives and associated costs was prepared by Brown and Caldwell, Consulting Engineers, and DeWante and Stowell (see Brown and Caldwell/DeWante and Stowell Study attached hereto and incorporated as Exhibit C). The resulting report presented recommendations for expansion of both the Sacramento and American River water treatment plants. The City Council on February 24, 1987, adopted staff's recommendations to proceed with selected plant expansions supported by the Brown and Caldwell/DeWante and Stowell report.

The major elements of the City's expansion plan that will provide treatment capacity until the year 2015 at the present rate of growth are:

1. Modification of the Sacramento River Water Treatment Plant to increase its present 100 million gallons per day (MGD) capacity to 135 MGD. Estimated cost is \$4,000,000.

2. Expansion of the American River Water Treatment Plant to 200 MGD from its present capacity of 100 MGD. Estimated cost is \$40,000,00.
3. Construction of major water transmission mains and system storage facilities to distribute treated water to areas of new growth, especially north of the American River. After the plant expansions are completed, additions of transmission mains and storage to growth areas will be a continuing process. The City's 5-year capital improvements budget for 1987-92 anticipates about \$1,000,000 per year for transmission mains. Between 1992-97, an additional \$10,000,000 expenditure for transmission mains can be expected. An estimated total of \$60,000,000 will be required for distribution service to the year 2015, the year at which the additional capacity will be used up.
4. These costs are the actual projected costs of the required expansion of the City's system and do not include the projected costs of the Metcalf and Eddy Metropolitan Plan. This plan estimated expenditures of an additional 300 million dollars to the year 2030 to pay for City, County, and existing water purveyors. The City needs these planned system expansions whether there is a metropolitan plan or not.

The Proposed Development Fee Increase. A water rate study in 1978 by the consulting firm of Brown and Caldwell included a schedule of water development fees for service connections of all sizes, in addition to one inch (see Brown and Caldwell Report attached hereto and incorporated as Exhibit A: Water Rate Study). The City's current water development fee schedule follows the Brown and Caldwell recommendations. These rates have been adjusted periodically to meet inflation-generated cost increases; however, the present schedule recovers only a fraction of actual capital costs.

The 1985 Metcalf and Eddy report addressed the major issues of water rights, groundwater depletion, systems facilities expansion, and financing alternatives. Expansion would be financed primarily from a system development fee. A \$1,500 development fee for a one-inch residential connection, with a schedule of fees for other connection sizes was recommended. The fee would be collected at the time of application for a building permit. Water use studies by City staff and other consultants support this figure as representing a major portion of the cost of providing expanded facilities to meet the water demand of new customers. The studies all show and staff's analysis confirms, that the proposed \$1500 fee will pay for only a portion of the necessary capital improvements. The increased fees will not



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exceed the estimated reasonable cost of providing service for which the fee is charged. The increased fees are designed to pay for new facilities to be constructed which benefit those paying the fees. Even with the fees, additional funds will be needed to construct the necessary facilities.

A significant component of the existing water users rate schedule does, and will continue to, contribute to capital improvement projects. Rate payers have continued to amortize indebtedness since 1960, and net revenues from water system operations are utilized for capital improvements to the water system on a routine basis. Recent examples of capital improvement include: Design and construction of Robla Reservoir, transmission main additions, and retention of engineering consultants for expansion studies. In addition, the Riverside Water Treatment Plant was reactivated at considerable expense in 1986 to provide interim treatment capacity required by current growth.

Since the City and County have been working together to develop a management plan along the lines of the 1985 Metcalf and Eddy study, the County has adopted a groundwater management plan. This plan provides for development of surface water supplies to reduce dependence on groundwater in unincorporated areas. The plan is to be financed for the most part by County water system development fees as proposed by Metcalf and Eddy. A water development fee schedule has been adopted by the County along the lines of the Metcalf and Eddy recommendation.

Since the basic cost per EDU is for a residential unit, cost for non-residential connections were developed from comparisons of typical non-residential use patterns. Both service connection size and lot size were taken into account in estimating water use and, therefore, water system development fees. Statistical data and methods contained in a 1978 water rate study and report by the consulting firm of Brown and Caldwell were incorporated into the development of the non-residential fee schedule.

The increases proposed in the City development fee essentially follow the Metcalf and Eddy recommendation. A one-inch connection for a single-family dwelling unit has a fee of \$1,500. Non-residential fees are based on size of service, with an added fee of \$2,500 per acre, since commercial water demands are generally higher and less predictable than residential demand. Even with the development fee, it is estimated that monthly water rates will pay for a significant portion of the debt service for system expansion.

