

**TO:** James L. App, City Manager

**FROM:** Robert A. Lata, Community Development Director

**SUBJECT:** Reimbursement for Water Meter Connection Fee  
Masia, 1215 Ysabel Avenue

**DATE:** September 6, 2005

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**Needs:** That the City Council authorize a partial water connection fee reimbursement to Matt Masia, owner of the Adelaide Inn located at 1215 Ysabel Avenue.

**Facts:**

1. On July 2, 2004, Matt Masia, owner of the Adelaide Inn motel located at 1215 Ysabel Avenue, was issued a building permit for the addition of 45 motel units.
2. Upon issuance of the permit Masia paid water connection fees in the amount of \$11,115 based upon the addition of 45 motels units at the rate of \$247 per unit (the rate in effect at the time). This payment was based upon the permit application which indicated use of the existing meter (predicated on the assumption that the existing water meter serving the hotel could accommodate the addition of 45 units).
3. The approved building plans indicated a new 2-inch water meter would be installed. On June 14, 2005, Masia paid the connection fee for a new 2-inch meter in the amount of \$41,661 (the rate in effect on 6-14-05). Masia was credited the \$11,115 paid earlier.
4. In his letter, Masia requests that the 2-inch water connection fee be based on the rate in effect at the time the permit for the motel units was issued (7-02-04). The connection fee for a 2-inch meter effective at that time was \$19,856. Therefore, Masia is requesting a reimbursement in the amount of \$21,805.

**Analysis  
and**

**Conclusion** It would appear that an error was made on the permit application for the 45 unit addition to the Adelaide Inn. If the permit application had been consistent with the approved plans the water connection fee would have been \$19,856. At the time the error was discovered, Building Division staff had no alternative other than charging the connection fee in effect at the time the meter placement was requested (June of 2005), \$41,661.

Masia has appropriately requested the Council their consideration of his request. Given the background, it would seem reasonable to refund the difference between the connection fee paid and the connection fee rates in effect at the time the building permit was originally issued. The amount of reimbursement requested is \$21,805.

**Policy**

**Reference:** none

**Fiscal**

**Impact:** The requested reimbursement amount is \$21,805. Had Masia's permit application been accurate at the time of issuance of the permit, there would be no fiscal impact.

- Options:**
- a.** Adopt Resolution No. 05-xx authorizing a reimbursement to Matt Masia, owner of the Adelaide Inn located at 1215 Ysabel Avenue, in the amount of \$21,805 for water connection fees related to the installation of a 2-inch water meter for service to a building permit issued on the subject property on July 2, 2004.
  - b.** That the City Council amend, modify or reject the above option.

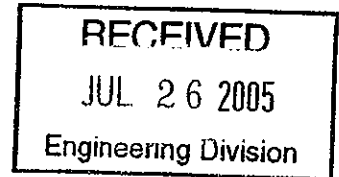
Attachments: (2)

1. Letter from Masia
2. Resolution

City of Paso Robles  
1000 Spring Street  
Paso Robles, ca. 93446



*The Perfect Choice*



Attn: John Falkenstein  
City Engineer

Dear John,

As discussed with Dan Chatham of D. Sawyer, Inc. on June 17<sup>th</sup> 2005 I am submitting this letter as a formal request for a refund of **excess** fees paid for the water meter connection on the Adelaide Inn Expansion.

In June 2004 permits were paid and issued for the 42 unit addition on the Adelaide Inn. At that time, fees were paid for what we thought was a water meter connection as shown on the approved building plans. In reality, we had paid an en lieu fee with expectation that we would be using an existing water meter.

There evidently was some discussion early in the design process that considered this possibility. However, after the system was engineered it became apparent that we would require a new service to handle the expansion. The original application was not amended, only the plans revised as is the normal practice. The approved building plans reflected our intentions showing a water meter on Riverside Ave. The plan check process did not recognize the conflict and the contractor had no way of knowing since the fee was not itemized.

I regret the confusion but believe that I should be subject to the cost of a meter at the time the permit was issued in 2004 and not subject to the cost increases that have taken place since then. Had I been aware of the confusion I would have paid any additional cost for the meter prior to the cost increases.

This was an honest mistake and as always I will pay all reasonable fees required of me to do business in the City of Paso Robles.

I trust that you will find my request both fair and reasonable.

Sincerely,

  
Matt Masia  
Adelaide Inn

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
AUTHORIZING REIMBURSEMENT OF WATER CONNECTION FEES FOR THE  
ADELAIDE INN (MASIA)

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WHEREAS, on July 2, 2004, Matt Masia was issued a building permit for the addition of 45 motel units at the Adelaide Inn located at 1215 Ysabel Avenue; and

WHEREAS, in accordance with information provided on the permit application materials, Masia paid water connection fees in the amount of \$11,115; and

WHEREAS, subsequently it was determined that the permit application was in error with regard to water needed for the project. On June 14, 2005, upon request for placement of a 2-inch water meter, Masia paid the water connection in effect at that time, \$41,661 (minus a credit for the fees previously paid).

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

SECTION 1. Based on the staff report prepared by the City Engineer, the City Council finds that it is fair and reasonable to reimburse Matt Masia the difference between the water connection paid June 14, 2005 and the amount of the connection fee that was in place at the time Mr. Masia's building permit was issued on July 2, 2004.

SECTION 2. Based on the staff report prepared by the City Engineer, the City Council approves a one time budget appropriation in the amount of \$21,805 from the City's water enterprise fund to the following Budget Account Nos. 229-000-4718-000 for \$3,432; Budget Account No. 226-000-4718-000 for \$17,607; and Budget Account No. 220-000-4718-000 for \$766 to Matt Masia as a reimbursement of water connection fees paid.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 6<sup>th</sup> day of September 2005 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

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Frank R. Mecham, Mayor

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Sharilyn M. Ryan, Deputy City Clerk