



# **ALTERNATIVE SEWER IMPACT FEE STRUCTURES**

**FEBRUARY 2002**



**MWH**

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# **SRCSD Alternative Sewer Impact Fee Structures**

## **February 2002**

### **INTRODUCTION**

Currently, the Sacramento Regional County Sanitation District (SRCSD) has a single impact fee for its residential and commercial connections. This fee consists of a treatment and conveyance component, and is the same no matter where the connection happens within the SRCSD service area. As an outgrowth of the Master Plan efforts recently conducted for the Sacramento Regional Wastewater Treatment Plant (SRWTP) and the SRCSD interceptor system, the SRCSD Board of Directors directed staff to assess an alternative impact fee structure to the current system. This alternative fee would involve two components: (1) a treatment component that would be the same for everyone that connects, and (2) a conveyance component that would vary. This report summarizes SRCSD staff's efforts in developing an alternative impact fee structure.

To facilitate the development of alternative fee structures, SRCSD staff convened a Working Group consisting of the following:

- Senior staff members from the SRCSD member agencies—City of Sacramento, City of Folsom, City of Citrus Heights, City of Elk Grove, and County Sanitation District 1 (CSD-1). Given that steps are underway to bring the City of West Sacramento into SRCSD, senior staff from the City of West Sacramento were also invited to attend.
- Community and environmental representatives from the Environmental Council of Sacramento (ECOS), the Sierra Club, the Sacramento County Alliance of Neighborhoods (SCAN), and the Natomas Community Association.
- A representative from the Building Industry Association of Superior California (BIA).

The Working Group met eight times, on the following dates: August 2, 2001; August 9, 2001; August 21, 2001; September 6, 2001; September 20, 2001; October 1, 2001; December 10, 2001; and January 3, 2002. The attendance of the Working Group members at these eight meetings is summarized in Table 1. Minutes from the eight meetings are attached in Appendix 1.

### **CURRENT IMPACT FEE STRUCTURE**

SRCSD currently assesses the same impact fee to residential and commercial connections no matter where they occur within the SRCSD service area. The current impact fee is \$3,500/ESD, and is scheduled to increase to \$4,500/ESD in March 2002 and then to \$5,255/ESD in 2003. This \$5,255/ESD figure is composed of a treatment component of \$1,660/ESD and a conveyance component of \$3,595/ESD.

In a separate impact fee program, SRCSD has established an Economic Development Treatment Bank by purchasing low-cost capacity from several industries that have left the

**Table 1**  
**Working Group Attendance List**

<b>Name/Organization</b>	<b>August 2</b>	<b>August 9</b>	<b>August 21</b>	<b>Sept. 6</b>	<b>Sept. 20</b>	<b>October 1</b>	<b>Dec. 10</b>	<b>January 3</b>
Bob Shanks/SRCSD	√	√	√	√	√	√	√	√
Mike Maggi/SRCSD	√	√	√	√	√	√		√
Marcia Maurer/SRCSD	√	√	√	√	√	√	√	√
Mary Brill/SCAN	√	√	√	√	√	√	√	√
Bill Hetland/City of Elk Grove	√	√	√	√	√	√	√	√
Gary Reents/City of Sacramento	√	√		√	√	√	√	
Rick Bettis		√	√	√	√	√	√	√
John Buttz/MWH	√	√		√	√	√	√	√
Lynn Wynn/SRCSD	√	√	√	√	√			
Patti Ransdell/MMC Communications	√	√	√		√	√	√	√
Miguel Torres/Natomas Comm. Assoc.	√	√	√		√	√		
Bruce Houdesheldt/BIA		√	√		√	√	√	
Vickie Lee/Sierra Club	√	√		√	√		√	√
Wendell Kido/SRCSD	√	√	√					
Stephen Patek/City of West Sacramento		√	√	√				
Kristen Otto/City of Sacramento		√	√	√				√
Lucinda Wilcox/City of Sacramento			√		√	√	√	
Kevin Werner/MWH		√	√					
John Maguire/City of Folsom	√					√	√	√
Norma King/SCAN	√	√						
Mary Snyder/SRCSD	√							
Matt Slavin/City of Sacramento		√						
Shalynn McPherson/MMC Com.				√				√
Stephen AuClair				√				
Steve Krahn/City of Folsom		√						
Tom Hutchings/Sac. County Planning	√							
Ann Baker/Sacramento County Planning			√					√
David Mogavero				√				
Caroline Quinn/City of West Sacramento					√		√	√
Keri Blaskoski/County of West Sacramento							√	
Ken Payne/City of Folsom							√	√
David Norris/County of Sacramento							√	
Jim Pardun/County of Sacramento							√	
Darryl Goehring/Sac. Cty. Planning Dept.							√	√
Bernie Small/SRCSD							√	√
Stacia Cosgrove								√
Aaron Anderson								√
Brad Baxter/City of Citrus Heights	√							

## SRCSD Alternative Sewer Impact Fee Structures – January 2002

SRCSD service area. The impact fee for connections available under this program was established at \$923/ESD. A total of 16,606 ESDs of connections are available under the Bank program, which were divided among the SRCSD member agencies as shown in Table 2. Each member agency determines the use of its bank connections subject to overall guidelines from SRCSD. SRCSD is currently investigating purchasing additional low-cost capacity to add to the Economic Development Treatment Bank.

**Table 2**  
**Distribution of Economic Development Treatment Bank Connections**

SRCSD Member Agency	Number of Bank Connections	
	ESDs	%
SRCSD	1,661	10
City of Sacramento	7,971	48
City of Folsom	597	4
City of Citrus Heights	1,046	6
City of Elk Grove	963	6
County of Sacramento	4,368	26
Total	16,606	100

### DEVELOPMENT OF INITIAL OPTION BY SRCSD STAFF

To facilitate the Working Group discussions, SRCSD staff developed an initial alternative impact fee option that included an infill component.

#### **Basis for New and Infill Cost Split**

Under the current SRCSD impact fee system, costs for serving all new connections are averaged across all of those connections. However, there is a basis for developing a split in the cost to serve new and infill areas, and thus charging different impact fees for those areas. That basis is described below and in Figure 1. In Figure 1, a simplified schematic of several SRCSD infill and new growth areas is shown.

***New Growth Areas.*** There is not sufficient capacity in the existing SRCSD interceptor system to handle large areas of new growth. In order to serve these new areas, new interceptors must be built. These new area interceptors cost, on average, approximately \$5,800/ESD for the initial new growth served.

***Infill Areas.*** In order to serve an infill area, interceptor capacity must also be provided. This infill capacity can be provided in one of three ways:

1. A new interceptor could be built to the wastewater treatment plant, passing through developed areas. This type of interceptor would cost a great deal, approximately 210 percent more than one built through an undeveloped area (Source: Lower Northwest Interceptor Design Report, June 2000). In addition,

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construction of this type of interceptor would cause considerable disruption to the public.

2. If a new area interceptor exists nearby, it could be increased in size to provide sufficient capacity for the infill growth. Providing this incremental increase in pipe size is not as expensive as the initial cost of installing the pipe, increasing the cost only about 13 percent (Source: analysis of Laguna Creek interceptor shed prepared for this report). This approach, with most interceptor construction occurring in a new, undeveloped area, is much less disruptive to the public.
3. Capacity for infill growth could be created by reducing wastewater flow in the system, through methods such as installation of low flush toilets and reduction in infiltration into the existing pipes. This is likely less expensive than a new interceptor through developed areas, but is still costly. In addition, the effectiveness of this type of flow reduction in creating capacity is difficult to predict, and thus is not considered particularly reliable.

Some wastewater agencies actually use the first approach above, having new area interceptors sized only for the first 20 years of growth and requiring a second interceptor to be constructed later through a now-developed area. In Figure 1, this translates to constructing two separate interceptors—the New Area and the Infill Interceptor—at a total relative cost of 100% plus 210% or 310%.

SRCSO has taken a longer and less disruptive view in its interceptor planning, and currently requires interceptors to be sized for ultimate build-out, including infill growth. This corresponds to the second approach stated above. In Figure 1, this translates to constructing the single New Area/Infill Interceptor at a relative cost of 113%, almost two-thirds less than the first approach above, constructing two interceptors. This approach is also considered more reliable and probably less costly than the third approach above, reducing wastewater flows.

Given that the new growth areas are driving the need for new SRCSO interceptors, and that capacity for infill areas can be provided now in those new interceptors at a low incremental cost, it was considered logical to consider a two-tier impact fee structure that would apportion the higher initial cost to the new growth areas and the lower incremental cost to the infill areas. This logic was then applied by SRCSO staff in developing an initial two-tier impact fee option.

### **Analysis of Existing Development**

The first step in developing the Initial Option was to divide the SRCSO service area into smaller geographic areas. For this Initial Option, SRCSO used interceptor sewer sheds (areas feeding into an SRCSO interceptor) to divide the SRCSO service area into smaller areas. These sewer sheds had been previously defined in the recently completed interceptor master plan (Master Plan 2000, Black & Veatch).

Each interceptor sewer shed was then analyzed to determine the amount of development that currently exists within each shed. The County's GIS system and its parcel database were used for this analysis. SRCSO has in its GIS system a record of which parcels are connected to sewers and how many equivalent single family dwelling units (ESDs) exist

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on each parcel. (An exception is the City of Sacramento and City of Folsom systems, where no GIS exists indicating specific number of ESDs related to each parcel. For the City of Sacramento and the City of Folsom, SRCSD staff assumed a value of 1 ESD per parcel.) SRCSD staff then defined parcels that are connected to sewers as “developed.” Two types of data were then analyzed: (1) amount of gross acreage developed and (2) number of ESDs developed. Finally, an estimate of the rate of development within each sewer shed was made using the following calculation: (1) developed acreage was divided by total gross acreage within the sewer shed and (2) developed ESDs were divided by a total ESD value for the sewer shed based on 6 ESDs per acre. (SRCSD uses this 6 ESDs/acre value as its “fully developed” assumption in planning and sizing its interceptor sewers.)

An additional spatial definition was also used; namely, the boundary of SRCSD when it was first formed in 1975. Prior to the forming of SRCSD in 1975, over 20 different agencies handled wastewater service in the Sacramento area, and each planned its facilities at different densities, sometimes significantly less than the 6 ESDs/acre value currently used by SRCSD. Therefore, it was felt that it was unfair to penalize these areas for lower planned densities of development, and for these areas either the acreage definition or ESD definition could apply. For all other areas, where the 6 ESDs/acre planning has been done, only the ESD definition would apply.

### **Definition of “Infill”**

SRCSO staff then needed to establish a level of development to call “infill.” They analyzed two recent developments (Antelope and Laguna) to determine the rate of growth in a sewershed (see Figure 2). As shown, these areas were approximately 50 percent built-out after 20 years and are predicted to be approximately 70 percent built-out after 40 years.

SRCSO staff then analyzed the Laguna Creek interceptor sewer shed to develop a relationship between interceptor costs and the amount of development. The Master Plan 2000 had already estimated the cost of the ultimate (build-out) Laguna Creek system. SRCSD staff needed to analyze an interim development condition; they chose a 50 percent build-out level because it corresponded to 20 years of development, which is a typical planning period for capital facilities. The interim, 50-percent/20 year costs were estimated using the following steps (see Table 3):

- An estimate was made of the amount of development present throughout the interceptor service area after the first 50 percent of growth, using Sacramento Area Council of Governments (SACOG) planning data.
- An estimate was made of the interceptor infrastructure needed to serve this first 50 percent of growth. Construction costs were estimated for these pipes.
- This “50 % Build-out” cost was compared to the ultimate cost estimated in the Master Plan 2000.

This analysis showed that the interim “50 percent” facilities totaled approximately 76 percent of the ultimate pipeline cost.

**Table 3  
Summary of Laguna Creek Interceptor Cost Analysis**

Shed	Shed ESDs	Cumulative ESDs	Buildout Flow (mgd)	Cumulative Flow (mgd)	Pipe Diameter (inches)	Length Through Shed (feet)	Construction Cost (\$)	% of Buildout
<b><u>50% Developed</u></b>								
LC31	21,016	73,013	12.4	46.6	66	26,421	\$18,573,963	76%
LC41	16,217	51,998	9.9	34.2	60	22,297	\$14,559,941	
LC51	11,839	35,781	8.3	24.4	54	6,208	\$3,588,224	
LC52	509	23,942	0.3	16.1	48	16,811	\$8,893,019	
AJ41	11,428	23,433	1.4	15.8				
AJ11	1,838	12,005	7.6	7.6	36	8,958	\$4,031,100	
AJ21	10,167	10,167	6.8	6.8	36	6,603	\$2,971,350	
							\$52,617,597	
<b><u>70% Developed</u></b>								
LC31	29,138	101,234	17.1	64.3	84	26,421	\$23,012,691	87%
LC41	22,484	72,095	13.6	47.2	72	22,297	\$16,522,077	
LC51	16,415	49,611	11.4	33.6	60	6,208	\$4,053,824	
LC52	706	33,196	0.5	22.2	54	16,811	\$9,716,758	
AJ41	15,845	32,491	1.9	21.7				
AJ11	2,549	16,645	10.5	10.5	42	8,958	\$4,380,462	
AJ21	14,096	14,096	9.3	9.3	36	6,603	\$2,971,350	
							\$60,657,162	
<b><u>100% Developed (Build-out)</u></b>								
LC31	42,436	139,090	24.8	93.2	96	26,421	\$26,315,316	100%
LC41	32,745	96,655	19.7	68.5	84	22,297	\$19,420,687	
LC51	23,906	63,909	16.5	48.7	72	6,208	\$4,600,128	
LC52	1,028	40,004	0.7	32.2	60	16,811	\$10,977,583	
AJ41	3,712	38,976	2.7	31.5				
AJ11	23,077	35,264	15.2	15.2	48	8,958	\$4,738,782	
AJ21	12,187	12,187	13.6	13.6	48	6,603	\$3,492,987	
							\$69,545,483	

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Finally, each interceptor sewer shed within the SRCSD service area was assigned to one of two categories—infill or new growth. Infill was defined as an area that was greater than 50 percent developed. Areas within the 1975 boundary could meet this definition by either the acreage or ESD definition, while areas outside the 1975 boundary have to meet it by the ESD definition only. The resulting division of infill and new areas is shown in Figure 3.