The cost of the proposed 135 MGD system expansion (treatment, storage, and transmission) is estimated at \$104,000,000. This

cost does not include smaller local distribution mains, fire hydrants, service connections and appurtenances normally provided by the developer or lot owner through improvement proceedings. This expansion increment of 135 MGD would serve the City about 27 years at the current rate of growth, about 4400 new equivalent single-family equivalents (EDU) per year. Debt service for a 27 year amortization would be approximately \$9.5 million annually. Revenue from the proposed development fee of \$1,500 per EDU would be \$6.6 million per year, leaving \$2.9 million per year, or 30%, to be borne by ratepayers. The actual percent financed by the existing water ratepayers is dependent on the rate of growth, method of financing, and available interest rates but would probably range from 25% to 35%.

In 1983, the City Council adopted the Infill Incentive Program section of the General Plan Growth Policy. The proposed water development fee ordinance would except infill sites as defined in the attached resolution.

After meetings with personnel from several agencies representing contractors, builders, developers, and others especially affected by the fee increase, staff added additional items to the proposed ordinance:

1. Provision for a board to hear appeals regarding application of the fee.
2. A description of the policy the Building Inspections Division will follow with respect to plans submitted before the effective date of the increase.
3. The water development fee will not apply to water service connections used exclusively for fire protection purposes.

Moreover, water development fees for projects for which substantially complete plans are submitted to the Building Inspections Division prior to June 1, 1987 shall be determined from the schedule in effect prior to June 1, 1987. Plans will be considered to be substantially complete if they include foundation plans, floor plans, plot plans, exterior elevations, and structural plans and details. Commercial, industrial, and multiple family housing project plans shall also include landscaping, civil engineering, fire protection, plumbing, electrical, and mechanical plans and necessary details and calculations.

The attached letter (Exhibit E) from the Associated General Contractors of California summarizes the points agreed upon by staff and builder-developer groups at these meetings.

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FINANCIAL

The proposed fee schedule is expected to provide adequate revenues to finance the water system expansion needed to maintain and expand service within the City's water rights place of use service areas. This fee schedule, as shown in the attached resolution is based on the City's current schedule and the Metcalf and Eddy recommendation.

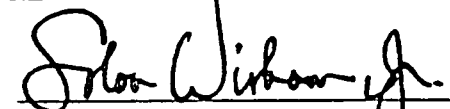
RECOMMENDATION

It is recommended that the attached Ordinance, amending City Code Section 47.321, the resolution establishing an increased water development fee, the resolution of findings, and the resolution defining the City Infill Program be recommended for Council adoption.

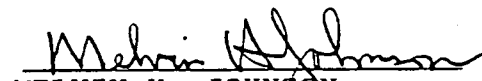
Respectfully submitted,

  
JAMES G. SEQUEIRA  
Acting Division Manager

RECOMMENDATION APPROVED:

  
SOLON WISHAM, JR.  
Assistant City Manager

APPROVED:

  
MELVIN H. JOHNSON  
Director of Public Works

April 14, 1987  
ALL DISTRICTS

w/attachments

35

# ORDINANCE NO. 87-031

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

APPROVED  
BY THE CITY COUNCIL

AN ORDINANCE AMENDING SECTION 47.321  
OF THE SACRAMENTO CITY CODE RELATING TO  
WATER SYSTEM DEVELOPMENT FEES

APR 28 1987

OFFICE OF THE  
CITY CLERK

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

SECTION 1

Section 47.321 of the Sacramento City Code is amended to read as follows:

47.321 Water System Development Fee

- (a) General. Every lot, parcel or tract of land not connected to the City water system prior to January 1, 1980, shall be subject to a water system development fee. No water service from such system shall be furnished thereto unless such charge has been paid. Such charge shall not apply if the fee established by the section, or the equivalent thereof, has been previously paid by the owner, or a predecessor of such owner, of such property, or if the property meets the qualifications for an Infill Site as established by City Council resolution. Payment of said connection fee shall be in addition to payment of all other applicable fees and charges (Ord 4268, 1).
- (b) Amount of Water System Development Fee. The fee established by this section shall be determined by reference to a schedule of rates set by resolution of the City Council.
- (c) Replacement Services. If an existing water service or meter is replaced by one of a larger size at the owner's request, the fee shall be equal to the difference between the fee for the original service size and that for the replacement service size in the foregoing schedule.
- (d) Fire Protection Services. If a service can be used only for fire protection, the water development fee shall not apply.

AN ORDINANCE AMENDING SECTION 47.321  
OF THE SACRAMENTO CITY CODE RELATING TO  
WATER SYSTEM DEVELOPMENT FEES

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(b) Amount of Water System Development Fee. The fee established by this section shall be determined by reference to a schedule of rates set by resolution of the City Council.

