

ORDINANCE NO. O2017-02

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT AMENDING DISTRICT CODE CHAPTER 8 CONCERNING COMMUNITY FACILITIES FEES

The Board of Directors of the Rancho Murieta Community Services District hereby ordains as follows:

SECTION 1. PURPOSE AND AUTHORITY. The purpose of this ordinance is to update and increase the District Water Supply Augmentation and Community Facilities Fees (“Fees”) based on the costs of planned utility system and other capital improvements and expansions as appropriate to meet the service and facility needs of new development. This ordinance is adopted pursuant to Government Code sections 54344, 54350, 61115(a)(1), 61123(a), 66013, 66016, and 66022, and other applicable law.

SECTION 2. FINDINGS. The Board of Directors finds and determines as follows:

(a) The District currently levies and collects the Fees pursuant to District Code chapter 8. The District retained Coastland Civil Engineering to evaluate and update the Fees and the related capital improvement projects and plans. As a first step in this work, Coastland researched, evaluated, and prepared three Technical Memoranda: a TM dated September 8, 2017 concerning Development Projects and EDU Calculation Summary; a TM dated June 27, 2017 concerning Water Supply Augmentation Project - Recycled Water Program; and, a TM dated August 29, 2017 concerning Facility Capital Improvement Projects. Coastland then prepared the Water Supply Augmentation Fee and Facilities Capital Improvement Fee Study Update dated November 8, 2017 (the “2017 Fee Report”), which recommends increases in the Fees. The 2017 Fee Report (together with the technical memoranda that are appendices to the report) also describes and estimates the capital costs of the water, sewer, drainage, and security capital improvements and expansion that are necessary and appropriate to serve the anticipated service needs and demands of new development. By this ordinance, the Board accepts and approves the 2017 Fee Report.

(b) With the current fee amounts, the present and future funds and revenues of the District are and will be inadequate to fund the necessary utility and security system improvements to serve new development in the District. The most fair and equitable method of ensuring that new development pays its fair share of the costs of capital improvements to expand District facilities and capacity is through the imposition of fees that are payable upon connection to the District utility system. This approach will ensure that all future connections pay the cost of improvements necessitated by the expanded demand for capacity in the utility and security systems.

(c) The purpose of the adjusted Fees is to fund water, sewer, drainage, and security system facility improvements and expansion needed to provide service to new development and utility connections within the District.

(d) New development and utility connections in the District will result in increased use of and burdens on existing facilities. Without improvements to its existing system facilities, the new development will adversely impact the District’s ability to continue providing an adequate level of utility and security service to existing development and residents within the District while also serving new development.

(e) The need for capital facilities improvements in the District is caused by all types of development because all new development contemplated in the District (whether residential, commercial or other) will require new utility and security service and, therefore, all new development will result in increased use of and burdens on the District's utility and security system facilities.

(f) There is a reasonable relationship between use of the Fees revenue and new residential, commercial and other development projects in the District, because (1) the District will have adequate revenues and funds available to pay for facilities improvements and expansion necessary or appropriate to serve all requested new connections with the adequate utility and other services, (2) the owners, residents, and other users of the new development will benefit from the availability of utility and other services, and (3) all of the new development contemplated in the District will require and benefit from District water, sewer, drainage and security services.

(g) There is a reasonable relationship between the need for utility and security facilities in the District and improvements necessary or appropriate to serve new residential, commercial and other development projects because the new development will place a burden on the limited capacity of the existing system, adversely impact the District's ability to adequately and safely serve both the existing property owners and residents and new development in the District, and thereby cause a need to expand the systems to serve the new development.

(h) As demonstrated in the 2017 Fee Report, there is a reasonable relationship between the amount of the Fees established by this ordinance and the portion of the total cost of the needed improvements attributed to new development projects because (1) costs and fees are allocated based on a fair dwelling unit/equivalent dwelling unit basis as described in Fee Report Appendix B such that the costs are reasonably allocated based on the anticipated service demand from new development projects, and (2) the Fees charged to a particular new development or construction project will not exceed the total estimated reasonable costs of the utility and security facilities and improvements needed to serve that project.

(i) The purpose of the Water Supply Augmentation Fee continues to be the funding of improvements to provide an additional water supply to meet the water supply needs of new development. However, with this ordinance, the means of attaining that objective change from the development and installation of new groundwater supply wells to the development and construction of an expanded recycled water system. The delivery of recycled water to additional non-potable uses (made possible through the development of recycled water improvements) frees up additional treated water to serve the needs of new development. The Board finds and determines that funding the recycled water system improvements as a means to generate additional treated water capacity is preferable to, and more efficient than, the development and installation of new groundwater wells. The current Water Supply Augmentation Fee balance shall be used and redirected toward the recycled water improvement projects as described in the 2017 Fee Report and appendices.