### Estimated Impact Fees for Initial Option

The resulting Initial Option impact fees were estimated (see Table 4) and presented, along with Figure 3, to the SRCSD Board on July 25, 2001. It was at that meeting that the SRCSD Board instructed SRCSD staff to go forward with convening a Working Group and developing additional impact fee options.

**Table 4**  
**Estimated Impact Fees for Initial Option (\$/ESD)**

Component	New Areas	Infill Areas
Conveyance	\$4,440	\$1,940
Treatment	\$1,660	\$1,660
Total	\$6,100 <sup>a</sup>	\$3,600 <sup>a</sup>

a. These totals compare to the currently planned District-wide fee of \$5,255/ESD in 2002-03.

### ADDITIONAL OPTIONS DEVELOPED BY THE WORKING GROUP

The Working Group started with the initial option developed by SRCSD staff (termed “Option 1—Tiered Infill”) and developed several other options and changes (see Table 5). A number of agencies asked that an option be developed that directly related the cost of constructing SRCSD conveyance facilities to individual areas. This second major option was termed “Option 2—Cost by Sewershed.” Components of these two options are discussed below.

#### COMPONENTS OF OPTION 1—TIERED INFILL

Option 1 includes a tiered fee structure that would have a lower fee for infill areas than for new growth areas.

#### Definition of Fee Areas

The initial version of Option 1, developed by SRCSD staff, used interceptor sewer sheds to outline fee areas. The Working Group requested that this be changed to a definition more easily understood by the public; the Group agreed to use existing community boundaries as this new definition. With the exception of the Cities of Folsom and Elk Grove, each member agency had official community boundaries defined. Staff members from these two cities helped define community boundaries for each city based on common divisions used by each community. The resulting community area divisions are shown in Figure 4. Using this new “community” definition of fee areas, SRCSD staff re-estimated the level of development within each community (see Table 6). The level of

**Table 5**  
**Options for SRCSD Impact Fee Structures**

Components of Options	Impact Fee Options			
	1. Tiered “Infill”		2. Cost by Sewershed	3. One Fee (Current)
Definition of fee areas	Community boundaries		Interceptor sewer sheds	No separate fee areas
Fee structure	Two tiers: 1. New growth 2. Infill	Three tiers: 1. New growth 2. Infill 3. Redevelopment	Separate impact fees established based on actual cost to serve an area and projected ESDs for that area. Two options to be developed: Option 2a--One fee per sewer shed Option 2b--One fee per interceptor service area	Same unit cost (\$/ESD) paid by all.
Method for defining infill and redevelopment areas	Option 1a: Area is greater than 50% developed, as defined by: - ESDs if outside 1975 boundary - ESDs or acreage if inside	Option 1b: Area is greater than 55, 60, 65, 70, or 75% developed, as defined by: - ESDs if outside 1975 boundary - ESDs or acreage if inside	Not applicable—infill areas would pay actual cost to serve.	None.
	Definition of “redevelopment”: - Includes commercial and residential development, except for commercial development in CBD [a] - Includes ¼-mile radius areas around transit stations			
Method for allocating projected costs and growth	Costs: Allocation of costs to each tier based on historical analysis: 1. New growth provides 20 years of infrastructure cost, equivalent to 50% of growth and 76% of cost. 2. Infill growth pays for 24% of cost. 3. Similar splits developed for 55, 60, 65, 70, and 75%. 4. Redevelopment [b]		Engineering analysis of actual cost to provide conveyance.	No allocation of costs. Total costs are shared across the District.

- a. CBD = Central Business District of the City of Sacramento. City wishes to encourage residential growth in the CBD.
- b. Engineering analysis cannot separate redevelopment costs from in-fill. Therefore, a redevelopment fee may need to be developed separately from the new/in-fill fee. One possibility is to use the Economic Development Bank credits as a source of redevelopment fees.

**Table 6  
Level of Development within Communities (as of January 2000)**

Communities	Within 1975 SRCSB Boundary						Outside 1975 SRCSB Boundary			
	Total Acres	Buildout ESDs [a]	Connected Acres	Connected Acres / Total Acres	Current ESD's	Current ESD's / Buildout ESD's	Total Acres	Buildout ESDs [a]	Current ESD's	Current ESD's / Buildout ESD's
<b>Sacramento County (Outside of Cities):</b>										
Antelope	661	3,966	518	78%	2,548	64%	2,901	17,406	8,429	48%
Arden-Arcade (Unincorporated)	10,143	60,858	8,557	84%	39,390	65%				
Carmichael	6,002	36,012	4,744	79%	18,377	51%				
Cosumnes [b]							122,897	737,382		
Delta[b]							94,968	569,808		
Fair Oaks	5,683	34,098	3,780	67%	10,967	32%				
Franklin/Laguna	262	1,572	115	44%	460	29%	21,540	129,240	2,484	2%
North Highlands/Foothill Farms	5,835	35,010	4,842	83%	24,228	69%	3,617	21,702	291	1%
North Natomas (Unincorporated) [b]							17,597	105,582		
Orangevale	6,217	37,302	4,067	65%	11,438	31%				
Rancho Cordova	9,591	57,546	6,875	72%	33,393	58%	23,775	142,650	2,090	1%
Rio Linda/Elverta	1,182	7,092	1,002	85%	3,333	47%	10,067	60,402	325	1%
Southeast [b]							101,689	610,134		
Vineyard	23,445	140,670	801	3%	3,247	2%				
City of Citrus Heights:	8,879	53,274	7,197	81%	32,965	62%				
<b>City of Sacramento [c]:</b>										
Airport-Meadowview	4,097	24,582	2,932	72%	N/A	N/A				
Arden-Arcade (City)	2,405	14,430	2,093	87%	N/A	N/A				
Central City	2,708	16,248	2,133	79%	N/A	N/A				
Delta Shores	708	4,248	-	0%	N/A	N/A				
East Sacramento	3,268	19,608	2,648	81%	N/A	N/A	183	1,098	93	8%
East Broadway	4,243	25,458	3,345	79%	N/A	N/A	1,029	6,174	30	0.5%
Land Park	3,349	20,094	2,737	82%	N/A	N/A				
North Natomas (City)	668	4,008	469	70%	N/A	N/A	13,792	82,752	498	1%
North Sacramento	4,288	25,728	2,998	70%	N/A	N/A	2,606	15,636	503	3%
Pocket	3,867	23,202	3,007	78%	N/A	N/A				
South Natomas	2,633	15,798	2,175	83%	13,349	84%	518	3,108	224	7%
South Sacramento	10,912	65,472	8,160	75%	41,198	63%	4,674	28,044	4,782	17%
<b>City of Elk Grove:</b>										
East Elk Grove Specific Plan Area							1,360	8,160	56	1%
East Franklin/Laguna Ridge							6,047	36,282	10	0.03%
Greater Elk Grove	4,338	26,028	3,157	73%	14,934	57%	10,759	64,554	7,921	12%
Old Town Elk Grove	70	420	55	79%	234	56%				
<b>City of Folsom [c]:</b>										
Folsom East Area							2,920	17,520	2,260	13%
North Folsom	1,415	8,490	1,091	77%	N/A	N/A				
Old Town Historic District	278	1,668	227	82%	N/A	N/A				
South Folsom	5,183	31,098	3,930	76%	N/A	N/A				

N/A = data not available at time of report preparation

a. Assuming 6 ESDs/acre at build-out.

b. These areas lie totally outside of the current SRCSB service area.

c. ESD values for communities within the City of Sacramento and the City of Folsom boundaries were not available at the time of writing.

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development was calculated in three different categories, based on the infill definition criteria discussed earlier.

In general, all acreage within a community area was included in the “acreage” figures shown in Table 6. However, several areas were considered extremely unlikely to connect to the SRCSO system in the future and were therefore screened out of the analysis (i.e., completely removed from the acreage calculations), namely:

- Regional parks and parkways, including the American River Parkway and Gibson Ranch/Dry Creek Parkway
- City of Sacramento City Landfill
- City of Sacramento City Cemetery

### **Fee Structure**

As discussed earlier, Option 1 involves, at a minimum, two fee tiers—new growth and infill. The Working Group also asked that redevelopment areas be considered for an impact fee lower than the infill areas, thus creating a third tier in the Option 1 fee structure.

### **Consideration of Redevelopment Areas**

The redevelopment areas were mapped, using the official designations provided by the staff members from the City of Sacramento and Sacramento County (see Table 7). The Working Group stated that commercial and residential development within the redevelopment areas should be eligible for a lower redevelopment impact fee, except for the Central Business District (CBD) of the City of Sacramento. City of Sacramento staff requested that the CBD area only include residential growth in a lower redevelopment fee, because the city is trying to encourage residential growth in the CBD.

The Working Group also asked that ¼-mile radius areas around transit stations also be included in this “redevelopment” definition, to help encourage growth in those areas.

By and large, the redevelopment areas exist within the infill areas previously identified. SRCSO staff looked at estimating conveyance costs related specifically to the redevelopment areas, in order to have a basis for developing a third fee tier. No such direct link to conveyance costs could be developed. Therefore, SRCSO staff proposed that redevelopment impact fees be handled in a similar manner to, and in conjunction with, the Economic Development Bank credits previously established by SRCSO (discussed above). The \$923/ESD Bank fee is significantly less than the estimated total fee of \$5,255/ESD projected for 2002/03. In the Bank system, each member agency is free to assign eligibility of these bank credits to whomever they wish, including redevelopment areas. SRCSO is currently looking at establishing additional, similar credits by purchasing capacity from other industries.

### **Method for Defining Infill Areas**

The method of defining infill was reviewed. There was general agreement on the method used by SRCSO staff in creating the Initial Option (i.e., using ESDs, acreage, and the 1975 Boundary as criteria). However, the Working Group asked that several additional

**Table 7  
Redevelopment Areas within the SRCSD Service Area**

<b>Redevelopment Areas</b>	<b>Total Acres</b>	<b>Build-Out ESDs [a]</b>	<b>City Data (acres)</b>	<b>CUBS Data [b] (ESDs)</b>	<b>Current Connected ESDs [c]</b>	<b>Growth (ESDs) [d]</b>
Del Paso	796	4,776	546	-	3,276	1,500
McClellan	2,539	15,234	-	-	-	15,234
Richards Blvd.	1,153	6,918	497	-	2,982	3,936
Alkali Flat	63	378	39	-	234	144
Downtown	301	1,806	190	-	1,140	666
Haggin	1,276	7,656	575	8	3,458	4,198
Auburn Blvd.	116	696	-	286	286	410
Citrus Heights	533	3,198	-	884	884	2,314
Franklin	1,170	7,020	-	1,460	1,460	5,560
Oak Park	872	5,232	758	5	4,553	679
Stockton Blvd.	802	4,812	5	3,549	3,579	1,233
Army Depot	1,132	6,792	-	146	146	6,646
Mather Air Base	5,774	34,644	-	93	93	34,551

a. Assuming 6 ESDs/acre

b. CUBS is the County Unified Billing System

c. (City Data Acres x 6 ESDs/acre) + CUBS Data ESDs

## **SRCS D Alternative Sewer Impact Fee Structures – January 2002**

higher definitions of infill also be analyzed, above the 50 percent level. Development levels of 55, 60, 65, and 70 percent were selected. At the request of the SRCS D Board, a 75 percent level was also analyzed. The resulting option, which uses community areas, was termed “Option 1b”. The original, Initial Option (which used sewersheds) was termed “Option 1a”.

Using the development levels shown in Table 6, a map was developed for each of the variations (50, 55, 60, 65, and 70 percent developed) (see Figures 5 and 6). The infill and new growth areas for the 50, 55, 60, and 65 percent levels are the same, and therefore all are represented in Figure 5. The areas for 70 percent are shown in Figure 6. No map was developed for the 75 percent scenario.

