

1a



CITY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

DIVISION OF WATER AND SEWERS

LARRY L. COMARSH
Division Manager

June 4, 1986

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: PROPOSED SEWER SERVICE RATE AND CONNECTION FEE
ADJUSTMENT FOR 1986-87

SUMMARY

This report recommends adoption of a fifteen (15%) increase to the Sewer Service rates and an adjustment to the Sewer Connection fee to fully recover costs to be effective July 1, 1986. In addition City Code Section 36.601 has been revised to provide consistency in the setting of fees.

BACKGROUND

The Sewer Fund is an enterprise fund which supports the organizations of Sewer Maintenance, Wastewater Pumping, and Regional Sewer Pumping. It is also responsible for paying its share of the administrative costs of the Water and Sewer Division. Last year the Sewer Fund was temporarily relieved of any financial responsibility for the administrative functions of the Division. This year it is proposed that the Sewer Fund contribute the appropriate share of the administrative costs.

Service Rate - The proposed budget for fiscal year 1986-87 contains recommendations on the sewer service rates based upon projected operating expenses (including the administrative costs and minor augmentations), capital requirements to repair and maintain a 100-year old sewer system, and the bond debt requirement. The 15% rate increase would impact the average rate payer's monthly bill by \$.39.

Connection Fees - In the past, the sewer connection fees have been based on the average cost of individual connections in the field. The actual total service costs and overhead (administrative) costs were not included. For example, the projected revenues for sewer connections in 1986-87, without a

fee increase, are \$246,000 and the projected expenditures are \$435,000. In order for the City to fully recover the actual costs for performing sewer connections, the fee needs to be raised from the current \$42 per foot to \$74 per foot for the standard 4" diameter connection. This will be the first time the fee has been increased since July 1983.

The revisions to City Code Section 36.601, as outlined in the attached ordinances, will bring it into consistency with the establishment of other City rates, charges, and fees which are approved by resolution of the City Council. As outlined in the current City Code Section 36.601, sewer connection charges may be set from time to time by the City Manager. The revisions to this Section would amend the language to provide the City Council with the sewer connection fee setting authority.

FINANCIAL

The impact of the proposed fee modification for the average rate payer for fiscal year 1986-87 is as follows:

<u>Rates & Fees</u>	<u>Current</u>	<u>Proposed</u>	<u>Variance</u>
Sewer Service (6-7 Room House)	\$2.57/month	\$2.96/month	\$.39/month
Sewer Connection	\$42/foot	\$74/foot	\$32/foot

The changes of all sewer rates and fees are outlined in the attached Exhibit A.

The total revenue generated from the above two sources total \$4,309,000 which is an increase of \$728,000 over anticipated 1985-86 estimates. This increase is primarily attributable to the proposed rate increases with a minor amount explained due to a modest increase in the number of users of the sewer system. Unlike the water system, the growth in sewer system users is lower due to most developing areas of the City being in a County Sanitation District. The additional revenue from these two sources is itemized below:

	<u>1985-86</u>	<u>Increase</u>	<u>Proposed 1986-1987 Total</u>
Sewer Service	\$3,335,000	\$539,000	\$3,874,000
Sewer Connection	<u>246,000</u>	<u>189,000</u>	<u>435,000</u>
	\$3,581,000	\$728,000	\$4,309,000

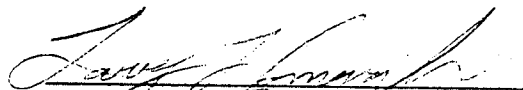
This increased revenue generated from the above rate changes provides funds to be utilized in three general areas. First, the \$189,000 increase in the sewer connection fee will totally offset the \$435,000 projected costs related to providing connection service to new users detailed above. Secondly, the basic sewer service increase will provide resources to offset operational increases as well as the proposed higher level of capital improvement spending. The proposed CIP appropriations

total \$1,068,000. This level represents an increase of over \$650,000 over the 1985-86 Amended Budget. The additional projects include \$125,000 for the study of the separation of the combined sewer system in the central and other parts of the City, \$340,000 to replace a deteriorating sewer line along 10th Avenue, and \$250,000 to reconstruct sanitary sewer lift station near Fruitridge and 24th Street. Lastly, the general service increase provides adequate resources to meet requirements relative to bond covenants agreements. The covenants require "net" revenues to be maintained at 1.3 times the annual debt service payments.

RECOMMENDATION


It is recommended that the Budget and Finance Committee approve an increase of fifteen percent to the sewer service rates and an increase in the sewer connection fee as reflected in the attached Resolution and Exhibit A pursuant to Chapter 36 of the City Code, effective July 1, 1986. It is further recommended that the Budget and Finance Committee approve the attached Ordinance, which amends Chapter 36.601 of the City Code, providing City Council with the sewer connection fee setting authority, effective July 1, 1986, and forward them to the full City Council with a recommendation for approval.


Respectfully submitted,


Larry L. Comarsh
Water & Sewer Division
Manager

Recommendation Approved:

Approved:


Solon Wisham, Jr.
Assistant City Manager


Melvin H. Johnson
Director, Public Works

June 4, 1986
All Districts

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

**AN ORDINANCE AMENDING SECTION 36.601
OF THE SACRAMENTO CITY CODE
RELATING TO SEWER CONNECTION CHARGES**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1

Section 36.601 of the Sacramento City Code is hereby amended to read as follows:

36.601 Service Connection Installation Fee.

For connection to city sewer system, the fee shall be determined as follows and paid in advance:

The charge shall be determined by reference to a schedule of rates set by resolution of the City Council.

