



City of Chula Vista

Staff Report

File#: 14-0613, **Item#:** 5.

CONSIDERATION OF AMENDING CHAPTER 12 (SEWER FEES) OF THE CITY'S MASTER FEE SCHEDULE (Continued from the meeting of December 16, 2014.)

RESOLUTION NO. 2015-003 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING CHAPTER 12 (SEWER FEES) OF THE CITY'S MASTER FEE SCHEDULE

RECOMMENDED ACTION

Council conduct the public hearing and adopt the resolution.

SUMMARY

The Sewer Capacity Charge is included in Chapter 12 of the Master Fee Schedule. This fee is collected from applicants either connecting to the City's sewer system or increasing the volume of flow contributed to the sewer system. No modification to the Sewer Capacity Charge is recommended at this time. However, a modification to the methodology used to calculate the Sewer Capacity fee charged to food service establishments is proposed. This modification will improve the correlation between the fee charged and the actual flows generated by food service establishment uses. The recommended revisions will result in reduced fee calculations for all food service establishment categories.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378(b)(4) of the State CEQA Guidelines because modification to the Sewer Capacity Charge is a fiscal activity that does not involve a physical change to the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

BOARD/COMMISSION RECOMMENDATION

Not Applicable

DISCUSSION

Sewer Capacity Charge

Chapter 12 of the Master Fee Schedule includes the City's Sewer Capacity Charge. The Sewer Capacity Charge is paid by the owner or person applying for a permit to develop or modify the use of any residential, commercial, industrial or other property. The purpose of the Sewer Capacity Charge is to pay for the capital costs of facilities needed to serve new customers connecting to the wastewater system. The Sewer Capacity Charge is also intended to fund either the construction of treatment facilities or the purchase of additional treatment capacity rights in the City of San Diego's

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sewer system (METRO). A proper Sewer Capacity Charge secures adequate funding for the wastewater collection system upgrades and treatment facilities needed to accommodate the City's growth. The proposed modification to the methodology used to calculate sewage generated by food service establishments provides a more accurate estimate of such sewage flows. As the Sewer Capacity Charge is based on the estimated sewage flows, the new methodology will yield a Sewer Capacity Charge more representative of the actual cost of sewer facilities, including treatment, necessary to serve the food service establishment.

On June 8, 2010, the City updated its Master Fee Schedule. The Update also modified the calculation and factors used to determine the food service establishments rate of wastewater flow. Since that time, various changes in planned development and reduced flows of approximately 10% due to water conservation efforts have had an impact on the wastewater program. These changes justified review of the sewage flows generated by food service establishments and of the calculation and factors used to estimate such flows.

Recently, the City lowered the Sewer Capacity Charge from \$3,478 to \$3,450 per Equivalent Dwelling Unit (EDU). The City also lowered the single family wastewater unit generation rate from 265 to 230 gallons per day (GPD) based on the adopted Wastewater Collection System Master Plan findings. The Sewer Capacity Charge per EDU and single family unit generation rate are not proposed to be modified at this time. Instead, it is proposed that the methodology used to estimate sewer generation rate for food service establishments be changed to more accurately reflect actual flow.

The current sewage generation rate for food service establishments is divided into two categories: 1) food service establishments with 12 seats or less and 2) food service establishments with more than 12 seats. For food service establishments with 12 seats or less, a generation rate of 1.1 EDUs is applied. For food service establishments with more than 12 seats, the EDUs are calculated based on the assumption that each seat generates an average of 25 GPD of discharge. At the time these rates were calculated, 1 EDU converted to 265 GPD of discharge. This factor was recently reduced to 230 GPD based on the 2014 Wastewater Collection System Master Plan. Table 1 shows the existing categories and flow rates for food service establishments.

Table 1

Food Service Establishment
Small (<= 12 seats) 1.1 EDU
Large (>12 seats) 25 GPD/seat*

*230 GPD= 1 EDU

Proposed Food Service Establishment EDU Calculation

Staff has reviewed the Sewer Capacity Charge calculation for food service establishments and identified an improved means of calculating the EDUs for this use.

There are approximately 700 active food service establishments citywide. Staff reviewed the annual water usage data of 184 food service establishments (26% of the total) dividing the food service establishments into six major categories depending on the type of food service.

Based on the findings of the water usage data of these food service establishments, staff recommends revising the flow rates and the EDU calculations for food service establishments as shown in Table 2.

Table 2

Food Service Establishment*
Category 1 (Fast Food with Drive Thru) 18.8 GPD/seat
Category 2 (Fast Food without Drive Thru) 21.2 GPD/seat
Category 3 (Buffets) 14.5 GPD/seat
Category 4 (Sit Down with Waiter) 17.7 GPD/seat
Category 5 (Coffee Shop /Juice Bar) 19.9 GPD/seat
Category 6 (Bar/Night Club) 7 GPD/seat

*1 EDU=230 GPD

A minimum generation rate of 0.6 EDUs is recommended to be charged to any food service establishment regardless of the number of seats. The minimum rate of 0.6 EDUs was calculated based on the minimum number of fixtures required to open a food service establishment in the City of Chula Vista. The minimum number of fixtures was first converted to 11.5 equivalent fixture units (EFUs). The standard flows associated with both EFUs and EDUs were then applied (12.1 GPD/EFU and 230 GPD/EDU). Therefore, the Sewer Capacity Charge for a food service establishment is proposed to be 0.6 EDUs of flow, or the calculated EDUs based on the wastewater generation rate per food service establishment category as shown above, whichever is greater.

This modification improves the nexus between the fee charged and the actual flows generated by food service establishments.

A detailed discussion of this proposed change is included as Attachment 1 (Food Service Establishment Sewer Capacity Charge Determination Study (December 2014)).

Staff recommends that the food service establishment categories be expanded to six as shown above along with their respective rates of flow.

The City's existing Sewer Capacity Charge for food service establishments is set forth in the City's Master Fee Schedule. If the new methodology is adopted, Master Fee Schedule Chapter 12 would need to be amended accordingly. The proposed modifications to the Master Fee Schedule as it relates to the determination of the Sewer Capacity Charge for food service establishments are shown in Exhibit 1 of the Resolution.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site specific and consequently, the 500-foot rule found in California Code of Regulations section 18704.2 (a)(1), is not applicable to this decision. Staff is not independently aware, and has not been informed by any Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The work supports the Economic Vitality goal in the City's Strategic Plan. It provides planning of sewer infrastructure for new development, which is a key City function in supporting new growth.

CURRENT YEAR FISCAL IMPACT

All staff costs associated with the preparation of this report are borne by the Sewer Service Revenue Fund.

Staff's recommendation refines the Sewer Capacity Charge calculation for food service establishments, expanding the fee structure from two to six categories. The recommended revisions will result in reduced fee calculations for all food service establishment categories, reducing Trunk Sewer Capital Reserve revenues. No significant net impact to the Trunk Sewer Capital Reserve Fund is anticipated to result from the proposed change.

ONGOING FISCAL IMPACT

Staff's recommendation refines the Sewer Capacity Charge calculation for food service establishments, expanding the fee structure from two to six categories. The recommended revisions will result in reduced fee calculations for all food service establishment categories, reducing Trunk Sewer Capital Reserve revenues. No significant net impact to the Trunk Sewer Capital Reserve Fund is anticipated to result from the proposed change.

ATTACHMENTS

Attachment 1- Food Service Establishment Sewer Capacity Charge Determination Study

Staff Contact: Roberto Yano, Senior Civil Engineer