### **Additional Screening Criteria for Defining Infill**

At the January 3, 2002 meeting of the Working Group, City of Sacramento staff introduced the concept of using additional “screening criteria” to further define infill areas, after the above criteria are met (i.e., infill level of development occurs). The City’s concern was that some newly developing areas could fairly quickly reach the infill development level and prematurely qualify for infill fees. The City proposed the following additional infill criteria, both of which would need to be met:

- To be considered for infill fees, any contiguous area greater than 20 acres would have to have other infrastructure (e.g., streets) in place, and
- The average age of the homes in its community area would need to be greater than 20 years.

SRCS D staff stated that these two criteria would be difficult to administer and that there may be a lack of electronic data on which to calculate the housing age. The Working Group then developed and endorsed a variation on these two criteria:

- Community areas outside the 1975 Boundary pay the “new growth” fee for a minimum of 10 years from the adoption (if it occurs) of the alternative impact fee system, even if those areas reach the infill level of development within that 10-year period.
- Community areas inside the 1975 Boundary would pay infill or new growth fees based on reaching the infill level of development, whenever that occurs. SRCS D would update the calculations of the level of development each year.

It should be noted that another option is to not include any additional screening criteria at all.

### **Estimation of Impact Fees for Option 1**

Impact fees are calculated by dividing estimated costs for infrastructure by the estimated future people (ESDs) to be served by that infrastructure. Under its current impact fee system, SRCS D divides all of its conveyance costs to serve new growth by the estimated new connections (ESDs) within its entire service area. The alternative impact fees for Option 1 were calculated in the following manner (see Table 8):

**Table 8  
Calculation of Alternative SRCSD Conveyance Impact Fees for Option 1**

**Assumptions:**

Conveyance Revenue Needed =	\$27,000,000 /year
Annual SRCSD Connections =	8,000 ESDs/year
Portion of Annual Connections Eligible for Economic Development Bank Fees =	13%
Economic Development Bank Impact Fee (Conveyance Portion) =	\$369 /ESD

**Calculations:**

Annual Conveyance Fees from Bank =	\$383,760
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**Ratio of "New" to "Infill" Conveyance Fees:  
(based on engineering analysis  
of Laguna Creek interceptor shed)**

Definition of "Infill"	% Cost Split		Ratio
	Infill	New	
50%	24%	76%	3.17
55%	21%	79%	3.76
60%	18%	82%	4.56
65%	16%	84%	5.25
70%	13%	87%	6.69
75%	10%	90%	9.00

**Location of Annual Connections:  
(based on analysis of location  
of year 2000 connections)**

Definition of "Infill"	Location of Connections		
	Econ. Dev. Bank	Infill	New
50%	13%	18%	69%
55%	13%	18%	69%
60%	13%	18%	69%
65%	13%	18%	69%
70%	13%	8%	79%
75%	13%	8%	79%

**Calculation of Conveyance Impact Fees:  
(using above assumptions)**

Definition of "Infill"	Conveyance Impact Fee (\$/ESD)	
	Infill	New
50%	\$1,407	\$4,455
55%	\$1,199	\$4,509
60%	\$1,001	\$4,561
65%	\$875	\$4,594
70%	\$620	\$4,149
75%	\$463	\$4,165

**Summary of SRCSD Impact Fees for Option 1**

Definition of "Infill"	Conveyance Impact Fee (\$/ESD)		Treatment Impact Fee (\$/ESD)	Total Impact Fee (\$/ESD)	
	Infill	New		Infill	New
50%	\$1,407	\$4,455	\$1,660	\$3,067	\$6,115
55%	\$1,199	\$4,509	\$1,660	\$2,859	\$6,169
60%	\$1,001	\$4,561	\$1,660	\$2,661	\$6,221
65%	\$875	\$4,594	\$1,660	\$2,535	\$6,254
70%	\$620	\$4,149	\$1,660	\$2,280	\$5,809
75%	\$463	\$4,165	\$1,660	\$2,123	\$5,825
Economic Development Bank		\$369	\$554		\$923

## SRCSO Alternative Sewer Impact Fee Structures – January 2002

- Current costs to finance SRCSO growth-related conveyance costs are approximately \$27 million/year (i.e., SRCSO must collect approximately \$27 million/year in conveyance impact fee revenue).
- Based on Sacramento Area Council of Governments (SACOG) projections, SRCSO has estimated that it will see, on average, approximately 8,000 ESDs of new connections per year.
- 13 percent of the new connections were assumed to occur through the Economic Development Bank, at a rate of \$923/ESD, of which \$369/ESD is attributable to conveyance.
- The above assumptions result in an estimated \$383,760/year in conveyance impact fee income from Economic Development Bank. This amount was assumed to remain constant among all of the Option 1 variations.
- The split between costs for new growth and infill was determined by expanding the analysis of the Laguna Creek interceptor shed costs, described above, to cover the 55, 60, 65, 70, and 75 percent infill definitions. This resulted in costs attributable to new growth that varied from the 76 percent presented earlier for the “50 percent developed” scenario to 90 percent for the “75 percent developed” scenario. (Note that this split in costs occurs over the entire build-out of the area.) The ratio of the “new” to “infill” costs was used to establish a ratio between the “new” and “infill” conveyance impact fees; e.g., for the 50 percent level, the new fee will be 3.17 higher than the infill fee.
- It was then necessary to estimate the locations of annual connections; i.e., whether they will occur in infill or new growth areas and thus generate new or infill fees. SRCSO staff developed data on the locations of all SRCSO connections that occurred in 2000 relative to the community areas (see Table 9). This data indicated that, for the 50, 55, 60, and 65 percent definitions, approximately 70 percent of connections occurred in new growth areas and 30 percent in infill areas. For the 70 and 75 percent definitions, 80 percent were seen in new growth areas and 20 percent in infill. In all five cases, 13 percent of the connections were assumed to occur via the Economic Development Bank, of which 12 percent was assumed to occur within infill areas and 1 percent in new growth areas. Therefore, the 12 percent number was subtracted from the infill figure to arrive at the Table 8 entry (e.g., 30 percent – 12 percent = 18 percent), and similarly 1 percent was subtracted from the new growth figure to arrive at the Table 8 entry.
- These assumptions provided sufficient information to calculate the infill and new conveyance impact fees needed to generate \$27,000,000/year of revenue. These fees were then added to the constant \$1,660/ESD treatment impact fee to generate estimated total impact fees.

The Working Group questioned the financial impact on SRCSO if a lower infill fee encourages a higher level of infill growth than historically experienced. If that were to happen, SRCSO revenues would be lower than projected in the analysis presented above

**Table 9**  
**SRCS D Permits Issued in 2000**

Community	ESD's	Parcels	ESD's		Parcels	
			Inside 1975 Boundary	Outside 1975 Boundary	Inside 1975 Boundary	Outside 1975 Boundary
Airport Meadowview	3	3	3		3	
Antelope	115	81	0	115	0	81
Arden Arcade - City	2	2	2		2	
Arden Arcade - County	40	20	40		20	
Carmichael	37	37	37		37	
Central City	0	0	0		0	
Citrus Heights	120	102	120		102	
Consumnes	2	2		2		2
Delta	4	4		4		4
East Broadway	27	22	26	1	21	1
East Elk Grove SPA	156	156		156		156
East Sacramento	5	5	5	0	5	0
Fair Oaks	46	45	46		45	
Folsom East Area	688	688		688		688
Folsom North	47	47	47		47	
Folsom South	272	265	272		265	
Franklin Laguna	365	365		365		365
Greater Elk Grove	611	585	283	328	257	328
Land Park	0	0	0		0	
North Natomas-County	0	0		0		0
North Natomas -City	791	774	66	725	66	708
North Sacramento	2	2	2	0	2	0
Old Folsom	14	14	14		14	
Orangevale	46	42	46		42	
Pocket	0	0	0		0	
Rancho Cordova	471	399	74	397	48	351
Rio Linda	6	6	5	1	5	1
South Natomas	119	108	55	64	45	63
South Sacramento	263	244	195	68	175	69
Southeast	0	0		0		0
Vineyard	491	491		491		491
<b>Totals</b>	<b>4,743</b>	<b>4,509</b>	<b>1,338</b>	<b>3,405</b>	<b>1,201</b>	<b>3,308</b>

## **SRCSO Alternative Sewer Impact Fee Structures – January 2002**

and the impact fees would need to be adjusted to insure that SRCSO collects the revenue needed.

### **COMPONENTS OF OPTION 2—COST BY SEWERSHED**

Option 2 was created to respond to requests to identify an impact fee for a geographic area that relates directly to the cost of the conveyance infrastructure serving that area. The reader is again referred to Table 5 for a summary of the components of Option 2.

#### **Definition of Fee Areas**

Because this method focused on linking areas to interceptors, interceptor sewer sheds needed to be used to create the fees.

#### **Fee Structure**

Based on input from the Working Group, two suboptions were developed for Option 2. One involved estimating separate impact fees for each interceptor sewer shed (termed Option 2a). With 81 interceptor sewer sheds in the SRCSO system, this was felt to be the most complex definition to consider.

The second suboption (termed Option 2b) involved combining all the interceptor sewer sheds that are served by an interceptor, and then creating a single fee for each interceptor system. This resulted in six different fees.

#### **Method for Defining Infill**

There is no specific definition of infill in Option 2. Each interceptor sewer shed was analyzed for its actual cost.

#### **Estimation of Impact Fees for Option 2**

A conveyance impact fee was estimated for each interceptor sewer shed using the following steps:

- Conveyance costs for each sewer shed was estimated by allocating costs of each interceptor segment to the sewer sheds served by that segment.
- The remaining connections (ESDs) within each shed were estimated by multiplying the remaining undeveloped acreage within each shed by a build-out density of 6 ESDs/acre.
- The costs were divided by the ESDs to estimate a “base” impact fee. The average base impact fee for the entire SRCSO service area is \$1,042/ESD in year 2000 dollars.
- The base impact fee does not include other SRCSO costs, such as administrative and financing costs, nor has it been increased for inflation. The current estimated total conveyance fee for the entire system is \$3,595/ESD (in 2002/03). Therefore, the base fees were scaled up by a factor of 3.45 ( $\$3,595/\$1,042$ ) to account for these additional costs.

The resulting Option 2a shed-by-shed fees are summarized in Figure 7 and Table 10. As shown, these fees range from a low of \$676/ESD to a high of \$19,016/ESD.

**Table 10**  
**Estimated Impact Fees for Option 2a--Cost to Serve Each Sewer Shed**

Sheds	Interceptor	Share of Interceptor Project Cost	Growth Acreage	Growth ESDs [a]	Base Fee (\$/ESD)	Scaled Fee [b] (\$/ESD)
LG 11	Laguna Extension	\$1,570,991	1,337	8,022	\$196	\$676
EG 31	Laguna Extension	\$810,758	690	4,140	\$196	\$676
EG 21	Laguna Extension	\$559,306	476	2,856	\$196	\$676
EG 11	Laguna Extension	\$6,057,187	5,155	30,930	\$196	\$676
	Subtotal	\$8,998,242	7,658	45,948	\$196	\$676
DC 32	Laguna Creek-Deer Creek	\$25,851,659	2,503	15,018	\$1,721	\$5,939
AJ 21	Laguna Creek-Deer Creek	\$35,005,335	3,422	20,532	\$1,705	\$5,882
DC 41	Laguna Creek-Deer Creek	\$22,672,805	2,397	14,382	\$1,576	\$5,439
AJ 11	Laguna Creek-Deer Creek	\$36,001,313	3,846	23,076	\$1,560	\$5,382
DC 31	Laguna Creek-Deer Creek	\$11,049,928	1,513	9,078	\$1,217	\$4,199
DC 21	Laguna Creek-Deer Creek	\$14,007,427	2,236	13,416	\$1,044	\$3,602
AJ 22	Laguna Creek-Deer Creek	\$13,753,052	2,287	13,722	\$1,002	\$3,458
LC 51	Laguna Creek-Deer Creek	\$20,379,615	3,985	23,910	\$852	\$2,941
LC 52	Laguna Creek-Deer Creek	\$874,508	171	1,026	\$852	\$2,941
AJ 41	Laguna Creek-Deer Creek	\$3,792,714	810	4,860	\$780	\$2,692
LC 41	Laguna Creek-Deer Creek	\$24,465,239	5,247	31,482	\$777	\$2,681
DC 11	Laguna Creek-Deer Creek	\$13,486,113	3,731	22,386	\$602	\$2,078
LC 31	Laguna Creek-Deer Creek	\$21,484,859	6,180	37,080	\$579	\$1,999
	Subtotal	\$242,824,567	38,328	229,968	\$1,056	\$3,643
UN 90	Upper and Lower Northwest	\$99,476,156	3,008	18,048	\$5,512	\$19,016
UN 61	Upper and Lower Northwest	\$1,561,907	80	480	\$3,254	\$11,226
UN 62	Upper and Lower Northwest	\$277,836	15	90	\$3,087	\$10,650
DR 11	Upper and Lower Northwest	\$31,814,258	1,859	11,154	\$2,852	\$9,840
UN 51	Upper and Lower Northwest	\$7,699,186	457	2,742	\$2,808	\$9,687
UN 52	Upper and Lower Northwest	\$22,145,786	1,344	8,064	\$2,746	\$9,475
MC 11	Upper and Lower Northwest	\$36,584,508	2,389	14,334	\$2,552	\$8,805
UN 53	Upper and Lower Northwest	\$11,010,574	719	4,314	\$2,552	\$8,805
RL 11	Upper and Lower Northwest	\$53,257,569	3,711	22,266	\$2,392	\$8,252
GR 11	Upper and Lower Northwest	\$241,053	18	108	\$2,232	\$7,700
RL 03	Upper and Lower Northwest	\$2,303,395	172	1,032	\$2,232	\$7,700
RL 12	Upper and Lower Northwest	\$12,206,722	918	5,508	\$2,216	\$7,646
RL 13	Upper and Lower Northwest	\$12,607,827	1,004	6,024	\$2,093	\$7,221
RL 14	Upper and Lower Northwest	\$5,643,181	466	2,796	\$2,018	\$6,963
UN 40	Upper and Lower Northwest	\$11,129,870	931	5,586	\$1,992	\$6,874
UN 21	Upper and Lower Northwest	\$9,326,353	896	5,376	\$1,735	\$5,985
UN 22	Upper and Lower Northwest	\$3,427,736	345	2,070	\$1,656	\$5,713
UN 23	Upper and Lower Northwest	\$1,186,228	124	744	\$1,594	\$5,501
UN 11	Upper and Lower Northwest	\$4,666,391	513	3,078	\$1,516	\$5,230
UN 12	Upper and Lower Northwest	\$6,295,849	806	4,836	\$1,302	\$4,491
NN 11	Upper and Lower Northwest	\$37,696,981	4,826	28,956	\$1,302	\$4,491
UN 13	Upper and Lower Northwest	\$9,095,830	1,229	7,374	\$1,234	\$4,256
UN 14	Upper and Lower Northwest	\$6,120,628	827	4,962	\$1,234	\$4,256
NN 21	Upper and Lower Northwest	\$28,128,613	3,875	23,250	\$1,210	\$4,174
	Subtotal	\$413,904,436	30,532	183,192	\$2,259	\$7,795

