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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

April 9, 1991

Budget and Finance Committee  
Sacramento, California

Honorable Members in Session:

SUBJECT: DEPARTMENT OF HEALTH SERVICES ANNUAL SERVICES FEE

#### SUMMARY

Passage of Senate Bill 1806 requires each public water system to pay to the Department of Health Services an annual fee based on the number of water service connections. Based on the requirements of this bill and resulting State Code changes, the City's fee for 1990-91 fiscal year is \$55,316.50.

It is requested that the City's fee of \$55,316.50 be transferred from Water Fund Contingency to the Water Division's operating budget.

#### BACKGROUND

Senate Bill 1806 (Roberti), which was approved by the Governor last July, among other things, added a section to the Health and Safety Code which would require the Department of Health Services to charge each public water system serving more than 200 service connections to pay an annual fee to the Department.

The fee is set at a rate of \$0.50 per service connection. Since the City had 110,633 connections, our fee will be \$55,316.50

At the time the FY 1990-91 City budget was being prepared, there had been no public discussion in the Legislature regarding the proposed imposition of such fees; therefore, no funding was requested. However, during the extended State budget stalemate in July,

SB 1806 was amended to include the fees as a budget balancing measure. Due to the last-minute, closed-door nature of the process, the City did not have the opportunity to oppose the bill.

FINANCIAL

The source of the \$55,316.50 would be the Water Contingency Fund (413-310-7012-4999), which has a current balance of \$5,301,000 per the midyear review adopted by Council.

POLICY CONSIDERATIONS

Payment of the \$55,316.50 fee is required by State Law as a result of the passage of SB1806.

MBE/WBE EFFORTS

Not Applicable.

RECOMMENDATION

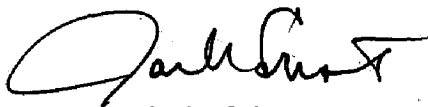
It is recommended that the Budget and Finance Committee approve the transfer of \$55,316.50 from the Water Fund Contingency to the Water Division's operating budget and forward this report to the full City Council for approval of the attached resolution.

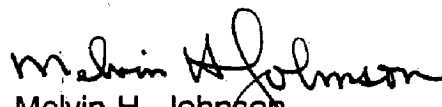
Respectfully submitted,

  
Jim Sequeira  
Water Division Manager

RECOMMENDATION APPROVED:

APPROVED:

  
Jack R. Crist  
Deputy City Manager

  
Melvin H. Johnson  
Director of Public Works

April 9, 1991  
All Districts

Contact Person:  
Jim Sequeira, Water Division Manager - 449-1291

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

RESOLUTION TRANSFERRING \$55,316.50 FROM  
THE WATER FUND CONTINGENCY TO THE  
WATER ADMINISTRATION OPERATING BUDGET TO PAY FOR  
THE STATE'S PUBLIC WATER SYSTEM ANNUAL FEE

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

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

Transferring \$55,316.50 from the Water Fund Contingency  
(413-310-7012-4999) to Organization 3151 (Water Administration)  
1990-91 budget (413-310-3151-4362) to pay for the Department of  
Health Services' large water systems fee.

\_\_\_\_\_  
MAYOR

ATTEST:

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

FOR CITY CLERK USE ONLY

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RESOLUTION NO : \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_