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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 207
915 I STREET
SACRAMENTO, CA
95814-2673

OFFICE OF THE DIRECTOR

916-449-5283

March 7, 1989

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

Honorable Members in Session:

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

SUMMARY

The Sacramento Regional County Sanitation District (SRCSD) has prepared an amending document to the Master Interagency Agreement with the City. The Public Works Department, Finance Department and the City Attorney's Office have reviewed the proposed amendment. It is recommended that after hearing this report, the Committee recommend approval of the amended agreement and forward the attached resolution to full City Council for adoption.

BACKGROUND

(See attached report to City Council)

FINANCIAL DATA

(See attached report to City Council)

POLICY CONSIDERATIONS

(See attached report to City Council)

MBE/WBE EFFORTS

Not Applicable

Budget and Finance/Transportation
and Community Development Committee
March 7, 1989
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RECOMMENDATION

It is recommended that after hearing this report, the Committee recommend approval of the amended Master Interagency Agreement and forward the attached resolution to full City Council for adoption.

Respectfully submitted,

for Request of Funding
Melvin H. Johnson
Director of Public Works

Approved:

Solon Wisham Jr
Solon Wisham, Jr.
Assistant City Manager

Contact Person: Gary Alm, Senior Engineer
Department of Public Works

March 7, 1989
ALL DISTRICTS

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

A RESOLUTION APPROVING AN AMENDMENT TO THE MASTER INTERAGENCY AGREEMENT BETWEEN THE SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT AND THE CITY OF SACRAMENTO AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDED AGREEMENT

WHEREAS, on January 28, 1989, the Sacramento Regional County Sanitation District (SRCSD) adopted a revised Regional Connection Fee Ordinance; and

WHEREAS, said revised Ordinance requires that an amendment be made to the Master Interagency Agreement between SRCSD and the City of Sacramento; and

WHEREAS, SRCSD, in cooperation with City staff have prepared an amended Master Interagency Agreement to reflect the revised Ordinance; and

WHEREAS, said amended agreement also incorporates all prior amendments made since the original 1974 agreement; and

WHEREAS, said amended agreement has been submitted to this Council for approval;

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

1. The City Council hereby approves the amended Master Interagency Agreement between the Sacramento Regional County Sanitation District and the City of Sacramento.
2. The Mayor and City Clerk are hereby authorized to execute said amended agreement.

MAYOR

ATTEST:

CITY CLERK



COUNTY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

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

TELEPHONE: (916) 440-6581

February 28, 1989

City Council
City of Sacramento
915 - I Street
Sacramento, CA 95814

Honorable Members in Session:

Subject: Master Interagency Agreement Amendment Relative to the
Sacramento Regional County Sanitation District Connection Fee
Ordinance

Summary:

The subject ordinance, revisions to which were approved by the Sacramento Regional County Sanitation District (SRCSD) on January 28, 1989, requires an amendment to the Master Interagency Agreement (MIA) to which the City of Sacramento is signatory as a Contributing Agency.

Discussion:

The MIA between the Contributing Agencies and the SRCSD was approved by your City Council in 1974 to define the responsibilities of the various agencies and the Regional District. Section 12 of the MIA stated the philosophy of the connection fee that was based on recovery of capital costs avoided by users that were not subject to the SRCSD service charge at its inception in July, 1975. A 1981 amendment to the MIA better defined the application of the fee, identified as the Capital Investment Equalization (CIE) Fee. In 1983, another amendment revised the SRCSD Annexation Fee to reflect cumulative taxes foregone, and the interest thereon. Prior to that, the Annexation Fee was based only on the administrative cost associated with processing an annexation petition. A 1986 amendment to Section 12 adjusted the Annexation Fee to reflect taxes avoided on undeveloped property only. The subject amendment, in addition to incorporating the revisions to the SRCSD Connection Fee Ordinance, has been updated to include prior amendments and to delete now archaic language and references contained in the original document relating to facilities and procedures associated with the then-pending Sacramento Regional Wastewater Management Program.