**Table 10**  
**Estimated Impact Fees for Option 2a--Cost to Serve Each Sewer Shed**

Sheds	Interceptor	Share of Interceptor Project Cost	Growth Acreage	Growth ESDs [a]	Base Fee (\$/ESD)	Scaled Fee [b] (\$/ESD)
SR 1	Sunrise/Bradshaw/Folsom	\$15,311,450	955	5,730	\$2,672	\$9,219
SR 2	Sunrise/Bradshaw/Folsom	\$12,521,720	781	4,686	\$2,672	\$9,219
FS 11	Sunrise/Bradshaw/Folsom	\$40,254,653	3,912	23,472	\$1,715	\$5,917
FE 31	Sunrise/Bradshaw/Folsom	\$30,281,243	3,150	18,900	\$1,602	\$5,528
AJ 32	Sunrise/Bradshaw/Folsom	\$20,633,341	2,533	15,198	\$1,358	\$4,684
AJ 31	Sunrise/Bradshaw/Folsom	\$40,826,705	5,027	30,162	\$1,354	\$4,670
FE 22	Sunrise/Bradshaw/Folsom	\$36,804,177	5,694	34,164	\$1,077	\$3,717
FE 21	Sunrise/Bradshaw/Folsom	\$9,352,941	1,447	8,682	\$1,077	\$3,717
FL 11	Sunrise/Bradshaw/Folsom	\$11,218,207	2,219	13,314	\$843	\$2,907
RC 12	Sunrise/Bradshaw/Folsom	\$2,238,019	504	3,024	\$740	\$2,553
MA 12	Sunrise/Bradshaw/Folsom	\$15,934,052	3,747	22,482	\$709	\$2,445
BR 81	Sunrise/Bradshaw/Folsom	\$921,587	251	1,506	\$612	\$2,111
BR 71	Sunrise/Bradshaw/Folsom	\$4,995,692	1,753	10,518	\$475	\$1,639
NS 11	Sunrise/Bradshaw/Folsom	\$5,930,953	3,899	23,394	\$254	\$875
EC 11	Sunrise/Bradshaw/Folsom	\$3,787,657	2,490	14,940	\$254	\$875
EC 12	Sunrise/Bradshaw/Folsom	\$2,418,624	1,590	9,540	\$254	\$875
RC 11	Sunrise/Bradshaw/Folsom	\$1,490,724	980	5,880	\$254	\$875
AA 11	Sunrise/Bradshaw/Folsom	\$1,257,989	827	4,962	\$254	\$875
MA 11	Sunrise/Bradshaw/Folsom	\$1,040,465	684	4,104	\$254	\$875
TL 11	Sunrise/Bradshaw/Folsom	\$675,389	444	2,664	\$254	\$875
RM 1	Sunrise/Bradshaw/Folsom	\$652,572	429	2,574	\$254	\$875
CT 11	Sunrise/Bradshaw/Folsom	\$44,113	29	174	\$254	\$875
BR 62	Sunrise/Bradshaw/Folsom	\$9,075,165	5,966	35,796	\$254	\$875
RL 01	Sunrise/Bradshaw/Folsom	\$1,098,268	722	4,332	\$254	\$875
CE 11	Sunrise/Bradshaw/Folsom	\$497,415	327	1,962	\$254	\$875
NH 11	Sunrise/Bradshaw/Folsom	\$252,510	166	996	\$254	\$875
BR 51	Sunrise/Bradshaw/Folsom	\$2,255,861	1,483	8,898	\$254	\$875
CH 11	Sunrise/Bradshaw/Folsom	\$818,377	538	3,228	\$254	\$875
RL 02	Sunrise/Bradshaw/Folsom	\$672,347	442	2,652	\$254	\$875
RC 13	Sunrise/Bradshaw/Folsom	\$161,242	106	636	\$254	\$875
NH 21	Sunrise/Bradshaw/Folsom	\$56,282	37	222	\$254	\$875
NE 11	Sunrise/Bradshaw/Folsom	\$4,718,599	3,102	18,612	\$254	\$875
BR 61	Sunrise/Bradshaw/Folsom	\$5,500,618	4,846	29,076	\$189	\$653
	Subtotal	\$283,698,959	61,080	366,480	\$774	\$2,671
SO 35	South	\$21,822,742	2,402	14,412	\$1,514	\$5,224
SO 34	South	\$7,340,828	950	5,700	\$1,288	\$4,443
SO 33	South	\$9,616,193	1,444	8,664	\$1,110	\$3,829
SO 32	South	\$2,817,317	439	2,634	\$1,070	\$3,690
SO 31	South	\$3,014,114	548	3,288	\$917	\$3,163
SO 22	South	\$1,885,410	414	2,484	\$759	\$2,619
SO 21	South	\$1,798,882	395	2,370	\$759	\$2,619
	Subtotal	\$48,295,487	6,592	39,552	\$1,221	\$4,213
	TOTAL	\$997,721,691	144,190	865,140		

a. Assumes 6 ESDs per acre at build-out.

b. Assumes a factor of 3.45 times the base fee.

## **SRCS D Alternative Sewer Impact Fee Structures – January 2002**

Next, the various sheds that contribute to each interceptor were combined and averaged to create a single fee for each interceptor system. The resulting Option 2b interceptor fees are summarized in Figure 8 and as subtotals in Table 10. As shown, these fees range from a low of \$676/ESD for the Laguna Extension to a high of \$7,795/ESD for the Northwest Interceptor.

For sheds with sufficient interceptor sewer capacity for future build-out, the estimated sewer shed impact fee was minimal. For sheds that require significant interceptor facilities, impact fees are high. Some areas that would be considered “infill” under Option 1 (such as the City of Citrus Heights) have high estimated fees under Option 2 because their existing interceptors are at capacity and new interceptors must be built.

### **COMPARISON OF IMPACT FEE OPTIONS**

The impact fee options are compared in Table 11. One item discussed in the table is whether an option requires a change in the current Master Interagency Agreement (MIA) governing SRCS D. When SRCS D was formed and the MIA drawn up, the decision was made to locate the Sacramento Regional Wastewater Treatment Plant (SRWTP) in south Sacramento. At that time, it was felt that it was important not to punish any of the original Contributing Agencies for this fact by creating higher impact fees for being farther from the regional plant. Therefore, a Section 7 “Uniform Charge for Regional Services”, Paragraph (a), was included in the MIA which reads in part:

*Except as otherwise provided herein, the present and future costs of providing regional services to users within Contributing Agencies shall be uniformly and equitably allocated among all users of Regional District treatment, conveyance, and disposal facilities without regard to their geographic location within Regional District;...*

The following items are highlighted from Table 11:

- Option 1 likely provides the best method of encouraging infill, as it is more closely tied to the level of development in a given area.
- Option 1 may or may not require a change to Section 7 of the MIA (referenced above). In Option 1, while fees vary by location, there is no relationship between that variation and distance from the SRWTP. With Option 2, however, impact fees are generally higher the further the parcel is from the SRWTP, which may violate Section 7.
- Either Option 1 or Option 2 will be more complex to administer and communicate to the public than the current single fee system.

### **COMPARISON TO OTHER HOME PURCHASE COSTS**

In considering a change to SRCS D impact fees, one question raised is the relative impact of these changes on the overall cost of a new home. Based on a recent analysis prepared for a new development (see Table 12), SRCS D fees make up 17 percent of the total infrastructure fees. Assuming that the overall infrastructure fees total approximately 25

**Table 11**  
**Comparison of Impact Fee Options**

Item	Impact Fee Options		
	1. Tiered “Infill”	2. Cost by Sewershed	3. One Fee (Current)
How does option provide equity?	Initial higher costs for installing pipe are assigned to initial developers. Lower “oversizing” cost for pipe is assigned to future infill.	Equity is provided by linking impact fee directly to cost to serve.	Equity is provided by charging all connections the same impact fee, regardless of location.
How does option encourage infill?	Infill areas are charged lower impact fees than new growth areas.	Infill areas that don’t need new infrastructure would pay minimal fees. However, some infill areas may require new interceptors and thus will have high fees.	Does not differentiate between infill and new areas, and thus does not encourage infill.
Does the option require an MIA change?	Probably not. Fees not directly related to geographic location relative to the SRWTP.	Possibly. In some cases, impact fees increase with distance from the SRWTP.	No.
How complex is the option to administer?	Fairly complex. Fees must be tracked by community areas.	Somewhat complex. Fees must be tracked by sewer shed.	Simplest to administer. No need to track fees by geographic area.
Are there implementation issues to consider?	Fee areas must be re-examined and updated on a regular basis. Requires on-going coordination of “community area” definitions with cities and Sacramento County.	Sewer shed fees could be updated during each update of the Interceptor Master Plan, currently planned to occur once every five years.	None.

## SRCSD Alternative Sewer Impact Fee Structures – January 2002

percent of a new home's cost, the SRCSD fees account for 4.3 percent of the total home cost ( $0.17 \times 0.25$ ).

Option 1a increases new growth SRCSD impact fees by 16 percent (\$6,100/ESD / \$5,255/ESD). Using the assumptions given above, this in turn would translate into a home price increase of only 0.7 percent ( $0.16 \times 0.17 \times 0.25$ ).

**Table 12**  
**Infrastructure Costs for a New Home**

Infrastructure	Portion of Total Infrastructure (%)
SRCSD	17
CSD-1	4
Local Sewers	4
Zone 40 (water)	25
Other Water	2
Drainage/Flood Control	24
Transportation	11
Parks	9
Fire Protection	2
Library	2
Total	100

Source: Laguna Stonelake Financing Plan

### PRELIMINARY ANALYSIS OF THE CITY OF WEST SACRAMENTO

The City of West Sacramento is currently in the process of joining SRCSD. Because it is not yet officially a member of SRCSD, the decision was made not to include its area in the analysis presented earlier. However, a preliminary analysis was done of the current density of sewer connections within the City of West Sacramento. As part of its utility billing system, the City of West Sacramento maintains a database on parcels that have sewer connections. This database was used to map and calculate existing sewer connections as of December 2001 (see Figure 9). The database analysis indicated that the older, northern part of West Sacramento (north of the Deep Water Ship Channel) currently has 73 percent of its acreage connected (3,719 out of 5,118 acres), while the southern "Southport" area has 5.1 percent connected (327 out of 6,790 acres). No ESD connection data is currently available.

While all of the City of West Sacramento lies outside the 1975 SRCSD Boundary, it is possible that the logic of applying the "acreage only" criteria to the areas within the 1975 Boundary would also apply to the older, northern part of West Sacramento; that is, that it

## **SRCSO Alternative Sewer Impact Fee Structures – January 2002**

was developed prior to implementation of SRCSO planning criteria. Similarly, much of the Southport area will develop during the time that SRCSO planning criteria is applicable, and therefore the Southport area could logically be subject to the “ESD” criteria for defining infill areas. Final decisions regarding these definitions will occur at the time that the City of West Sacramento joins SRCSO.

