

ORDINANCE NO. 2015-09  
AN ORDINANCE OF THE CITY OF SANTA CRUZ  
AMENDING CHAPTER 16.04.041 OF THE SANTA CRUZ MUNICIPAL CODE  
PERTAINING TO CONNECTION OF NEW WATER SERVICES

BE IT ORDAINED By the City of Santa Cruz as follows:

Section 1: Section 16.04.041 is hereby amended to read as follows:

**“16.04.041 SYSTEM DEVELOPMENT CHARGE.**

(a) Purpose. To mitigate the water supply impacts caused by new development in the city of Santa Cruz water service area, certain public water system improvements must be or have been constructed in order to accommodate system expansion. A System Development Charge shall be assessed to pay the proportional share of the costs of new and existing water facilities necessary to meet the demand resulting from new or enlarged water services.

(b) Charges. A System Development Charge is payable upon the issuance of any permit, or similar grant of authority, for any of the following activities: installation of a new service connection, the addition of a new or additional residential dwelling unit onto an existing service, the upsizing of an existing service connection, or any other increased demand on the water system.

The System Development Charge shall be reviewed to determine whether the charge amounts are reasonably related to the impacts created by new or additional demand and whether the listing of system expansion improvements to be financed by system development charge revenues is accurate. Such review shall occur no less than every five years and shall result in a report containing the following:

- (1) The specific amount of the charge, including its development methodology;
- (2) A list of the specific improvements to be financed by the charge, including the estimated cost of such improvements; and
- (3) A description of the correlation between the charge and new development and the benefits from the improvements enabled by the charge.

The System Development Charge shall be as adopted by resolution of the City Council and shall be adjusted annually to keep pace with inflation.

(c) Use of Charge Revenues. System Development Charge revenues shall be placed in a separate and special account and such revenues, along with any interest earnings on that account, shall be used exclusively for the following purposes:

- (1) To pay for the city’s future construction of system expansion and improvements to be financed by System Development Charge revenues;
- (2) To reimburse developers who have installed system development financed water facilities which are larger than needed for the certain development and are subject to the terms of a reimbursement agreement; or

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(3) To pay for water conservation programs approved by the city council which have the net effect of increasing the amount of water supply available for allocation to new or additional demand.”

Section 2: This ordinance shall take effect and be in force thirty (30) days after final adoption.

PASSED FOR PUBLICATION this 9<sup>th</sup> day of June, 2015, by the following vote:

AYES: Councilmembers Chase, Terrazas, Comstock, Posner, Noroyan; Vice Mayor Mathews; Mayor Lane.

NOES: None.

ABSENT: None.

DISQUALIFIED: None.

APPROVED: ss/Don Lane, Mayor

ATTEST: ss/Bren Lehr, City Clerk Administrator

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PASSED FOR FINAL ADOPTION this      day of      , 2015, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk Administrator

This is to certify that the above  
and foregoing document is the  
original of Ordinance No. 2015-09  
and that it has been published or  
posted in accordance with the  
Charter of the City of Santa Cruz

\_\_\_\_\_  
City Clerk Administrator