(c) Replacement Services. If an existing water service or meter is replaced by one of a larger size at the owner's request, the fee shall be equal to the difference between the fee for the original service size and that for the replacement service size in the foregoing schedule.

(d) Fire Protection Services. If a service can be used only for fire protection, the water development fee shall not apply.

- (e) **Credit for Major Facilities.** Nothing in this ordinance shall prohibit the City Council from authorizing appropriate credit toward water development fees for property owners who were assessed or in some manner paid all or a portion of the cost of major water transmission and/or storage facilities.
  
- (f) **Appeal.** There is established a Water Development Fee Determination Board. The Board's membership shall consist of the Water Division Manager and the Superintendent of Building Inspections, or their respective designees. Any person aggrieved by the determination of the water development fee for property owned by such person, may file a written appeal with the Superintendent of Building Inspections. The appeal will be reviewed by the Board, and notice given of the determination of the Board to the property owner. In the event the appeal is granted, an appropriate refund will be made, based on the recalculated development fee.

In the event an appeal is not granted, notice shall be given to the property owner which shall briefly specify the reason for the decision of the Board. Any property owner who receives such notice and who desires to have his appeal reconsidered by the Board may apply for a hearing in person. Any such application must be filed with the Superintendent of Building Inspections within fifteen (15) calendar days following receipt of the notice that his written appeal was denied. The Board shall, within thirty (30) calendar days after application for a hearing, schedule a hearing upon ten (10) days written notice to the property owner. The property owner or his designee may present at the hearing any evidence relevant to the appeal. The Board shall reevaluate the appeal. In considering the appeal, the Board may obtain an inspection report from the Water Division. Written notice of the Board's action shall be given to the property owner and the order of the Board shall be final.

(e) Credit for Major Facilities. Ordinances shall provide the City Council shall authorize appropriate credit toward water development fees for property owners who were assessed or in some manner paid all or a portion of the cost of major water transmission and/or storage facilities.

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PASS FOR PUBLICATION:

ENACTED:

EFFECTIVE:

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MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK



PASS FOR PUBLICATION:

WANTED:

DETECTIVE.

MAYOR

ATTEST:

CITY CLERK

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# ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

AN ORDINANCE AMENDING SECTION 47.321  
OF THE SACRAMENTO CITY CODE RELATING TO  
WATER SYSTEM DEVELOPMENT FEES

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

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(b) Amount of Water System Development Fee. The fee established by this section shall be determined by reference to a schedule of rates set by resolution of the City Council. ~~is/as follows/~~

| <u>Water/Service/Or/Meter/Size</u> | <u>Fee/In/Dollars</u> |
|------------------------------------|-----------------------|
| 3/4/Inch                           | ///104/50             |
| 1/Inch                             | ///169/00             |
| 1-1/4/Inch                         | ///242/00             |
| 1-1/2/Inch/                        | ///319/00             |
| 2/Inch                             | ///506/00             |
| 3/Inch                             | ///935/00             |
| 4/Inch                             | /1,518/00             |
| 6/Inch                             | /3,168/00             |
| 8/Inch                             | /5,412/00             |
| ///10/Inch                         | /8,118/00             |



(c) Replacement Services. If an existing water service or meter is replaced by one of a larger size at the owner's request, the fee shall be equal to the difference between the fee for the original service size and that for the replacement service size in the foregoing schedule.

(d) Fire Protection Services. If a service can be used only for fire protection, the water development fee shall not apply.

(e) Credit for Major Facilities. Nothing in this ordinance shall prohibit the City Council from authorizing appropriate credit toward water development fees for property owners who were assessed or in some manner paid all or a portion of the cost of major water transmission and/or storage facilities.

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ATTEST:

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CITY CLERK

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PASS FOR PUBLICATION:

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MAYOR

ATTEST:

CITY CLERK

# RESOLUTION No. 87-322

Adopted by The Sacramento City Council on date of

APPROVED  
BY THE CITY COUNCIL

APR 28 1987

OFFICE OF THE  
CITY CLERK

April 28, 1987

## RESOLUTION TO PROVIDE WATER DEVELOPMENT FEE WAIVERS TO INFILL PROPERTY SPECIFIED HEREIN

Be It Resolved by the Council of the City of Sacramento that the waiver of Water System Development Fees shall be granted by the City for Residential Infill Lots if the following conditions are met:

- A. The lot(s) is designated in a community plan for infill development, or is located in a redevelopment target area (Exhibit 1 and 2); or
- B. The lot(s), subject to Planning Director approval, meets all of the following provisions:
  - 1. The lot(s) is surrounded by approved or existing development which is contiguous to it on at least three sides; and
  - 2. The lot(s) has an approved project, or a project pending approval, which is consistent with the General Plan and applicable more specific plans; and
  - 3. The lot, or aggregate total of contiguous lots, is no more than five (5) acres size if zoned R-1 or R-2, or no more than two (2) acres size if zoned R-1-A, R-1-B, R-2-A, R-2-B, R-3, R-4, R-4-A, R-5; and
  - 4. The site has City sewer, water, and drainage services or is within a proposed or existing assessment district for these services. Such services must be capable of serving the proposed development to the satisfaction of the Public Works Director; and
  - 5. The lot(s) is located in a neighborhood where the median year of housing construction is 1965 or earlier, and this fact can be demonstrated in one of two ways:
    - a. The lot(s) is located in a qualifying neighborhood as reported by the U.S. Census Bureau in its 1982 Neighborhood Statistics Program Report (Exhibit 2); or



- b. The lot(s) is outside the foregoing neighborhoods but falls within a 500 foot radius area, as measured from the outside perimeter of the subject lot(s) and when analyzed has the necessary median year of housing construction; and the applicant can demonstrate this by means of a scaled map showing all primary building locations and housing construction dates, and by means of supporting documentation of the latter from official building permits or other relevant records.
- C. Application for waiver under provisions of Section A above shall occur at the time of application for a building permit, and may be granted at the Planning Division counter.
- D. Application for waiver under provisions of Section B above shall be made to the Planning Division, and issuance of a waiver may occur prior to application for a building permit. The waiver shall be approved or denied by the Planning Director based upon:
  - 1. The applicant presenting a certified copy of the latest County Assessor parcel map(s) showing all properties surrounding the subject lot(s) and, notwithstanding B.4.b. above, showing existing land uses within the subject area; and
  - 2. The applicant presenting a written statement as to how the subject lot(s) meets the waiver provisions setforth in A. or B. above.
- E. Appeal of Planning Director denial of a waiver to the Planning Commission may be made by the applicant under provisions setforth in Section 18 of the City's Zoning Ordinance. The required filing fee shall be refunded to the applicant if the appeal is granted.

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ANNE RUDIN, MAYOR

ATTEST:

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CITY CLERK



BOUNDARIES FOR THE NEIGHBORHOOD STATISTICS PROGRAM

EXHIBIT 2

# REDEVELOPMENT AREAS

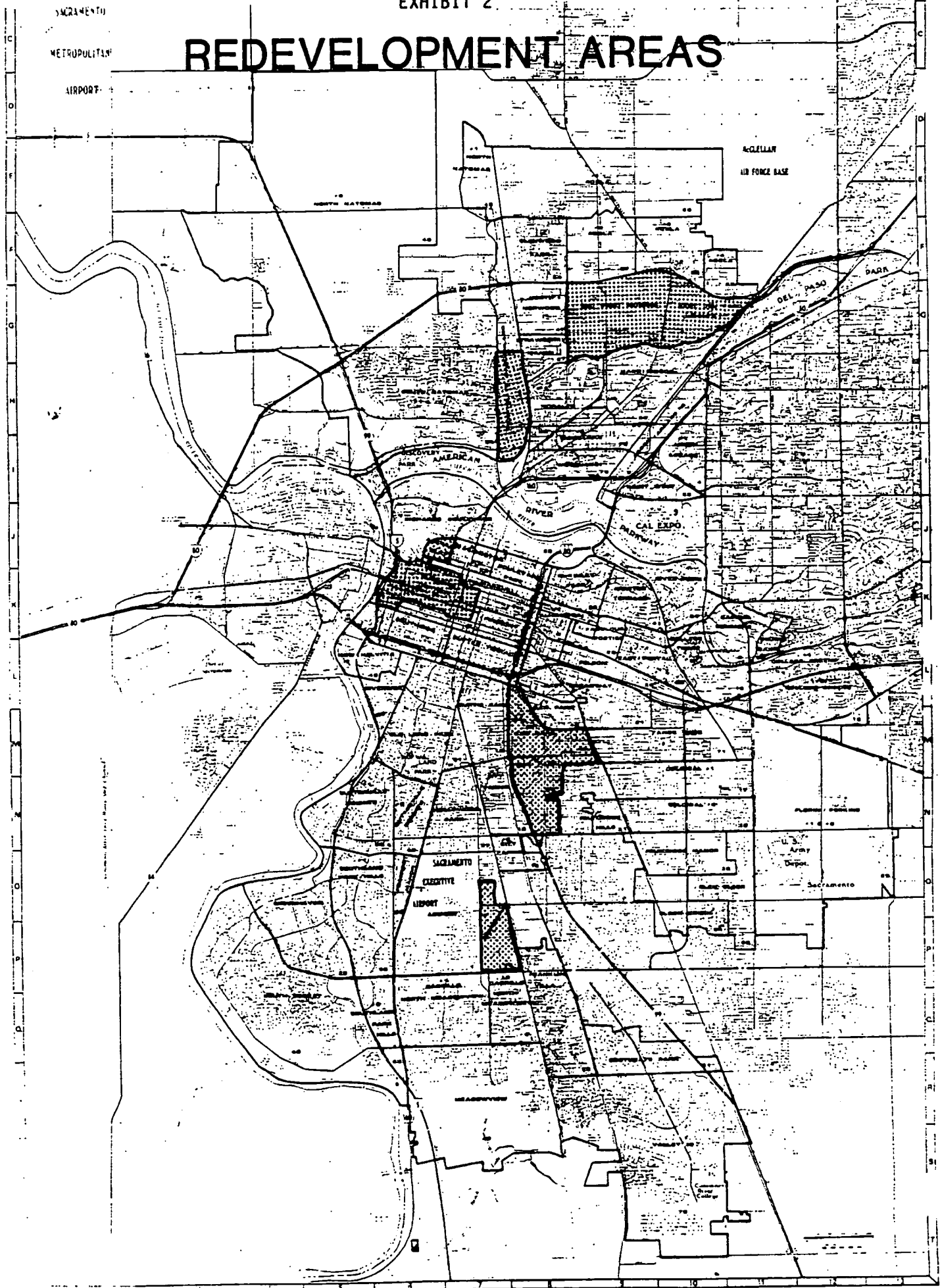


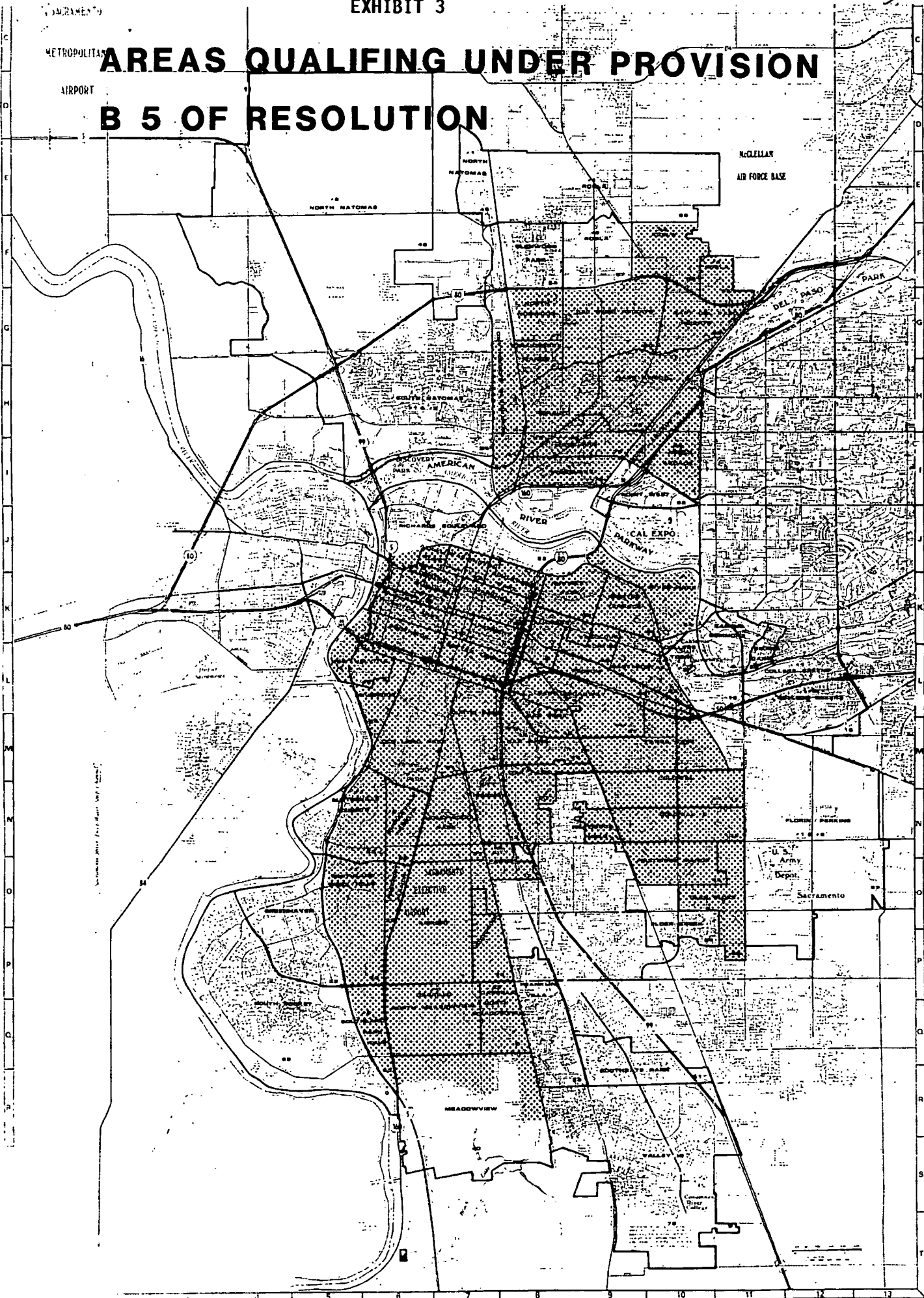
EXHIBIT 3

SACRAMENTO

METROPOLITAN

AIRPORT

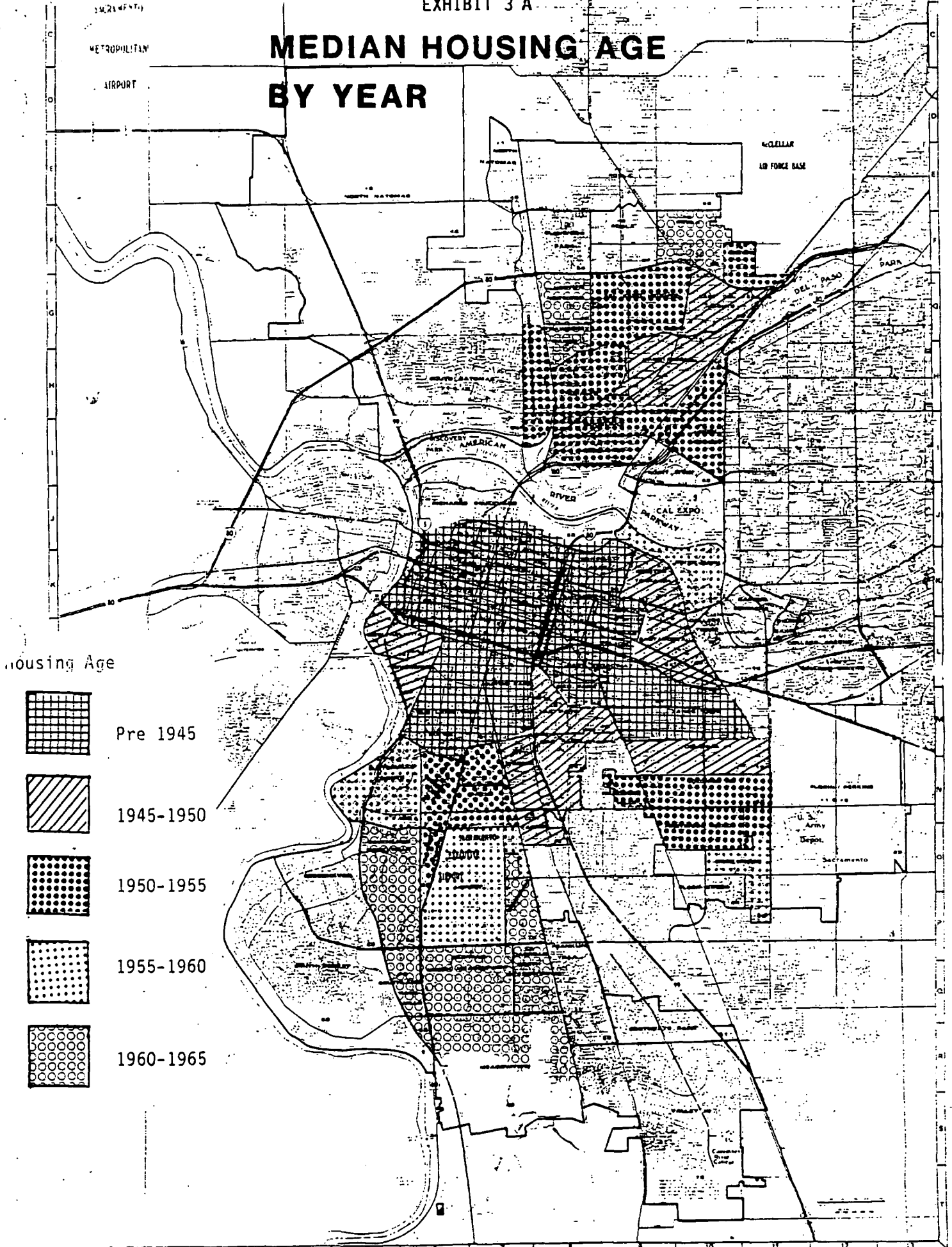
# AREAS QUALIFYING UNDER PROVISION B 5 OF RESOLUTION



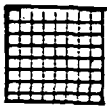
Source: U.S. Census Bureau, 1970 Census

EXHIBIT 3 A

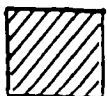
# MEDIAN HOUSING AGE BY YEAR



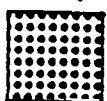
Housing Age



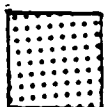
Pre 1945



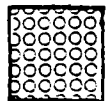
1945-1950



1950-1955



1955-1960



1960-1965

# RESOLUTION NO. 87-323

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AMENDING THE CITY OF SACRAMENTO  
FEE AND CHARGE REPORT TO ESTABLISH WATER  
DEVELOPMENT FEES FOR WATER PURSUANT  
TO SECTION 47.321 OF THE SACRAMENTO  
CITY CODE

APPROVED  
BY THE CITY COUNCIL

APR 28 1987

OFFICE OF THE  
CITY CLERK

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

That the City of Sacramento Fee and Charge Report is hereby ammended to include the following water development fees to take effect on June 1, 1987.

### VIII. WATER DEVELOPMENT FEE

| <u>Water Service or Meter Size, Inches</u> | <u>Rate</u> |
|--|-------------|
| 3/4"                                       | \$1,200.00  |