### **OUTREACH EFFORTS TO STAKEHOLDERS AND ELECTED OFFICIALS**

At the request of the SRCSO Board of Directors, preliminary results of the analysis described above were presented to the City Councils of the members of SRCSO, and to several interested stakeholder groups, on the following dates:

- City of West Sacramento City Council—October 17, 2001
- Building Industry Association—November 1, 2001
- Environmental and community stakeholder groups—October 25, 2001
- Business stakeholder groups—November 1, 2001
- City of Folsom City Council—November 13, 2001
- City of Citrus Heights City Council—November 14, 2001
- City of Elk Grove City Council—December 5, 2001
- City of Sacramento City Council—December 11, 2001
- Environmental Council of Sacramento—January 2, 2002

Additional follow-up presentations of this report will be made to several City Councils. Ultimately, the results will be presented to the SRCSO Board of Directors, currently scheduled to occur on January 30, 2002.

**Appendix 1**  
**Minutes from Working Group Meetings**



**Two Tier Sewer Impact Fee  
1<sup>st</sup> Working Group Meeting  
August 2, 2001**

**Meeting Minutes**

This was the first meeting of a Working Group convened to discuss options for an alternative impact fee structure for SRCSD. (The meeting attendance list is presented below. The meeting began with Marcia Maurer giving the same presentation that was given to the SRCSD Board of Directors at their July 25, 2001 Board Meeting, and at a public meeting on July 11, 2001.

**Attendance List for August 2, 2001 Meeting**

<b>Name/Organization</b>	<b>Phone Number</b>	<b>Fax Number</b>	<b>E-mail address</b>
Bob Shanks/SRCSD	876-6105		Shanksb@saccounty.net
Vickie Lee/Sierra Club	657-3465		Vickielee10@Home.com
John Maguire/City of Folsom	355-8324	355-7274	Jmaguire@Folsom.ca.us
Lynn Wynn/SRCSD	876-6081	876-6160	Wynnl@saccounty.net
Mary Snyder/SRCSD	876-6000	876-6160	Snyderm@saccounty.net
Brad Baxter/City of Citrus Heights	727-4770	725-1499	Bbaxter@ci.citrus-heights.ca.us
Mike Maggi/SRCSD	876-6046		Maggim@saccounty.net
Wendell Kido/SRCSD	876-6115	876-6160	Kidow@saccounty.net
Patti Ransdell/MMC Communications	736-6900	456-6637	Patti@mmcpr.com
Bernie Small/SRCSD	876-6071	876-6158	Smallb@saccounty.net
Bill Hetland/City of Elk Grove	683-7111	691-2001	BHETLAND@ELKGROVECITY.ORG
Tom Hutchings/County Planning	874-6143	874-6400	Hutchingst@saccounty.net
Mary Brill/SCAN	395-0129	428-4816	Marybrill@jps.net
Miguel Torres/Natomas Community Assoc.	922-9807		
John Buttz/MWH	921-3517	925-9102	John.buttz@mwhglobal.com
Gary Reents/City of Sacramento	264-1433	264-1497	Greents@cityofsacramento.org
Norma King/SCAN	277-7001	277-7147	Anyking@aol.com

### **Criteria (captured on white board)**

The group discussed the criteria that the various impact fee options should be measured by, and reached consensus on the following list:

- SRCSD must collect sufficient fees to pay for its CIP (Capital Improvement Program).
- Fees must be equitable among like users.
- The fee structure must be legally defensible.
- The fee structure must be consistent with the existing Master Interagency Agreement (MIA) governing SRCSD.
- The treatment component of the impact fee should be the same for everyone.
- SRCSD must be able to administrate an alternative fee structure.
- The definition of in-fill and new growth areas needs to be clear and understandable.

### **Options (captured on white board)**

The Working Group also suggested the following initial ideas for optional fee structures. No specific consensus was reached on these items.

- Create one fee tier specifically for parcels that could be served without new interceptors constructed.
- Vary home/apartment impact fees by their size (e.g., number of bedrooms, square footage).
- Vary monthly service fees to help encourage infill (i.e., shift some infill capital costs to monthly fees).
- Create a separate infill fee to apply to residential only, not commercial. (Goal is to encourage infill residences, which reduces traffic, not encourage infill commercial redevelopment that actually creates more commuters.)
- Assign existing excess SRWTP capacity to infill (i.e., zero treatment charge).
- Keep one fee but increase money in Redevelopment Bank to allow member agencies more latitude in encouraging the type of growth they prefer.
- Consider options that would involve changing the MIA.

- Consider a three-tiered fee structure—(1) within the 1975 Boundary, (2) outside the 1975 Boundary but within the current Urban Services Boundary (USB), and (3) outside the current USB.

### **Questions from Working Group Members**

Working group members also asked numerous questions throughout the meeting. Their questions and comments are listed below.

1. Question: Is Delta Shores a sewershed of it's own?
2. Question: Regarding the criteria, if development was within the 1975 boundary, is it automatically considered infill? If development lies outside of 1975 boundary, is it automatically considered new development?
3. Question: Based on a Board question about infill - Laguna doesn't really qualify as infill does it? Shouldn't infill be more specific to typically "urban" areas (for example, if a Victorian home burns down, and is re-built, that should qualify as definition of infill).
4. Question: Is the Building Industry Association planning to join this working group?
5. Comment: The annual capital improvement cost of \$27 million might be reduced if County takes a more infill-friendly stance. The District might not need to maintain the current projected level of Capital improvements.
6. Question: Does the Capital improvement program include provision for serving West Placer County?
7. Question/Comment: It would be helpful to know where the interceptor lines are, and within what city boundaries they lie. Where is the nexus of benefit to nearest jurisdiction to cost? Can we show in a graphic format where the interceptor lines are, who is served by these lines, and what the cost is for each segment of interceptor? What is the benefit to individual jurisdictions?
8. Question: What is the cost of the current interceptors and who they serve versus the cost of new interceptors and who they will serve?
9. Question: If we are putting together a Capital improvement program, are we looking at the potential incorporation of Rancho Cordova?

10. Question: If the District brings in the City of West Sacramento, what does this mean for current customers? Will capacity be filled sooner than anticipated? Will this result in higher capital costs?
11. Comment: The District can't undercharge some customers at the expense of other customers, according to state law.
12. Question: When do we plan on starting "time zero" (begin implementation of new impact fees)? What about existing customers that end up in infill areas? Will they be reimbursed the difference in fees?
13. Comment: This working group should take some time to determine what are the specific barriers that jurisdictions face. Identifying these barriers will help us to develop options.
14. Comment: Maybe the District could find a way to get more credits into the bank.
15. Question: What did the Board request this working group to do? What is the scope or task of this group? Some of the suggestions seem to be outside of the scope.
16. Comment: At the Board hearing in January, citizens also brought forth complaints about the "one size fits all" sewer impact fee.
17. Comment: At the Board hearing, the City of Sacramento wanted to provide an incentive to develop infill using rate structure as incentive.
18. Comment: The 1975 line and current Urban Services Boundary (USB) and any proposed expansion of the USB could be barriers.
19. Question: What does equitable cost allocation mean?
20. Comment: District must not arbitrarily charge one fee to one group, and a different fee to a different group. Structure must be consistent.
21. Comment: There is nothing arbitrary about saying that a developer is hooking up to existing infrastructure so he pays less, while development that requires new infrastructure pays more. Shift the increased cost of infill construction to overall cost because infill development provides a greater benefit to the overall community.

22. Comment: It would be helpful to have a map of the 1975 boundary and all that it entails.
23. Comment: District needs to differentiate between local conveyance and regional.
24. Comment: One option presented would create one fee specifically for parcels that could be served without new interceptors constructed.
25. Question: Since most of the credits in the sewer credit bank resulted from closed canneries, and those closures hit the city of Sacramento particularly hard, shouldn't those credits be used to assist with fixing the combined system?
26. Question: Why are ESDs the same for houses and commercial? Shouldn't there be different categories?
27. Question: Didn't the sewer rate ordinance used to stipulate that once a parcel changed hands, the sewer impact fee was imposed again?
28. Question: The size of the average homes has changed in the last 20 years. Has this been factored into our ESD computation?
29. Comment: Another option could be to vary the fee charged to homes by the size, square footage, and/or the number of bedrooms.
30. Comment: Another option could be to adjust the monthly service fees to help encourage infill.
31. Question: Are there factors in the treatment at the SRWTP that are different, for say, Folsom vs. Elk Grove?
32. Question: What is the difference between the conveyance portion and the treatment portion of the sewer impact fee?
33. Comment: Additional criteria should be an agreed upon in the definition of infill.
34. Question: Will the new Federal Building in downtown Sacramento (or buildings such as this) be considered infill? It seems that they are tearing down two story buildings and bringing in 20 story buildings, without homes nearby, thus encouraging sprawl.

35. Comment: Another option would be to encourage residential infill by having lower infill rates for just residential buildings (not commercial).
36. Question: Should we be looking at multi-family housing? Is multi-family housing computed at a different ESD rate? Should multi-family housing have a different rate because of lower resident per unit ratio?
37. Comment: Another criteria should be backing out the cost of deficiency of (existing) pipes so new development doesn't have to pay for that.
38. Question: When we talk about full interceptors (at capacity), when are they full? All of the time?
39. Comment: Another option would be to assign currently unused plant capacity to infill and thus lowering the treatment component of its fee.
40. Question: Regarding the above option, wouldn't growth use this capacity?
41. Comment: Could we please provide written materials prior to meetings?
42. Comment: Could we do meetings every 10 days?
43. Comment: Are various cities looking at options? If so, can we review those up front? Could we also review city barriers?

### **Next Meeting**

The next working group meeting will be Thursday, August 9<sup>th</sup> at 2:00 pm, at the Water Quality offices, 10545 Armstrong Avenue, Room 170.



**Alternative Sewer Impact Fee  
2nd Working Group Meeting  
August 9, 2001**

**Meeting Minutes**

This was the second meeting of a Working Group convened to discuss options for an alternative impact fee structure for SRCSD. (The meeting attendance list is presented below.)

**Attendance List for August 9, 2001 Meeting**

<b>Name/Organization</b>	<b>Phone Number</b>	<b>Fax Number</b>	<b>E-mail address</b>
Bob Shanks/SRCSD	876-6105		Shanksb@saccounty.net
Marcia Maurer/SRCSD	876-6116		Maurerm@saccounty.net
Vickie Lee/Sierra Club	657-3465		Vickielee10@Home.com
Steve Krahn/City of Folsom	355-7337	355-7274	skrahn@Folsom.ca.us
Lynn Wynn/SRCSD	876-6081	876-6160	Wynnl@saccounty.net
Matt Slavin/City of Sacramento	264-6116		mislavin@cityofsacramento.org
Brad Baxter/City of Citrus Heights	727-4770	725-1499	Bbaxter@ci.citrus-heights.ca.us
Mike Maggi/SRCSD	876-6046		Maggim@saccounty.net
Wendell Kido/SRCSD	876-6115	876-6160	Kidow@saccounty.net
Patti Ransdell/MMC Communications	736-6900	456-6637	Patti@mmcpr.com
Bernie Small/SRCSD	876-6071	876-6158	Smallb@saccounty.net
Bill Hetland/City of Elk Grove	683-7111	691-2001	bhetland@elkgrovecity.org
Rick Bettis	442-5775		rickb@ardennet.com
Mary Brill/SCAN	395-0129	428-4816	Marybrill@jps.net
Miguel Torres/Natomas Community Assoc.	922-9807		
John Buttz/MWH	921-3517	925-9102	John.buttz@mwhglobal.com
Gary Reents/City of Sacramento	264-1433	264-1497	Greents@cityofsacramento.org
Norma King/SCAN	277-7001	277-7147	Anyking@aol.com
Kevin Werner/MWH	921-3588	9249102	kevin.werner@mwhglobal.com
Stephen Patek/City of West Sacramento	373-5854	371-1516	steve.patek@ci.westsacramento.ca.us
Bruce Houdesheldt/BIA	575-1480	482-3461	bruce@biasup.org
Kristen Otto/City of Sacramento	264-7948	264-8161	kotto@cityofsacramento.org

The meeting began with an update about the web site. The site was up and running August 9 prior to the meeting. The address is [www.srcsd.com](http://www.srcsd.com).

Marcia also informed the group that the sewer rate increases were introduced on August 8 and continued to August 22 for Board adoption.

Marcia and Mike Maggi then led the group through the maps that the District provided. The following are the maps presented at the meeting:

- Map of the old sanitation district boundaries (pre-SRCSD)
- Map of the connected and developable parcels county-wide. This map shows the existing sewer sheds, future sheds, developable area and the connected area of the County.
- Map that shows the city boundaries and the connections within those jurisdictions.
- A map that shows the interceptors by jurisdiction served.
- Map that shows the existing interceptors.

The maps generated discussion among participants. Comments from this discussion are below:

1. If the City of Sacramento 's interceptors are not actually at capacity, and there is some disagreement about this, and we aren't needing to add interceptors to increase capacity, then we shouldn't be charging them fees or including the City in fee calculations.

2. Undevelopable areas of the County (parks, schools, cemeteries) shouldn't be part of the fee calculation. There are concerns that the District reviews areas with proposed interceptors that might include areas that will never be developed. The concern is that the District is over-projecting future needs. This could lead to the district not collecting enough fees, and sewer impact fees being increased again.