(j) The District Board of Directors noticed and conducted a public hearing on the 2017 Fee Report and this proposed ordinance in accordance with legal requirements. The 2017 Fee Report and this ordinance have been available for public inspection, review and copying for at least 10 days prior to the date of the public hearing in accordance with Government Code section 66016.

(These findings are based on the 2017 Fee Report (including the appendices), District utility system master plans, other supporting documents in the District's files, and testimony and other information received at the public hearing on this matter.)

SECTION 3. CHAPTER 8 AMENDMENTS. Section 3.00 of District Code Chapter 8 is amended to read as follows:

SECTION 3.00 COMMUNITY FACILITIES AND OTHER FEES

3.01 Community Facilities Fees Established

The District approves, adopts, and continues in effect (a) the following Community Facilities Fees as described below and in the Water Supply Augmentation Fee and Facilities Capital Improvement Fee Study Update dated November 8, 2017 ("2017 Fee Report") - Water Capital Improvement Fee, Sewer Capital Improvement Fee, Drainage Capital Improvement Fee, Security Capital Improvement Fee, and Water Supply Augmentation Fee, and (b) a Community Park Fee. The fees in this section shall apply to the construction of any new building or structure in the District that requests District water or sewer service.

3.02 Deposit and Use of Fees

The General Manager or his or her designee shall deposit the Community Facilities Fees revenue in separate capital facilities funds (one for each fee type) and account for each fee in a manner to avoid any commingling with other District moneys or funds (except for inter-fund borrowing). Any interest income earned from the investment of moneys in a fee fund shall be deposited in that fund. The District, by resolution adopted by its Board of Directors, may approve the temporary inter-fund borrowing and investments among the fee funds and other District funds. The fee funds, and interest earned on the funds, shall be expended solely for: (a) the uses and purposes described in the 2017 Fee Report and appendices; (b) reimbursing the District for a development's fair share of any public facilities described in the 2017 Fee Report that are constructed or provided by the District; (c) reimbursing a developer who previously constructed or provided public facilities of a type described in the 2017 Fee Report and where those public facilities were beyond that needed to serve the needs of the developer's project; or (d) such other use as authorized by resolution of the District Board of Directors.

3.03 Time of Payment

The Community Facilities Fees shall be paid by the applicant at or prior to the time of the District's issuance of a water or sewer permit for service to the premises, or the District's initial provision of service, whichever occurs first. The fees shall be paid at the rate in effect on the day of payment. As explained in section 3.04, the fees for nonresidential uses are calculated based on water meter size. If the owner of a premises with an existing water connection requests the installation of a larger meter to serve expanded or changed use of the premises, then, as a condition of installation of the larger meter, the owner shall pay additional Community Facilities Fees in a sum as calculated based on the fee amount for the new meter size at the then-applicable fees minus the fee amount for the existing (to be replaced) meter size at the then applicable fees.

3.04 Dwelling Unit and Equivalent Dwelling Unit Calculation

a. The Community Facilities Fees shall be imposed and calculated on an equivalent dwelling unit (EDU) basis. The EDU calculation is explained in Appendix B of the 2017 Fee Report. For residential development, the EDUs shall be determined and applied as follows:

Residential	
Development Type/Size	EDU Calculation
Estate lot > 24,000 square feet	1 lot = 2.5 EDUs
Estate Lot between 12,000 - 24,000 square feet	1 lot = 1 EDU
Estate lot < 12,000 square feet	1 lot = 0.9 EDU
Cottage and circle (70' or 90') lots	1 lot = 0.7 EDU
Townhouse, halfplex, & country club lodge lots	1 lot = 0.5 EDU
Apartment	1 dwelling unit = 0.3 EDU

Each new residential lot will be assigned a development type based on its size and information as shown on the final subdivision map.

b. For nonresidential development, the EDUs shall be determined and applied as follows based on the water meter size to serve the development or construction project:

Nonresidential	
Water meter size	No. EDUs
1-inch	1 EDU
1.5-inch	2 EDUs
2-inch	3.2 EDUs
3-inch	6.4 EDUs
4-inch	10 EDUs
6-inch	20 EDUs
8-inch	32 EDUs

c. The District uses a standard of 1 EDU equaling 750 gallons per day of average water usage. For any new development or construction project that falls outside the EDU calculations set forth above, the General Manager shall estimate and determine the appropriate number of EDUs based on this standard and the anticipated water usage of the new project.

d. If the new development or construction project includes a private fire department water connection ("FDC"), then the EDU calculation for the premises shall be increased by an amount determined in accordance with the following:

FDC Size	Additional EDU
4" Diameter FDC	0.40 EDU/FDC connection
6" Diameter FDC	0.50 EDU/FDC connection
8" Diameter FDC	0.60 EDU/FDC connection

3.05 Fee Amount

a. The Community Facilities Fees are as follows:

Fee Type	Fee Amount (2017-18)
Water Capital Improvement Fee	\$1,730 per EDU
Sewer Capital Improvement Fee	\$2,409 per EDU
Drainage Capital Improvement Fee	\$0
Security Capital Improvement Fee	\$66 per EDU
Water Supply Augmentation Fee	\$5,938 per EDU

Commencing January 1, 2019, the amount of the Community Facilities Fees shall be adjusted annually each January 1 based on the previous year's change in the mean index for 20 U.S. cities in the National Engineering News Record Construction Cost Index. The General Manager shall make this adjustment and keep and maintain a current schedule of applicable fees at the District office.

- b. A Community Park Fee in the amount of \$1,983.96 per single family or multi-family dwelling unit.

Note: Pursuant to that certain Parks Agreement, dated September 19, 1990, dwelling units designated by Rancho Murieta Association as participants in the Rancho Murieta Association Private Recreation Program will be given a credit in the amount of \$1,213.15. Such dwelling units, as of the effective date of the Ordinance first adopting the Community Park Fee, are those located on the following properties:

1. Rancho Murieta Unit 1 – except lots A and B
2. Rancho Murieta Unit 1 A
3. Rancho Murieta Unit 2
4. Rancho Murieta Unit 3
5. Rancho Murieta Unit 3 A
6. Rancho Murieta Unit 3 B
7. Rancho Murieta Unit 4
8. Rancho Murieta South Unit 1 A
9. Rancho Murieta South Unit 1 B
10. Rancho Murieta South Unit 2 A
11. Rancho Murieta South Unit 2 B
12. Rancho Murieta South Unit 3
13. Rancho Murieta South Unit 4
14. Rancho Murieta South Proposed Unit 5
15. Rancho Murieta South Proposed Phase II
16. Rancho Murieta South Parcel 3
17. Rancho Murieta South Parcel 4
18. Rancho Murieta South Parcel 5
19. Rancho Murieta South Parcel 6

3.06 Fee Waiver or Reduction

Upon written request filed by a property owner prior to the due date for payment of any Community Facilities Fee, the Board of Directors may approve a fee waiver or reduction if, in the reasonable judgment of the Board as supported by specific findings and evidence, the Board determines that a waiver or reduction is appropriate because (a) the owner will receive insufficient or no benefit from the fee imposed and would therefore be required, if the fee were imposed in full, to pay more than its fair share for the benefit received, (b) imposition of the fee or fee in full would result in a substantial inequity as compared to other similarly situated owners, or (c) imposition of the fee or full fee would be unlawful in

the particular circumstances. Findings must be based on written and other evidence substantiating the owner's contention that the fee should be waived or reduced. The owner shall bear the burden of proof to demonstrate that a waiver or reduction is appropriate.

3.07 Fee Credit and Reimbursement Policy

The Board of Directors may establish policies and procedures for granting fee credits against specific components of Water Supply Augmentation and Community Facilities Fees or providing reimbursement from Water Supply Augmentation and Community Facilities Fees when qualifying Community Facilities are constructed as part of a development project. Such policies and procedures shall be established by resolution.

SECTION 4. CEQA. The Board of Directors finds that these fee increases are for the purposes of meeting capital expenses of the District utility operations (including labor, supplies, equipment and materials), meeting financial reserve needs and requirements of the District utility systems, and obtaining funds for utility system improvements that are necessary and appropriate to maintain and expand utility service within the existing District service area. Accordingly, the District Board determines that these fee increases are exempt from environmental review under the California Environmental Quality Act and CEQA Guidelines. (Public Resources Code § 21080(b)(8); CEQA Guidelines § 15273.)

SECTION 5. EFFECTIVE DATE. This ordinance and the new fees shall take effect 30 days after its final passage.

SECTION 6. SEVERABILITY. If any section or provision of this ordinance or the application of it to any person, transaction or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this ordinance that can be given effect without the invalid or unenforceable provision, and to this end the provisions of this ordinance are declared to be severable.

SECTION 7. PUBLICATION. The District Secretary is directed to publish this ordinance once in a newspaper of general circulation published in the District within 15 days after the adoption of the ordinance.

INTRODUCED by the Board of Directors on the 15th day of November, 2017.


PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District at a regular meeting on the 20th day of December, 2017 by the following roll call vote:

AYES: Pecotich, Graf, Clark, Merchant, Pasek

NOES: None

ABSENT: None

ABSTAIN: None



Mark Pecotich
President, Board of Directors

Attest:



Suzanne Lindenfeld
District Secretary