| 1"   | 1,500.00    |
| 1 1/4"                                     | 2,250.00    |
| 1 1/2"                                     | 3,000.00    |
| 2"   | 4,800.00    |
| 3"   | 9,000.00    |
| 4"   | 15,000.00   |
| 6"   | 30,000.00   |
| 8"   | 48,000.00   |
| 10"  | 69,000.00   |

#### Non-Residential

In addition to the above fee based on size, a fee of \$2,500 per acre will be charged. Acreage is to be based on parcel size, not developed area.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

## RESOLUTION AMENDING THE CITY OF SACRAMENTO FEE AND CHARGE REPORT TO ESTABLISH WATER DEVELOPMENT FEES FOR WATER PURSUANT TO SECTION 47.321 OF THE SACRAMENTO CITY CODE

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

That the City of Sacramento Fee and Charge Report is hereby ammended to include the following water development fees to take effect on June 1, 1987.

### VIII. WATER DEVELOPMENT FEE

| <u>Water Service or Meter Size, Inches</u> | <u>Rate</u>        |
|--|--------------------|
| 3/4"                                       | \$/104/80 1,200.00 |
| 1"   | /169/00 1,500.00   |
| 1 1/4"                                     | /242/00 2,250.00   |
| 1 1/2"                                     | /319/00 3,000.00   |
| 2"   | /506/00 4,800.00   |
| 3"   | /935/00 9,000.00   |
| 4"   | 1/518/00 15,000.00 |
| 6"   | 3/168/00 30,000.00 |
| 8"   | 5/412/00 48,000.00 |
| 10"  | 8/118/00 69,000.00 |