The next portion of the meeting was dedicated to hearing from the cities that the District serves. Each city had an opportunity to discuss it's concerns and barriers regarding sewer impact fees.

Each city and its concerns are listed below:

#### Sacramento

Equity: Is there equity for people in an area that is already developed and served by existing infrastructure?

City wants to create in-fill incentives.

City would like to see balance in whatever alternatives are developed.

#### Folsom

City is concerned that impact fees will be fair and equitable. Folsom wants assurances on this point.

## Citrus Heights

Citrus Heights benefits from in-fill.

They want a fair and equitable fee structure.

It may be time to re-visit the Master Interagency Agreement (MIA).

The working group deadline is self-imposed; it's not necessary to rush this process.

Have we considered new cities? With the potential incorporation of Rancho Cordova looming, shouldn't they be at the table?

What about areas that will never be developed?

## Elk Grove

Elk Grove wants a fair and equitable fee.

Maybe it is time to review the MIA - Should Elk Grove really have to pay the same, or more, for new development, since they are so close to the SRWTP?

Maybe we should review the definition of in-fill. Is it really 50% of build out?

Infill has traditionally been considered "fill all of the empty spaces in the city" - but without providing a mix of residential and commercial to help reduce the impacts on traffic and air quality (example of Elk Grove working to get the Dept. of Corrections in Elk Grove because so many of those employees actually live in Elk Grove).

## West Sacramento

West Sacramento is looking for the lowest fees possible.

Fees should reflect fairness and equity.

The review of each jurisdiction's barriers and concerns generated comments. Comments heard are listed below:

1. When we are discussing equity, are we talking about actual cost of service (or cost to serve)? When looking at cost to serve, we are also looking at distance and so we must look at perhaps revising the MIA.
2. A potential option, instead of basing fees on sewersheds, we could use assessors data and go by community. The assessors office has parcels broken out into communities. We would still define in-fill as 50% build out.
3. This working group should develop definitions of equity and in-fill. This will provide the group with a common base to develop our options.
4. It's suggested that this group will develop two or three or more options that are presented to the Board of Directors. We may end up developing options that focus on specific issues (in-fill focused for example).

5. When approaching concerns and issues of developing this fee, other externalities, such as air quality, sprawl, quality of life, these are more important to environmentalists than equity.

After some discussion, it was decided that the group should develop their definitions of equity and e-mail them to Bernie Small at SRCSD (smallb@saccounty.net). We will be reviewing these definitions at the next meeting.

**Next Meeting**

The next meeting will be held Tuesday, August 21, from 2:00 to 4:00 pm at Water Quality offices located at 10545 Armstrong Avenue, Room 170.



**Alternative Sewer Impact Fee  
3rd Working Group Meeting  
August 21, 2001**

**Meeting Minutes**

This was the third meeting of a Working Group convened to discuss options for an alternative impact fee structure for SRCSD. (The meeting attendance list is presented below.)

**Attendance List for August 21, 2001 Meeting**

<b>Name/Organization</b>	<b>Phone Number</b>	<b>Fax Number</b>	<b>E-mail address</b>
Bob Shanks/SRCSD	876-6105		Shanksb@saccounty.net
Marcia Maurer/SRCSD	876-6116		Maurerm@saccounty.net
Lynn Wynn/SRCSD	876-6081	876-6160	Wynnl@saccounty.net
Kristan Otto/City of Sacramento	264-7948	264-8161	kotto@cityofsacramento.org
Mike Maggi/SRCSD	876-6046		Maggim@saccounty.net
Wendell Kido/SRCSD	876-6115	876-6160	Kidow@saccounty.net
Patti Ransdell/MMC Communications	736-6900	456-6637	Patti@mmcpr.com
Bernie Small/SRCSD	876-6071	876-6158	Smallb@saccounty.net
Bill Hetland/City of Elk Grove	683-7111	691-2001	bhetland@elkgrovecity.org
Mary Brill/SCAN	395-0129	428-4816	Marybrill@jps.net
Miguel Torres/Natomas Community Assoc.	922-9807		
Kevin Werner/MWH	921-3588	9249102	kevin.werner@mwhglobal.com
Stephen Patek/City of West Sacramento	373-5854	371-1516	steve.patek@ci.westsacramento.ca.us
Bruce Houdesheldt/BIA	575-1480	482-3461	bruce@biasup.org
Rick Bettis	442-5775		rickb@ardennet.com
Lucinda Willcox/City of Sacramento Planning	264-5052	264-7185	lwillcox@cityofsacramento.org
Darryl Goehring/County Planning	874-5386	874-6400	Goehringd@saccou.ca.gov
Ann Baker/County Planning	874-6141	874-6400	bakeran@saccounty.net

The meeting began with the review of a map showing Sacramento County communities. A list of communities was provided, listing the communities and whether they were within the 1975 boundaries and whether or not they were infill, or new development. This list of communities corresponds with the Assessors data of communities. The map will be put on the project web site.

•A map showing the cost of service will be provided at the next meeting.

At the last meeting (August 9, 2001), attendees were requested to develop definitions of infill and equity and transmit them to the District. Marcia reported that no definitions had been received yet. Mary Brill said that she and David Mogavero of ECOS were working on a draft definition and program option, and would send the final version to the District.

Marcia handed out a table of Options for Impact Fee Structures and the group reviewed this. Comments from the group follow:

1. We should also consider using the City of Sacramento's definition of infill.
2. The City of Sacramento has a variety of "infill" definitions so it might not be appropriate to use their criteria for a regional program.
3. Natomas has all three tiers: Infill, new, redevelopment. Is infill considered at build out, or by PUD? If a multi-family development that is clearly redevelopment comes to an area, and exponentially increases the "processed product" (100 toilets instead of the former 7 toilets, as an example), will this product be charged a process fee because of the greater impact to capacity/system? *District response – Additional impact to the system greater than the current use pays additional impact fees.*
4. The District seems to make land use decisions by putting in pipelines and then growth follows.
5. The District actually only responds to land use decisions made by policy making bodies—SRCS D can't plan interceptors until there is a need for them; there must be flows for any planned interceptors.
6. The community/sewershed option should carefully evaluate how Elk Grove is defined. (The community map was a little confusing).
7. The District needs to get input from jurisdictions and stakeholders to determine the internal boundaries (see comment above)

•The group reached consensus on using community boundaries for criteria (instead of sewersheds) with the exception of Elk Grove, which needs to be reviewed carefully. The District will work with the City of Elk Grove to define those boundaries.

The group discussed the need to come up with a definition of redevelopment. It was suggested that we use the federal definition.

The group discussed the options presented, and several questions were raised and discussed. The questions follow:

1. Should we specify residential redevelopment when discussing redevelopment fees?
2. What about re-development projects that intensifies and densifies development? What about encouraging development near light rail stations?
3. Should we consider using this type of targeted development as a different level within the tier.
4. We should give residential redevelopment the biggest break in impact fees.
5. What about Supervisor Roger Dickinson's idea that we allocate extra capacity from SRWTP to redevelopment areas- at an even greater discount in impact fees?

- It was requested that the current community map be overlayed with a redevelopment map, to show the redevelopment areas Countywide.

- A map showing the cost to serve by interceptor sewer shed was also requested.

- The group will review options 1 and 2 with redevelopment being broken out.

#### **Next Meeting**

The next meeting will be held Thursday, September 6, 2001, from 2:00 to 4:00 pm at Water Quality offices located at 10545 Armstrong Avenue, Room 170.



**Alternative Sewer Impact Fee  
4th Working Group Meeting  
September 6, 2001**

**Meeting Minutes**

This was the fourth meeting of a Working Group convened to discuss options for an alternative impact fee structure for SRCSD. (The meeting attendance list is presented below.)

**Attendance List for September 6, 2001 Meeting**

<b>Name/Organization</b>	<b>Phone Number</b>	<b>Fax Number</b>	<b>E-mail address</b>
Bob Shanks/SRCSD	876-6001		Shanksb@saccounty.net
Marcia Maurer/SRCSD	876-6116		Maurerm@saccounty.net
John Buttz	921-3517	925-9102	john.buttz@mhwwglobal.com
Lynn Wynn/SRCSD	876-6081	876-6160	Wynnl@saccounty.net
Kristan Otto/City of Sacramento	264-7948	264-8161	kotto@cityofsacramento.org
Mike Maggi/SRCSD	876-6046		Maggim@saccounty.net
Shalynn McPherson/MMC Communications	567-6309	921-5877	shalynn@mmcpr.com
Bernie Small/SRCSD	876-6071	876-6158	Smallb@saccounty.net
Bill Hetland/City of Elk Grove	683-7111	691-2001	bhetland@elkgrovecity.org
Mary Brill/SCAN	395-0129	428-4816	Marybrill@jps.net
Stephen Patek/City of West Sacramento	373-5854	371-1516	steve.patek@ci.westsacramento.ca.us
Vicki Lee	657-3405 (W) 447-3670 (H)	NA	vickilee10@home.com
Rick Bettis	442-5775		rickb@ardennet.com
Stephen AuClair	286-7609	286-7601	sauclair@gcwallace.com
Darryl Goehring/County Planning	874-5386	874-6400	Goehringd@saccou.ca.gov
David Mogavero	443-1033	443-7234	dmogavero@mognot.com
Gary Reents	264-1433	NA	NA
Ken Adams	631-1197		kadams@delta.org
Ann Baker/County Planning	874-6141	874-6400	bakeran@saccounty.net

Four maps were displayed on the wall:

- 1) Bradshaw-Folsom Interceptor
- 2) South Area Interceptor Systems
- 3) Northwest Interceptor Systems
- 4) Community Map w/ Redevelopment zones(redevelopment zone boundary & 1975 SRCSD district boundary)

### **Definition of Community Areas**

The meeting began with the review of the map showing Sacramento County communities and redevelopment areas (map 4). It was agreed at a previous meeting (August 9, 2001) that communities would be used. Infill would be defined by 1975 line and most areas fall into previously discussed infill areas. Discussion included:

- Elk Grove needs to be contacted to obtain its own community areas definitions.
- Comment: Is Meadow View considered a redevelopment area?

### **Cost to Serve by Sewer Shed**

Second item discussed was the table showing cost to serve by interceptor sewer shed. Discussion included:

- Assumptions used to develop fees include \$27 million needed to fund interceptors based on 8,000 ESD's growth per year with 6 ESD's per acre. 70% paid by growth and 30% paid by infill.
- A second chart listed the percentage of infill development for each community by ESD's and acreage.
- Comment: More connections means higher infill costs.
- Comment: More hook-ups densifying infill will lessen fees.
- Comment: Folsom's numbers need to be added to table.
- Comment: SRCSD doesn't have billing numbers since billing is done by contributing agencies (i.e., CSD-1, City of Folsom, City of Sacramento)
- Comment: Could someone pull the numbers on West Sac?
- Comment: Are the ESD's on this table planned?
- Comment: Buildout looks at average density.

### **Alternative Fee Options**

Third item discussed was the table of three options. This table will be shown to stakeholders, they will be allowed to ask questions and comment on options.

**Option 1- Tiered "Infill" was discussed.** Last meeting 2 questions were presented:

- 1) When is residential considered redevelopment?
- 2) Should redevelopment fees be the lowest or fall between infill and new development?

Discussion included:

- Comment: There are legal issues with having no redevelopment since everyone pays same maintenance charges.

Comment: Board policy is growth pays for growth via sewer impact fees, monthly fees pay for existing customers

- Comment: With regard to redevelopment, there is a disproportion of low-income housing in the City of Sacramento, big regional issue, fair share issue.
- Comment: Can we expand definition of redevelopment, focus around light rail stations? There are some areas where articulation is needed.
- Does everyone agree the redevelopment includes: Commercial Housing, Central Business District, and light rail transit?
- Comment: the fees are the same for redevelopment and infill, shouldn't redevelopment fee be less?
- Is there a way to give break to outlying areas?
- Redevelopment and infill pushes people where there are a greater amount of jobs and transportation. There is not a nexus between jobs and housing.

**Options 2 "Cost to Serve" was discussed.** Fee for option 2 is based on the shed and cost to serve it depending on where it is in relation to plant. Discussion included:

- Comment: We can put projected costs into map once we have final numbers.
- Comment: The 3 maps on wall show where new interceptors are planned and the watershed contributing to it.
- Looking at UN90 for example, cost is based on what percent of shed is growth and what has existing hook-ups? People upshed are contributing to downshed, costs go down the closer you get to plant.
- Comment: costs are based on sheds not communities.
- Comment: This option does not keep costs low to everyone.
- Comment: Costs appear to be all over the place with this option.
- Comment: This model is inflexible, planning for 6 ESD's is too simplistic.
- This is a necessary option to be presented in front of the board, cost of service will come up.
- Comment: Can we combine all sheds into only 4, then there will only be a 2 or 3 range of fees.
- Comment: We need these numbers in dollar per ESD's by next meeting in order to look at new groupings and options.
- Comment: Could you add acreage to graph?
- Comment: More info is needed for option 2.

