

STAFF REPORT

City of Lancaster

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12/09/08
MVB

Date: December 9, 2008

To: Mayor Parris and City Council Members

From: James R. Williams, Director of Public Works

Subject: **Introduce Amended Sewer Service Charge Ordinance**

Recommendation:

Introduce Ordinance No. 913, an ordinance of the City Council of the City of Lancaster amending Sewer Service Charge Ordinance No. 876.

Fiscal Impact:

The fiscal impact is estimated to be \$58,000.00 beginning in Fiscal Year 09-10 due to the requirements of Proposition 218, as they relate to governmental or public premises paying for services received. The City owns an estimated 348 parcels, and the Redevelopment Agency owns another 395 parcels, many of which are connected to the sewer and receive the benefits of the sewer services provided. The actual number of parcels connected and the amount of the applicable sewer service charge will be determined in the Fiscal Year 09-10 Engineer's Report for Sewer Service Charges. The City and Redevelopment Agency will receive an invoice for the specific amount next year at approximately the same time that the tax bills are mailed to property owners. The invoices will be due and payable on the same schedule as general taxes.

Background:

The Lancaster City Council adopted Ordinance No. 91 on December 18, 1978, which adopted by reference, with various amendments, the County of Los Angeles Ordinance 6130, entitled "An Ordinance Providing Regulation for Sanitary Sewers", and the "Deposit of Discharge of Sewage and Other Waste Matter in the Unincorporated Territory of the County of Los Angeles". The City Ordinance was codified in Title 13 - Public Safety, as Chapter 13.08 - Sanitary Sewer and Industrial Waste. Ordinance No. 488 amended Ordinance No. 91 on January 3, 1989. The City has operated under this ordinance, as modified, for the past 30 years. The adoption of Ordinance No. 910 as a separate action tonight necessitates a modification to Ordinance No. 876 Sewer Service Charges as they relate to governmental or public premises and the requirements of Proposition 218.

The County, through its Consolidated Sewer Maintenance District, was responsible for the operation and maintenance of the City's sewer system. The County did not manage the City industrial waste dischargers, nor provide for the replacement of the sewer mains. The City Council authorized moving the sewer operations and maintenance in house, which the City

did effective July 1, 2008. As the City prepared to assume responsibility for the operation and maintenance of its sewers from the County of Los Angeles, the City Council adopted Ordinance No. 876, establishing a Sewer Service Charge to pay for the operation and maintenance of the sewers and for future replacement of the main lines. Ordinance No. 876 was codified in Title 13 - Public Safety, as Chapter 13.09 - Sewer Service Charges.

The proposed Amended Sewer Service Charges Ordinance modifies portions of Chapter 13.09 to conform to Proposition 218 (Article XIII D of the California Constitution) with respect to governmental or public premises use and payment for the sewer services received.

According to Proposition 218 the City can decide to exempt governmental or public premises, but the shortfall in revenue would need to be made up by the city and that shortfall cannot be charged to others receiving the same services.

For Fiscal Year 08-09 there were 41 governmental or public premises parcels identified within the database for sewer service charges that were not included on the tax rolls. Our current Chapter 13.09 excludes governmental or public premises from the sewer service charge. The 41 parcels totaled \$9,145.00 in Sewer Service Charges that will not be collected because they are governmental or public premises and our existing ordinance does not allow collecting from them.

Proposition 218 provides that governmental or public premises benefiting from any service shall pay their proportional share of the cost of such services. Governmental or public premises are currently defined in the Municipal Code, Section 13.09.070, as premises which are owned, controlled or used by:

- A. Any city, county, town, or city and county, or any of their departments or agencies;
- B. Any school district;
- C. Any other governmental or public entity other than the United States Government or the state of California.

Currently it is estimated that there are 348 City owned parcels, 395 Redevelopment Agency parcels, 66 Los Angeles County owned parcels, 11 special district parcels and 30 school district parcels within the City of Lancaster that could be subject to the sewer service charges due to Proposition 218 requirements and services being provided. There may be additional parcels that have not been identified in the numbers shown above. All parcels subject to the proposed ordinance will be identified during the preparation of the engineer's report for FY 09-10.

By adopting this proposed ordinance all parcels that benefit from the sewer service will be subject to the sewer service charge.

Generally parcels which have the last three digits of their assessor's parcel number as a 900 number are owned by governmental or public premises. These 900 numbered parcels are not assessed on the County Tax Rolls. The proposed ordinance provides for the collection from such parcels by direct billing.

SD:lcs

Attachment:
Ordinance No. 913