#### Non-Residential

In addition to the above fee based on size, a fee of \$2,500 per acre will be charged. Acreage is to be based on parcel size, not developed area.

# RESOLUTION NO. 87-324

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

APPROVED  
BY THE CITY COUNCIL

## RESOLUTION OF FINDINGS ON INCREASED WATER DEVELOPMENT FEES

APR 28 1987

OFFICE OF THE  
CITY CLERK

WHEREAS, the combined Budget and Finance and Transportation and Community Development Committees have held a public hearing on water development fees on April 14, 1987, at which staff made a presentation including a report and at which public testimony was heard and said committees recommended adoption of an increased water development fee schedule, and

WHEREAS, the City Council passed the ordinance establishing an increased water development fee schedule for publication on April 21, 1987, and

WHEREAS, the City Council on April 28, 1987, at a regular public council meeting, received the following information:

- (1) A staff report on the proposed increased water development fees;
- (2) Oral presentation by city staff;
- (3) Metcalf and Eddy - Sacramento Area Water Resources Management Plan - January, 1985;
- (4) Dewante and Stowell - Water Study North Natomas Area - December 1984;
- (5) Brown and Caldwell - Water Treatment Plant Expansion Study - December 1986;
- (6) Brown and Caldwell - Water Rate Study - June, 1978; and
- (7) Public testimony from interested parties.