## **Definitions of Infill and Equity**

David from ECOS discussed submittal of definitions for "infill" and "equity." Discussion include:

- Comment: Some comments on density may be inapplicable in the letter.
- Comment: higher density paying more isn't true (point 1 & 2), points need more thought.
- Comment: Regarding point 3, they are not taking out old infrastructure and putting new in.
- Comment: Regarding point 5, need to look at downtown impact fee.
- Comment: there is a meeting with BOS to adjust ever changing growth rates ESD's and Capital Improvement plan.
- Comment: Define infill area small rather than large, target it to make fee low as possible.

Vicki Lee presented an excerpt from : *Opportunity for All: Growth, Equity and Land Use Planning for California's Future*.

- Excerpt discusses equity and fairness in the distribution of fees, resources and benefits.

Comment: Why is there no rebate for low flush toilets?

## **Next Meeting**

The next meeting will be held Thursday, September 20, 2001, from 2:00 to 4:00 p.m. at Water Quality offices located at 10545 Armstrong Avenue, Room 170.



**Alternative Sewer Impact Fee  
5th Working Group Meeting  
September 20, 2001**

**Meeting Minutes**

This was the sixth meeting of a Working Group convened to discuss options for an alternative impact fee structure for SRCSD. The meeting attendance list is presented below.

**Attendance List for September 20, 2001 Meeting**

<b>Name/Organization</b>	<b>Phone Number</b>	<b>Fax Number</b>	<b>E-mail address</b>
Bob Shanks/SRCSD	876-6105		Shanksb@saccounty.net
Marcia Maurer/SRCSD	876-6116		Maurerm@saccounty.net
Vickie Lee/Sierra Club	657-3465		Vickielee10@Home.com
Lynn Wynn/SRCSD	876-6081	876-6160	Wynnl@saccounty.net
Mike Maggi/SRCSD	876-6046		Maggim@saccounty.net
Patti Ransdell/MMC Communications	567-6309	921-5877	Patti@mmcpr.com
Bernie Small/SRCSD	876-6071	876-6158	Smallb@saccounty.net
Bill Hetland/City of Elk Grove	683-7111	691-2001	bhetland@elkgrovecity.org
Rick Bettis	442-5775		rickb@ardennet.com
Mary Brill/SCAN	395-0129	428-4816	Marybrill@jps.net
Miguel Torres/Natomas Community Assoc.	922-9807		
John Buttz/MWH	921-3517	925-9102	John.buttz@mwhglobal.com
Bruce Houdesheldt/BIA	575-1480	482-3461	bruce@biasup.org
Lucinda Willcox/City of Sacramento	264-5052	264-7185	kotto@cityofsacramento.org
Darryl Goehring/Sacramento County Planning Dept.	874-5386	874-6400	Goehringd@saccounty.net
Caroline Quinn/City of West Sacramento	373-5854	371-1516	Caroline.quinn@ci.west-sacramento.ca.us

## **Review of Requested Materials**

The meeting began with a review of three new maps:

- Infill & Growth Areas by Communities
- Project Cost by Sheds
- SRCSD Interceptor Projects (Contributing sheds and average cost per ESD)

The Project Cost Map shows actual cost to serve by ESD (conveyance portion only) based on current siting of interceptors.

The Interceptor Projects Map analyzes costs by interceptor that serves each area. These figures are for conveyance only, and are averaged costs.

## **Option 1 Summary Chart**

Marcia then reviewed the Option 1 Summary Chart.

As an estimate, the redevelopment fee has been assumed to be equal to the Economic Development Bank fee of \$923/ESD. It is likely that we will need to handle redevelopment fees under the Development Bank system. There is no nexus between redevelopment areas and the cost of sewer infrastructure; therefore, no separate redevelopment fee can be generated.

John Buttz reviewed the options table. To narrow down the infill area would lower the estimated impact fees for infill and new development. New development would see a decrease, because the cost would be spread over a larger number of ESDs. There would be a greater fee differential between new development and infill.

It was suggested that we may need to define another infill scenario. Should infill be defined higher than 50%, say 60% or 70% of buildout? Should it be just redevelopment? How do we narrow the definition of infill? This discussion generated comments, which are listed below:

- Our definition of infill may be very different from what is being used by other agencies. Where does our 50% number coming from? Are we using it on sewersheds?
- Our definition is based on 1975 boundaries and percentages of ESDs developed (on average).
- We need to have 3 tiers--new development, infill and targeted areas (blighted areas that need an incentive to recover).
- The Sierra Club is opposed to lowering any new development fees--anything that provides an incentive to densify is what they want. Anything that will slow down sprawl.
- The Natomas Community Association would like to place redevelopment in the middle of the fee tier with infill being at the lowest tier. Redevelopment

already has other funding mechanisms in place. This should be a consideration. This option would help prevent “leap frog” development.

- It was suggested that the redevelopment question be handled in a different way, especially with sewer credits available. Bob Shanks suggested that local control (within each jurisdiction) would help.
- John Buttz stated that the advantage of raising the infill percentage is to drive down costs for infill, and raise the differential between new development and infill.
- Lucinda Willcox of the City of Sacramento asked if the sewer credit ratio of residential to commercial percentages could be raised as part of this proposal. Currently, the residential sewer credit is capped at 15%. Bob Shanks said that this is a definite possibility.
- Bill Hetland of the City of Elk Grove suggested that we follow the model of the sewer connection credits and place control of all infill definition with local jurisdictions. This could take us away from trying to make the numbers fit (the necessary \$27 million in annual fees needed by SRCSD).
- There was concern voiced that this type of approach would continue to create bad air quality, because the high-end homes would continue to be built in the suburbs with jobs located in the cities. This would create more commuters.

Bob Shanks offered another scenario where a measured amount of sewer bank ESDs are allowed per jurisdiction, with the rest of the cost being used to make up the necessary \$27 million dollars annually.

It was also suggested that we hold steady at the fees we are currently charging, and re-evaluate the incremental increases in the next 5 years. We could hold infill fees where the current fee is, and then evaluate additional increases later (for new development).

Bob Shanks clarified that the sewer impact fee increases that had been proposed to the Board of Directors earlier this year were always intended to be phased in over 3 years.

The group requested that an analysis be prepared of the infill fees and areas if the definition is increased from 50% of buildout to 70%.

It was noted that sewer fees aren't the only incentive, or disincentive, for infill development.

Marcia pointed out that SRCSD has low cost or waived impact fees available for certain needy groups. A copy of this ordinance was requested. A chart showing at least one other scenario (lowering the percentage of infill and the corresponding dollar amounts) was also requested.

Bob Shanks noted that SRCSD needs 8,000 ESDs annually to maintain the necessary cash flow.

Marcia Maurer noted that the Downtown Partnership would like commercial redevelopment in the Central Business District be included in any redevelopment fee break.

### **Additional Economic Development Bank Credits**

It was noted that if the District is able to acquire additional sewer credits (capacity credits), each jurisdiction should be allowed to allocate the credits similar to the current system.

Bob Shanks noted that as the review of these options moves forward, the District is also on a parallel track to meet with businesses to obtain additional sewer capacity credits.

Bob also noted that this working group may be the group to determine how any additional credits are allocated.

### **Next Meeting**

John Buttz stated that our goal is to have one more working group meeting, and then commence with the public meetings (see attached chart). Prior to presenting our options to the SRCSD Board of Directors, we will re-convene this working group to review and summarize our findings.

The next working group meeting will be Monday, October 01, 2001 from 2:00 PM to 4:00 PM at the Water Quality offices, 10545 Armstrong Avenue, Room 170.



## Alternative Sewer Impact Fee Proposed Public Meeting Schedule

<b>Group/Organization</b>	<b>Suggested Dates</b>	<b>Optional Dates</b>	<b>Location</b>
1. Environmental Groups [a]	Thursday November 1 6-8 pm		Civil Service Hearing Room 1 700 H Street Sacramento (Next to the Board of Supervisors Chambers)
2. Business [b]	Thursday November 1 2-4 pm		Civil Service Hearing Room 1 700 H Street Sacramento (Next to the Board of Supervisors Chambers)
3. City of West Sacramento City Council	Wednesday October 17 7:00 pm	Wednesday October 3 7:00 pm, Wednesday November 7 7:00 pm	City Council Chambers 1350 Halyard Drive West Sacramento
4. City of Sacramento City Council	Tuesday October 23 2:00 pm	Tuesday October 30 7:00 pm, Tuesday October 30 2:00 pm	City Council Chambers 915 I Street Sacramento
5. City of Folsom City Council	Tuesday October 23 6:30 pm	Tuesday October 9 6:30 pm	City Council Chambers 50 Natoma Street Folsom
6. City of Citrus Heights City Council	Wednesday October 24 7:00 pm	Wednesday October 30 7:00 pm	City Council Chambers 7115 Greenback Lane Citrus Heights
7. City of Elk Grove City Council	Wednesday November 7 6:30 pm	Wednesday October 17 6:30 pm	City Council Chambers 8400 Laguna Palms Way Elk Grove
8. SRCSD Board of Directors	Wednesday November 28 9:30 am		Sacramento Board of Supervisors Chambers 700 H Street Sacramento

a. ECOS, SCAN, ACORN, Sierra Club

b. BIA, Downtown Partnership, all local chambers of commerce



**Alternative Sewer Impact Fee  
6th Working Group Meeting  
October 1, 2001**

**Meeting Minutes**

This was the sixth meeting of a Working Group convened to discuss options for an alternative impact fee structure for SRCSD. The meeting attendance list is presented below.

**Attendance List for October 1, 2001 Meeting**

<b>Name/Organization</b>	<b>Phone Number</b>	<b>Fax Number</b>	<b>E-mail address</b>
Bob Shanks/SRCSD	876-6105		Shanksb@saccounty.net
Marcia Maurer/SRCSD	876-6116		Maurerm@saccounty.net
John Maguire/City of Folsom	355-8324	355-7274	Jmaguire@folsom.ca.us
Mike Maggi/SRCSD	876-6046		Maggim@saccounty.net
Patti Ransdell/MMC Communications	567-6309	921-5877	Patti@mmcpr.com
Bernie Small/SRCSD	876-6071	876-6158	Smallb@saccounty.net
Bill Hetland/City of Elk Grove	683-7111	691-2001	bhetland@elkgrovecity.org
Rick Bettis	442-5775		rickb@ardennet.com
Mary Brill/SCAN	395-0129	428-4816	Marybrill@jps.net
Miguel Torres/Natomas Community Assoc.	922-9807		
John Buttz/MWH	921-3517	925-9102	John.buttz@mwhglobal.com
Bruce Houdesheldt/BIA	575-1480	482-3461	bruce@biasup.org
Lucinda Willcox/City of Sacramento	264-5052	264-7185	kotto@cityofsacramento.org
Darryl Goehring/Sacramento County Planning Dept.	874-5386	874-6400	Goehringd@saccounty.net

## **Follow-up on Requested Items**

### **Option 1 Summary Chart-**

Marcia began the meeting with a review of the Option 1 Summary Chart that shows costs projected with a 50% in-fill rate and a 70 % in-fill rate. By increasing the in-fill rate to 70%, there is a substantial decrease in the in-fill sewer impact fees.

John pointed out that from a cost stand point there may be a slight shifting of costs after he performs a cost analysis.

This discussion generated comments, which are listed below:

- What is the breakdown of SRCSD acreage in these categories?

#### 70% In-fill-

- 85% of acreage in SRCSD service area would be new development

- 2% of acreage in SRCSD service area would be in-fill development

- 13% of acreage in SRCSD service area would be redevelopment

#### 50% In-fill-

- 70% of acreage in SRCSD service area would be new development

- 17% of acreage in SRCSD service area would be in-fill development

- 13% of acreage in SRCSD service area would be redevelopment

- It was suggested that maybe we should consider evaluating three tiers with in the 50% and 70% in-fill rates.

The group reviewed the Community/ESD buildout percentage chart that was provided at the last meeting. Marcia noted that we still needed current ESD information from the City of Sacramento and Folsom.

- It was suggested that maybe we should look at 60 or 65% buildout for in-fill instead of 70%. Perhaps our brackets are too extreme; we have gone from 50% to 70% instead of a more incremental change (50% to 55%, 60% to 65%, etc.)

According to Marcia, once we get the accurate ESD information, it will be fairly simple to plot these incremental changes.

This group has been focused on policy and program issues. The numbers will continue to shift as the policy is defined. If cities have actual “sub-set”

boundaries, SRCSD would like to use those to help determine connected acres percentages. The District wants to be consistent with cities boundaries and sub-boundaries. The District would like to receive this information from each jurisdiction and the request was made from city staff participants.

- It was noted that one years worth of data may not be adequate.
- Lucinda Willcox from the City of Sacramento wanted to know if it would be feasible to put a cap on in-fill fees. Once we reach a certain percentage of connections, we could review the location of connections (in-fill, redevelopment areas, or new )
- Our assumptions are too high; they should be lower and then the fees would be lower. What if we assume 20% in-fill and 80% new growth and then pattern our fees accordingly?
- There is a concern that our 70/30 split has new growth subsidizing 80% of infrastructure costs (first 50% of connections pay for 70% of cost).
- Are there additional unpredicted factors that could influence growth patterns that could skew our numbers (example of Natomas floodplain issue).

The group reviewed a map from County Planning. The map details community boundaries.

