

**STAFF REPORT**  
**City of Lancaster, California**

NB 2
4/24/07
RSL

Date: April 24, 2007

To: Mayor Hearn and City Council Members

From: James R. Williams, Public Works Director

Subject: **Ordinance Establishing Collection of a Sewer Service Charge for Maintaining the Lancaster Sewer System and Fixing the Time and Place for a Public Hearing Relative to the Collection of a Sewer Service Charge for Fiscal Year 2007-2008**

---

**Recommendation:**

Introduce Ordinance No. 876, adopting Chapter 13.09 of the Lancaster Municipal Code establishing a Sewer Service Charge for operation, maintenance, replacement, and associated costs for the Lancaster Sewer System. Adopt Resolution No. 07-89, fixing the time and place for a public hearing relative to the collection of a sewer service charge beginning with Fiscal Year 2007-2008.

**Fiscal Impact:**

The costs for operation, maintenance, replacement, and associated costs of the sewer system will be charged to the benefiting property owners. This is a new sewer service charge and is based on the engineer's report on file in the City Engineer's office. The proposed charges per sewage unit are \$9.00 in FY 2007/08; \$62.00 in FY 2008/09; and \$78.00 in 2009/10. The large increase in 2008/09 will be largely offset by the fact that the Consolidated Sewer Maintenance District will not be collecting its sewer service charge of \$35.50 in Lancaster at that time. The sewer charges are determined based on per sewage unit calculation. A single family residence would be based on one sewage unit. The proposed ordinance contains a table of sewage units for different types of uses. The table is based on the current table used by CSMD. The amount of the new sewer service charge will be set by ordinance in accordance with state law after the public hearing is held. All charges will be collected on the annual tax rolls at the same time and manner as the general taxes are collected.

**Background:**

On April 2, 1979 the City of Lancaster, by Resolution No. 79-18, authorized inclusion of certain territories then and thereafter to the Consolidated Sewer Maintenance District of Los Angeles County (CSMD) for the maintaining of local and lateral sewers pursuant to State Law. In May 2006, the State of California mandated all owners and operators of sewer systems to comply with new Waste Discharge Requirements (WDR's). The WDR's require duplication of effort by owners and operators of a system, if they are not the same entity. Because the City of Lancaster owns the local sewer system and CSMD maintains the local

sewer system for the City, a sewer feasibility study was prepared to recommend an appropriate course of action to properly serve the citizens of Lancaster.

On December 12, 2006, the Sewer Feasibility Study was presented to the City Council with a recommendation to withdraw from the CSMD. The City Council agreed with the recommendation and adopted Resolution No. 06-245 requesting withdrawal from the CSMD and authorized staff to immediately commence withdrawal proceedings from the CSMD and prepare for providing direct operation and maintenance of the City sewer system effective July 1, 2008.

In order to have a viable operation and maintenance program in place by July 1, 2008, various tasks need to be accomplished, including establishment of an annual sewer service charge for operation, maintenance and replacement costs for the local sewer system.

Currently there are no funds being set aside annually to replace the existing sewer system as it reaches the end of its useful life. Approximately 35% of the sewers in the City were constructed between 1940 and 1979. Approximately 23% of the pipes in the system are over 50 years old. Clay sewer pipe has an estimated life of anywhere from 50 to more than 75 years. Some clay pipe installations have been in service for over 100 years depending on soil, installation and use conditions. Nearly 99% of the pipe in the City system is vitrified clay pipe. The balance of the pipe in the City system is ductile iron or other non clay pipe material which normally has a lower useful life expectancy than clay pipe.

With respect to the new sewer service charge, the City Council has two options as indicated below. The recommendation of this staff report follows Option 1.

**Options:**

Option 1. The City Council continues moving forward with the withdraw from the CSMD and establishes the recommended sewer service charges to provide for the operations, maintenance, associated costs and the replacement costs for the sewer system.

Option 2. The City Council discontinues moving forward with the withdraw from the CSMD but still establishes a sewer charge to provide for compliance with the WDR's and to build the necessary replacement fund for the sewer system. The estimated charge under this option is recommended to be \$25.00 per sewage unit per year. The CSMD will continue to charge the citizens of Lancaster an amount estimated to be in excess of the current \$35.50 per sewage unit per year for the maintenance of the system and compliance of the WDR's.

Because of the state mandated WDR's, approved in May 2006, the City must comply with the requirements whether the City maintains the sewer system or not because the City owns the sewer system. The costs associated with compliance include preparation of a sanitary sewer management plan, a capacity analysis of the sewer system, a system condition assessment, and a Sewer Master Plan and ongoing costs for monitoring and reporting.

In accordance with Proposition 218, adoption of a new sewer service charge requires that a public hearing be held to determine if a majority protest to the adoption of the charge exists. Each property owner that will be subject to the new charge is to be notified by mail of the

public hearing time and place and given the opportunity to be heard relative to the collection of the new sewer service charge.

Staff Report Sewer Service Charge Ordinance

April 24, 2007

Page 3

The adoption of the resolution will set the Public Hearing for June 12, 2007 at 6:00 p.m. in the City Council Chambers. Notification will be sent to each of the affected property owners as required by law.