NOW THEREFORE, based on this data and all information part of the public record on this matter, the City Council makes the following finding to comply with Government Code Section 21080(b)8 to establish that the passing of the increased water connection fee ordinance of even date herewith serves the following purposes:



April 14, 1987

35  
Resolution  
Page 2

(1) The water development fee will permit the generation of necessary cash flow to finance expansion of the system, meet financial reserves for such expansion and permit servicing of debt associated with the expansion as detailed in the Metcal and Eddy Report.'

(2) The water development fee will permit the purchase of necessary equipment for the water system including, but not limited to, pumps, laboratory equipment, chemical handling equipment, generators, control mechanisms, instrumentation, and tanks necessary to expand the water system.

(3) The water development fee is essential as a source of funds for capital projects necessary to maintain service within the existing service areas, including the American River place of use area granted to the City by the State Water Resources Control Board and the Sacramento River place of use area similarly granted to the City. In order to economically and efficiently meet the needs of these water rights place of use service areas capital expansion is required as detailed in consulting studies, most particularly the Metcalf and Eddy study. Expanding the City's place of service and maintaining existing services requires capital improvements estimated to total \$104,000,000 by the year 2015. The water development fee will be the primary source of funds for the necessary projects.

NOW THEREFORE, base on this information and the public words, the Council of the City of Sacramento makes the specific finding contained herein as well as all other matters in the public record as its basis for enacting the ordinance to increase the water connection fees and the resolution establishing the fees passed of even date herewith,

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MAYOR

ATTEST:

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CITY CLERK

EXHIBIT A  
METCALF AND EDDY REPORT

(This attachment is available in the City Clerk's Office)

EXHIBIT B  
DEWANTE AND STOWELL REPORT

(This attachment is available in the City Clerk's Office)

EXHIBIT C  
BROWN AND CALDWELL / DEWANTE AND STOWELL REPORT

(This attachment is available in the City Clerk's Office)

EXHIBIT D

BROWN AND CALDWELL 1978 WATER RATE STUDY

(This attachment is available in the City Clerk's Office)

# ASSOCIATED GENERAL CONTRACTORS OF CALIFORNIA

37



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 3095 Beacon Blvd.  
 West Sacramento, California 95691  
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 Oakland, California 94621  
 (415) 568-8839

Southern California Labor Dept.  
 2551 Beverly Boulevard  
 Los Angeles, CA 90057  
 (213) 385-6031

**DISTRICT OFFICES**  
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 Chico, California 95927-3259  
 (916) 893-1963

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 San Francisco, CA 94109  
 (415) 776-2054

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 Oakland, California 94621  
 (415) 568-6174

400 Reed Street  
 P.O. Box 58032  
 Santa Clara, California 95052  
 (408) 727-3318

5070 North Sixth Street, Suite 159  
 Fresno, California 93710  
 (209) 222-6262

3324 State Street, Suite dd  
 Santa Barbara, California 93105  
 (805) 682-6242

2551 Beverly Boulevard  
 Los Angeles, California 90057  
 (213) 385-6031

Empire Building  
 204 North Broadway, Suite F & G  
 Santa Ana, California 92701  
 (714) 547-6167

255 North D Street, Suite 201  
 San Bernardino, California 92401  
 (714) 885-7519

**OFFICERS**  
 Al Shankle, *President*  
 Jerry Toll, Sr., *Vice President*  
 Ed Ronchelli, *Vice President*  
 Nian S. Roberts, *Treasurer*  
 M. B. McGowan, *Immediate Past President*  
 Richard B. Munn, *Executive Vice President*

March 12, 1987

Mr. Melvin H. Johnson  
 Director of Public Works  
 City Hall Room 207  
 915 I St.  
 Sacramento, CA 95814-2673

Dear Mr. Johnson:

Thank you and your staff for taking time on both February 11 and 18 to meet with contractor members of this Association to discuss the possibilities of a reassessment of the new Water System Development Fee.

As a result of our meeting of February 18, it is our understanding that (1) The implementation date will be June 1, 1987, (2) Water taps for fire protection systems will not incur development fees, and (3) Projects accepted into the plan check process prior to June 1 will be excluded from the increased fee.

Based upon the above understanding, this Association and its local contractor members accept the proposed Water Development Fee.

Very truly yours,

ASSOCIATED GENERAL CONTRACTORS  
 OF CALIFORNIA, INC.

*Bud Rodgers*  
 Bud Rodgers  
 Manager  
 Delta-Sierra District

BR:ms

RECEIVED

MAR 13 1987

ASSOCIATION