John Buttz requested that the cities of Folsom Sacramento and Elk Grove provide with with better community definitions than the District currently has. Specifically, he asked for:

- Street name boundaries for sub-sets of communities
- Connected ESDs

### City of Sacramento

Gary Reents, of the City of Sacramento offered to provide the District with a GIS map, with communities outlined and each parcel listed. The City can review the data by each community, and if the numbers look inaccurate, then the actual billing data can be reviewed.

### Folsom

The District needs to get the number of connected ESDs outside of the 1975 boundaries.

The area of Folsom contained within the 1975 boundary may very well meet the 70% buildout qualification.

- John Maguire of Folsom asked that the District clarify the definition of the number of ESDs per acre.

### **Option 1 – Tiered In-Fill**

Marcia requested input on tiered in-fill- Should there be a time limit before an area that reaches the 50% (or 70%) developed level moves from “new” to “in-fill”? Should it be immediately, or when the District does the next Master Plan update (every 5 years). Should we redefine in-fill every 5 years? This discussion generated comments, which are listed below:

- Why not review the definition of in-fill, and the impact fee structure when it's appropriate, instead of every 5 years. What if after 2 years our projections are wrong; we could be creating a negative cash flow situation for the District.
- If we use the 70% in-fill definition, and a community is at 69%, should that community have to wait an additional 5 years to get the lower impact fee?
- To discourage “fence sitters” that will wait until a community rolls over to the in-fill definition, what if the District doesn't make any adjustments for the first 5 years, and then reviews the in-fill percentage every year after that?
- Bob Shanks suggested that we annually update our statistics by community. If after a few years we notice a trend, (where there is an economic impact to the District) this working group would re-convene and address this problem.

Gary Reents of the City of Sacramento shared a proposal that the City developed.

He commented that the 70% option that we are currently looking at will meet what the City is looking for; reducing the overall fee load by \$5000 to incentivize in-fill development.

This proposal generated some comments, which are listed below:

- Another consideration that pertains to “smart growth” – the ESDs are an across the board measurement for both residential and commercial development. This could drive the development of commercial/retail space into infill areas.
- This group talked about reviewing the combined sewer systems and obtaining more sewer credits. What is the status of this?

### **Next Meeting/Wrap up**

Marcia reviewed the next steps.

- City Council and public meetings  
-schedule is attached

- John Buttz is compiling a summary package that will be mailed to each working group member. The City Council presentation will be part of that package. Bob also suggested that we coordinate with city staff to brief the SRCSD Board Representatives prior to the City Council hearings.
- The working group will re-convene to discuss our findings, after the City Council hearings have been completed.

**Alternative Sewer Impact Fee  
Public Meeting Schedule**

<b>Group/Organization</b>	<b>Meeting Dates</b>	<b>Location</b>
1. Environmental Groups [a]	Thursday, October 25, 2001 6-8 pm	Civil Service Hearing Room 1 700 H Street Sacramento (Next to the Board of Supervisors Chambers)

<b>Group/Organization</b>	<b>Meeting Dates</b>	<b>Location</b>
2. Business [b]	Thursday November 1 2-4 pm	Civil Service Hearing Room 1 700 H Street Sacramento (Next to the Board of Supervisors Chambers)
3. City of West Sacramento City Council	Wednesday October 17 7:00 pm	City Council Chambers 1350 Halyard Drive West Sacramento
4. City of Sacramento City Council	Tuesday October 30 2:00 pm	City Council Chambers 915 I Street Sacramento
5. City of Folsom City Council	Tuesday November 13 6:30 pm	City Council Chambers 50 Natoma Street Folsom
6. City of Citrus Heights City Council	Wednesday November 14 7:00 pm	City Council Chambers 7115 Greenback Lane Citrus Heights
7. City of Elk Grove City Council	Wednesday November 7 6:30 pm	City Council Chambers 8400 Laguna Palms Way Elk Grove
8. SRCSD Board of Directors	Wednesday December 12 9:30 am	Sacramento Board of Supervisors Chambers 700 H Street Sacramento

- a. ECOS, SCAN, ACORN, Sierra Club
- b. BIA, Downtown Partnership, all local chambers of commerce



**Alternative Sewer Impact Fee  
7th Working Group Meeting  
December 10, 2001**

**Meeting Minutes**

This was the seventh meeting of a Working Group convened to discuss the proposed final options for an alternative impact fee structure for SRCSD. The meeting attendance list is presented below.

**Attendance List for December 10, 2001 Meeting**

<b>Name/Organization</b>	<b>Phone Number</b>	<b>Fax Number</b>	<b>E-mail address</b>
Bob Shanks/SRCSD	876-6105		Shanksb@saccounty.net
Marcia Maurer/SRCSD	876-6116		Maurerm@saccounty.net
John Maguire/City of Folsom	355-8324	355-7274	Jmaguire@folsom.ca.us
Patti Ransdell/MMC Communications	567-6309	921-5877	Patti@mmcpr.com
Bernie Small/SRCSD	876-6071	876-6158	Smallb@saccounty.net
Bill Hetland/City of Elk Grove	683-7111	691-2001	bhetland@elkgrovecity.org
Rick Bettis	442-5775		rickb@ardennet.com
Mary Brill/SCAN	395-0129	428-4816	Marybrill@jps.net
John Buttz/MWH	921-3517	925-9102	John.buttz@mwhglobal.com
Bruce Houdesheldt/BIA	575-1480	482-3461	bruce@biasup.org
Lucinda Willcox/City of Sacramento	264-5052	264-7185	kotto@cityofsacramento.org
Darryl Goehring/ Sac. County Planning Dept.	874-5386	874-6400	Goehringd@saccounty.net
Jim Pardun/County of Sacramento	646-9464		Pardunj@saccounty.net
David Norris/County of Sacramento	874-5049		Norrisd@saccounty.net
Ken Payne/City of Folsom	355-8313		Kpayne@Folsom.ca.us
Keri Blaskoski/County of Sacramento	874-5265		Blaskoskik@saccounty.net
Vicki Lee/Sierra Club	657-3465 w		Vickilee10@attbi.com
Caroline Quinn/City of West Sacramento	373-5854		Caroline.quinn@ci.west-sacramento.ca.us
Gary Reents/City of Sacramento			

This was intended to be the wrap up meeting for the Working Group. The group reviewed the almost final maps, the community break down based on in-fill designations of 50% - 70%, and the Board of Directors presentation that was to be given on the 12<sup>th</sup> of December.

Marcia noted that SRCSD staff still needs ESD's per acre from the City of Folsom.

The group reviewed the level of development within each Community (Table 6) of the MWH draft report.

Marcia noted that the December 12 Board hearing will not result in a decision. We will continue to do analysis of the data from the various jurisdictions. Hopefully, the Board will make a decision on January 23<sup>rd</sup> (Note: this meeting has been changed to January 30), which is when the Board is next scheduled to review this topic. On February 13, 2002, SRCSD will introduce an ordinance to raise the impact fee to \$4,500.00 per ESD using the current "postage stamp" method. If the Board approves a different impact fee on January 30<sup>th</sup>, then in February the ordinance will request the lower infill fee and request that the \$4,500 rate be applied to "new" development.

This discussion generated some comments from working group members. Those comments are listed below:

- The city of Elk Grove voiced concern about asking the Board to make a decision on impact fees if our data was still fluctuating. Marcia noted that the District isn't asking for a Board decision on the 12<sup>th</sup>, but will have final numbers for the January 30<sup>th</sup> hearing.
- A working group member wanted to see clearer direction provided to the Board by staff. We still have some dissent within jurisdictions (Elk Grove and Folsom could still have disagreement with the options presented).
- A working group member requested a breakout of the total acres affected by percent of infill.

The discussion then turned to reviewing the fees in the Board report, specifically the assumption made on where future connections will take place. This discussion generated additional comments from working group members. Those comments are listed below:

- Our map doesn't include the City of West Sacramento. Have we done a sensitivity analysis on the impact of the proposed annexation to treatment, capacity and conveyance? Do we have figures from West Sacramento (pertaining to the number of connections)?

Gary Reents from the City of Sacramento gave a brief presentation on some aspects of this program that the city would like to be reviewed for inclusion in the final Board decision. Those elements are:

- A requirement that basic infrastructure (roads, sewers) be in place for an area to qualify as in-fill.

- The median age of the housing stock be 20 years before a community could qualify for in-fill rates.

The City of Sacramento wants to make fees as low as possible and encourage in-fill in areas that really need incentives.

This presentation led to additional discussion among working group members. Their comments follow:

- A working group member was concerned about the criteria of age of housing stock. The concern was that it is too late to review another option.
- Are we (SRCSD) sizing the interceptors based on I/I?
- If we are planning on funding an interceptor with 30 year bonds, and the interceptor is sized for 100 years of growth- where does the other 70 years of fees go?
- A suggestion was made to lock in in-fill area of the map for 20 years.
- Intuitively, shouldn't there be some sort of time criteria before a transition to in-fill occurs? (Example of the rapid growth of North Natomas).

### **Next Steps**

The Working Group will re-convene for an additional meeting to review the updated options.

The meeting will be held Thursday, January 3, 2002 2:00 PM– 4:00 PM at Mather Field, 10545 Armstrong Ave., Conf. Rm. 162.



**Alternative Sewer Impact Fee  
8th Working Group Meeting  
January 3, 2002**

**Meeting Minutes**

This was the eighth meeting of a Working Group convened to discuss the proposed options for an alternative impact fee structure for SRCSD. The meeting attendance list is presented below.

**Attendance List for January 3, 2002 Meeting**

<b>Name/Organization</b>	<b>Phone Number</b>	<b>Fax Number</b>	<b>E-mail address</b>
Bob Shanks/SRCSD	876-6105		Shanksb@saccounty.net
Marcia Maurer/SRCSD	876-6116		Maurerm@saccounty.net
John Maguire/City of Folsom	355-8324	355-7274	Jmaguire@folsom.ca.us
Patti Ransdell/MMC Communications	567-6309	921-5877	Patti@mmcpr.com
Shalynn McPherson/MMC Communications	567-6309	921-5877	shalynn@mmcpr.com
Bernie Small/SRCSD	876-6071	876-6158	Smallb@saccounty.net
Bill Hetland/City of Elk Grove	683-7111	691-2001	bhetland@elkgrovecity.org
Rick Bettis	442-5775		rickb@ardennet.com
Mary Brill/SCAN	395-0129	428-4816	Marybrill@jps.net
John Buttz/MWH	921-3517	925-9102	John.buttz@mwhglobal.com
Stacia Cosgrove	264-7110	264-7185	
Kristan Otto/City of Sacramento	264-7948		kotto@cityofsacramento.org
Darryl Goehring/Sac. Cty. Planning Dept.	874-5386	874-6400	Goehringd@saccounty.net
Mike Maggi	876-6046		
Aaron Anderson	264-2796		
Ken Payne/City of Folsom	355-8313		Kpayne@Folsom.ca.us
Ann Baker/ Sac County Planning	874-6141	874-6400	bakeran@saccounty.net
Vicki Lee/Sierra Club	657-3465 work		Vickilee10@attbi.com
Caroline Quinn/City of West Sacramento	373-5854		Caroline.quinn@ci.west-sacramento.ca.us

The following handouts were distributed:

- Minutes from December 10, 2001 working group meeting.
- John Dodds--Legality of Sewer Impact fees.

Marcia recapped what has taken place since the last meeting. The City of Sacramento passed a resolution approving the 70% option with the addition of some criteria that would further define in-fill. The 2 criteria proposed by the City of Sacramento include:

1. Any parcel above 20 acres must have infrastructure already in place.
2. Average age of homes in the community is 20 years or older.

The purpose of this meeting was to discuss screening criteria proposed by the City of Sacramento. Final maps and possible screening criteria options will be included in the final presentation to the board on January 30<sup>th</sup>. The City Councils of Folsom and the City of Sacramento will be getting the presentation January 29<sup>th</sup>. Maps that still need some review are Airport-Meadow View, North Sacramento, South Natomas, and Arden Arcade.

After reviewing the criteria proposed by the City of Sacramento, the group came up with the following screening criteria for evaluation by the Board of Directors:

1. The area outside 1975 boundary pays new fee for a minimum of 10 years. -no screening criteria.  
Area inside 1975 boundary-review community definition every year.
2. City of Sacramento's original screening criteria.
3. No screening criteria

District Staff are not recommending the board adopt any specific Alternative Impact Fee Structure. However, if the Board does decide to adopt an Alternative Impact Fee structure, staff will recommend a specific option which has not yet been determined.

Board packets will be ready in the next week to be mailed out. We will push them to make a decision about staying with the existing or adopting the 2-tier.

A table of the proposed increase in Impact fees was drawn on the board:

	Current System	Alternative Impact Fee System (proposed)	
		New	Infill
<b>2001</b>	\$3500	\$3500	\$3500
<b>2002</b>	\$4500	\$4500	\$2350
<b>2003</b>	\$5,255	\$5255	\$2350
<b>2004</b>	\$5255	\$5850	\$2350

The Board of Directors Hearing will be 9:30 am, January 30<sup>th</sup>, in the Board of Supervisors Chambers @ 700 H Street, Sacramento.