

**DATE:** February 13, 2008

**TO:** Honorable Board of Directors  
Sacramento Area Sewer District

**FROM:** Sacramento Area Sewer District

**SUBJECT: Amendments to Sewer Impact Fee Ordinance**

**Board of Directors**

Representing:

County of Sacramento  
City of Citrus Heights  
City of Elk Grove  
City of Folsom  
City of Rancho Cordova  
City of Sacramento

**Mary K. Snyder**

*District Engineer*

**Christoph Dobson**

*Collection System Manager*

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*Chief Financial Officer*

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**RECOMMENDATIONS:**

It is recommended that the Board:

1. Introduce the attached amendments to the Sacramento Area Sewer District (SASD) (formerly known as County Sanitation District 1) Sewer Impact Fee Ordinance.
2. Waive the reading of the amended Sewer Impact Fee Ordinance.
3. Continue the amended ordinance to February 27, 2008, at 9:30 a.m. for adoption.
4. Direct staff to advertise a public hearing on the amended Sewer Impact Fee Ordinance on February 27, 2008 at 9:30 a.m.

**BACKGROUND:**

The SASD -1 Sewer Impact Fee Ordinance establishes sewer impact fees for residential, commercial and industrial customers to connect to, or expand their capacity in, the wastewater collection system. The fees are studied in conjunction with annual updates to the master plans to ensure they can generate needed financing for construction and improvements of collection system pipeline.

On December 12, 2007 your Board passed a resolution approving the CSD-1 Capital Funding Projection for 2008-09. This list anticipates a total of \$184 million in project expenditures in the next five years. Of this amount, \$22 million would be funded by sewer impact fees and the remaining \$162 million by monthly service charges. Your Board was also presented with the projected increases for relief sewer impact fees over the next five years. On January 23, 2008 your Board held a workshop concerning the projected increases for expansion sewer impact fees.

**DISCUSSION:**

The attached ordinance continues implementing the two-tiered structure approved by your Board in 2003. The ordinance specifies all new connections in “expansion communities”, currently at \$1,853 per ESD, will increase to \$2,500 per ESD. All new connections in “relief communities”, currently at \$1,600 per ESD, will be increased to \$2,000 per ESD. The increases shown on the chart will fund increases to construction projects. The location of expansion and relief areas are shown on the map in Attachment 2. The following chart shows the five-year history of sewer impact fees as well as the projected sewer impact fees.

<b>Fiscal Year</b>	<b>Expansion</b>	<b>Relief</b>
April 2002	\$720	
July 2003	\$1,853	\$1,150
April 2004	\$1,853	\$1,350
April 2005	\$1,853	\$1,500
April 2006	\$1,853	\$1,500
<b>Current (April 2007)</b>	<b>\$1,853</b>	<b>\$1,600</b>
April 2008	\$2,500	\$2,000
April 2009	\$3,000	\$2,100
April 2010	\$3,500	\$2,200
April 2011	\$4,000	\$2,300
April 2012	\$4,500	\$2,400

Sewer impact fees for industrial customers will be adjusted according to the ordinance by the change in the ENR (Engineering New Record – Construction Cost Index) effective April 1, 2008. The current fees are shown in the following chart.

<b>Fiscal Year</b>	<b>Current</b>
Flow per 1000 gal	\$ 45

The only other changes made to the ordinance this year were non-substantive changes made for clarity. A “redline” copy (Attachment 1) of the changed pages in the amended Sewer Impact Fee Ordinance has been included so the changes can be readily seen. If approved, the proposed sewer impact fees will become effective April 1, 2008.

**PUBLIC OUTREACH:**

Letters detailing the proposed increases have been sent to an extensive list of “interested parties.” The Building Industry Association has been contacted regarding the proposed ordinance changes. Signs have been posted at the public counters of the Building and Planning departments for Sacramento County and the cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, Sacramento, and West Sacramento.

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**CONCLUSION:**

It is recommended that the Board introduce the amended Sewer Impact Fee Ordinance, waive the reading of the ordinance, and direct staff to advertise a public meeting for February 27, 2008, for adoption of the amended ordinance.

Respectfully submitted,

APPROVED:

Marcia Maurer  
Chief Financial Officer

Mary K. Snyder  
District Engineer

Attachment 1 – “Redline Version” of Amended Sewer Impact Fee Ordinance

Attachment 2 – Map of Relief and Expansion Sewer Areas

Contact for additional information:

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