Financial Considerations:

The current SRCSD CIE and Annexation Fees are intended to equalize costs for system users regardless of the time at which they initiate use of the SRCSD system. However, in anticipation of initiating annexation proceedings for all properties within the District's Sphere of Influence having land use designations requiring urban services, the Annexation Fee is being deleted effective March 1, 1989. Instead, the CIE Fee will have two categories -- one assigned to properties within the District boundaries on February 28, 1989, or having petitioned for annexation thereto, and the other, a higher fee, in effect representing the addition of the former Annexation Fee, assignable to properties outside District boundaries on that date. This results in the incremental amount being imposed on the basis of Equivalent Single Family Dwelling (ESD) units as opposed to the current Annexation Fee being based on gross acreage. There will be no significant difference in the total fees charged for connection to the sewer system as a result of this change. Also, provision is being included for a surcharge in the North Natomas Community Plan area to provide reimbursement to the parties funding the EPA and State Water Resources Control Board grant reimbursement penalty. The Ordinance provides that each person who applies for a sewer connection permit in the area of prohibition will assume a prorata share of the financial obligation assumed by certain North Natomas property owners. The determination of the amount of a particular owner's prorata share is based on his property's proportionate use of the sewer system relative to the actual use of other properties and the potential use by those owners. An agreement with certain of those owners (Sacramento Sports Association and ARCO) has been executed to reflect the new methodology and the additional participants.

Policy Considerations:

In addition to the policy revisions as above described with respect to financial responsibility, it should be emphasized that the deletion of the SRCSD Annexation Fee is of significant importance in the Robla area, where the large lots with single-family residences, under current policy, are significantly impacted under a fee structure based on acreage. The elimination of the Annexation Fee does away with that inequity inasmuch as the proposed revision will incorporate that former fee into the SRCSD CIE Fee, which is based upon system usage.

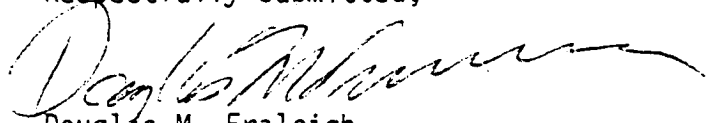
The North Natomas Community Plan area surcharge reflects a situation that your Council was aware of when the Community Plan was approved. As yet the EPA and State Water Resources Control Board have not made a demand for the repayment of grant funds, though they are aware that the Arco Arena is being provided with sewer service.

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Recommendation:

It is recommended that your Council take the appropriate action to approve the amendments to the Master Interagency Agreement.

Respectfully submitted,



Douglas M. Fraleigh
Director of Public Works

DMF:JPG:mm



DEPARTMENT OF
PUBLIC WORKS

OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 207
915 I STREET
SACRAMENTO, CA
95814-2673

March 7, 1989

916-449-5233

City Council
Sacramento, California

HONORABLE MEMBERS IN SESSION:

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

SUMMARY

The Sacramento Regional County Sanitation District (SRCSD) has prepared an amending document to the Master Interagency Agreement with the City. The Public Works Department, Finance Department and the City Attorney's Office have reviewed the proposed amendment. It is recommended that City Council adopt the attached resolution which approves the amendment and authorizes the Mayor to execute the amended agreement. This item was considered by the Budget and Finance/Transportation and Community Development Committee at their meeting on March 7, 1989. Attached to this report is a letter from the County of Sacramento concerning the amendment. A copy of the amended agreement is on file with the City Clerk's Office.

BACKGROUND

The original Master Interagency Agreement was executed November 1, 1974. The proposed amendment will accomplish the following revisions:

1. Incorporation of the revised SRCSD Regional Connection Fee Ordinance adopted by SRCSD on January 28, 1989.
2. Incorporation of all prior amendments that have been adopted since 1974.
3. Deletion of now archaic language and references contained in the original agreement pertaining to the then pending Sacramento Regional Wastewater Management Program.

Please refer to the attached County letter for additional background and discussion.

FINANCIAL DATA

There is no direct financial impact to the City as a result of the proposed amendment. Please refer to attached County letter for discussion of landowner connection fee changes.

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POLICY CONSIDERATIONS

The proposed amendment does not affect any change in the roles or responsibilities of the parties to the agreement. The Master Interagency Agreement will continue to serve as the primary document for coordination between the City and SRCSD. Please refer to the attached County letter for policy issues related to connection fees.

MBE/WBE EFFORTS

Not applicable.

RECOMMENDATION

It is recommended that City Council adopt the attached resolution approving the amendment and authorizing the Mayor to execute the amended Master Interagency Agreement with the Sacramento Regional County Sanitation District.

Respectfully submitted,

Approved:

Melvin H. Johnson
Director of Public Works

Walter J. Slipe
City Manager

Contact Person: Gary Alm, Senior Engineer
Department of Public Works

March 7, 1989
ALL DISTRICTS