



DEPARTMENT OF
PUBLIC WORKS

WATER DIVISION

CITY OF SACRAMENTO
CALIFORNIA

1391-35TH AVENUE
SACRAMENTO, CA
95822-2911

916-449-5271

July 21, 1987

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Water Development Fee, Credit Allowed for Cost of Water Transmission
Main, Pocket Road Storm and Sanitary Sewer Assessment District No. 2

SUMMARY

The water development fee was adopted to pay most of the cost of major water facilities, including water transmission mains. The entire cost of the 24 inch water transmission main constructed in this assessment district was borne by property owners within the district. It is recommended that the cost of this main be credited against the water development fees within this district as allowed by the Water System Development Fee Ordinance, Section 47.32 (e), Credit for Major Facilities.

BACKGROUND

The need for major water facilities expansion to meet the rapid growth occurring within the City has necessitated the adoption of a substantial increase in water development fees. The fee schedule was designed to place most of the cost of capital improvements necessitated by new development on the properties that created the need for new and/or expanded facilities. The major facilities needed are water treatment plant expansion, water storage facilities, and water transmission mains. The City Council adopted an increased water development fee schedule on April 28, 1987, to become effective June 1, 1987. The water development fee prior to that date covered only a fraction of water treatment plant capacity cost, with no coverage for transmission mains and storage facilities. The Ordinance which amended the City Code relating to Water System Development Fees introduced a provision to allow the Council to authorize credit 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.

In 1984 a twenty-four inch water transmission main was installed as part of the improvements for Pocket Road Storm and Sanitary Assessment District No. 2. In most subdivision improvements, only distribution mains 12 inches in diameter and smaller would be installed and assessed against property within the District. Transmission mains, which are those lines larger than 12 inch, are normally paid for by the City. This Pocket Road 24 inch main was installed as part of the street improvements to avoid the disruptions that would result from installation at a later date.

The cost of this 24 inch main is estimated to have been about \$640,000 more than the 12 inch distribution main that would have been installed normally as part of the street improvements. This difference amounts to about \$1200 per acre when spread over the entire district of 537 acres. Since the new water development fee is designed to recover the normal cost of \$6000 per acre for major water facilities, a credit of 20 percent of the normal fee applied against fees collected after June 1, 1987 within the district would be equitable. On single-family home, this credit would be \$300 of the full fee of \$1500.

FINANCIAL

Since the proposed credit essentially offsets cost that would be incurred otherwise by the City, the real financial effect is negligible.

RECOMMENDATION

It is recommended that the attached Resolution be approved and forwarded to the City Council for adoption, providing a credit of twenty (20) percent against the water development fees applied within the Pocket Road Storm and Sanitary Sewer Assessment District No. 2.

Respectfully submitted,



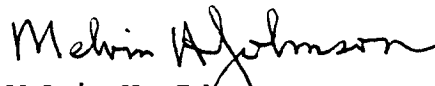
Jim Sequeira
Acting Water Division Manager

Recommendation Approved:



Jack R. Crist
Deputy City Manager

Approved:



Melvin H. Johnson
Director of Public Works

July 21, 1987
District 8

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION NO.

Resolution Authorizing the City Manager
to Allow a Credit Against the Water
Development Fee Within the Pocket
Road Storm and Sanitary Sewer
Assessment District No. 2
Resolution 47.321(e)
Credit for Major Facilities

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

That the Water Development Fee due from property owners within the Pocket Road Storm and Sanitary Sewer Assessment District No. 2 shall receive a credit of twenty (20) percent of the Water Development Fee otherwise due. The Building Inspections Division or Water Division shall reduce the amount of the Water Development Fee on properties within this District by twenty (20) percent for plans submitted for approval on or after June 1, 1987.