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

**AN ORDINANCE AMENDING SECTION 36.601
OF THE SACRAMENTO CITY CODE
RELATING TO SEWER CONNECTION CHARGES**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1

Section 36.601 of the Sacramento City Code is hereby amended to read as follows:

36.601 Service Connection Installation Fee.

For connection to city sewer system, the fee shall be determined as follows and paid in advance:

The charge shall be determined by reference to a schedule of rates ~~established from time to time by the city manager, set by resolution of the City Council. Said schedule of rates shall be based on the average actual cost to city for performing connections of the various types during a reasonable past period of time for each type; however, if the city manager determines there is no reasonable past period of time during which the city has performed a particular type of connection, then that rate may be determined by estimation of the cost for the work required.~~

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION ESTABLISHING RATES,
CHARGES AND FEES FOR SEWER SERVICES
PURSUANT TO SECTION 36.502 OF THE
SACRAMENTO CITY CODE

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the rates, charges, and fees shown on Exhibit A, attached hereto and incorporated herein by reference, are hereby established for sewer services pursuant to Section 36.502 of the Sacramento City Code. This resolution shall take effect on July 1, 1986.

MAYOR

ATTEST:

CITY CLERK

SEWER SERVICE RATES - RESIDENTIAL

	<u>Rate</u>
Single-family residence: 1 - 3 rooms	\$ 1.94
4 - 5 rooms	2.47
6 - 7 rooms	2.96
8 - 9 rooms	3.42
10 -15 rooms	3.93
Over 15, each additional room	0.28

Multiple-family residence: Each dwelling unit charged as a single-family residence, see above.

SEWER SERVICE RATES, MONTHLY COMMERCIAL

	<u>Rate</u>
Bakery, each 1,000 sq. ft. of gross floor area or fraction thereof	\$ 4.93
Barber Shop or Beauty Parlor, each 1,000 sq. ft. of gross floor area or fraction thereof	2.65
Bowling Alley, each 1,000 sq. ft. of gross floor area or fraction thereof	2.30
Dining Facilities (including restaurant, cafeteria, cafe, bar), each 1,000 sq. ft. of gross floor area or fraction thereof	5.30
Drug, Store, each 1,000 sq. ft. of gross floor area or fraction thereof	1.73
Furniture Store, each 1,000 sq. ft. of gross floor area or fraction thereof	0.56
Garage, each 1,000 sq. ft. of gross floor area or fraction thereof	0.47
Halls (including lodge and auditorium), each 1,000 sq. ft. of gross floor area or fraction thereof	1.52
Hotel, per sleeping room	0.53
Laundry (where laundering is performed on premises), each 1,000 sq. ft. of gross floor area or fraction thereof	10.26
Market, each 1,000 sq. ft. of gross floor area or fraction thereof	2.22
Mortuary, each 1,000 sq. ft. of gross floor area or fraction thereof	1.46
Motel, per sleeping room or fraction thereof	0.53
Office building, each 1,000 sq. ft. of gross floor area or fraction thereof	1.79
Religious Worship (premises), each 1,000 sq. ft. of gross floor area or fraction thereof	0.78

SEWER SERVICE RATES, MONTHLY COMMERCIAL (cont.)

	<u>Rate</u>
Rest or Convalescent Homes, per sleeping room or fraction thereof	\$ 0.85
School, first 100 pupils or fraction thereof	4.69
Service Station and Used Car Lot (no wash racks) -	
Water Tap size to City main: 3/4"	2.78
1"	3.63
1 1/2"	5.96
2"	10.26
Store, each 1,000 sq. ft. of gross floor area or fraction thereof	1.84
Theatre, each 1,000 sq. ft. of gross floor area or fraction thereof	2.17
Warehouse, each 1,000 sq. ft. of gross floor area or fraction thereof	0.43
Minimum rate, not less than	2.77

SPECIAL SEWER USE RATES, MONTHLY

	<u>Rate</u>	<u>With Water Conservation Device</u>
Air Conditioning Systems		
a. For systems on flat-rate service, each month during air conditioning season, per ton of system capacity:	\$ 4.42	\$ 0.43
b. Evaporative coolers (commercial establishment), for each month during air conditioning season: Unit capacity: per 1,000 C.F.M.	0.59	0.17
	Without Recirculation	With Recirculation
Refrigeration Systems		
For systems on flat-rate service, per compressor horsepower	4.42	0.43
Dining Facility, each 1,000 sq. ft.	3.42	
Gymnasium, each shower head	1.59	
Hydraulically operated elevator	13.60	2.37
Swimming Pool, non-commercial		
Capacity of pool		
Under 300 cu. ft. (fill & draw)	-0-	per 100 cu. ft. contents
Over 300 cu. ft. (fill & draw)	0.56	"
Under 300 cu. ft. (filtered)	-0-	"
Over 300 cu. ft. (filtered)	0.14	"

METERED SEWER USE, per 100 cu. ft. \$ 0.11

<u>Water meter size</u>	<u>Quantity of sewage allowed without additional payment</u>		<u>Rate</u>
5/8" x 3/4"	1200 cu. ft.,	9000 gal.	\$ 2.77
3/4"	1700 cu. ft.,	13000 gal.	2.77
1"	2100 cu. ft.,	16000 gal.	3.00
1 1/2"	3700 cu. ft.,	28000 gal.	5.12
2"	6200 cu. ft.,	46000 gal.	8.56
3"	12500 cu. ft.,	94000 gal.	17.08
4"	21800 cu. ft.,	163000 gal.	29.91
6"	50000 cu. ft.,	374000 gal.	59.78
8"	106200 cu. ft.,	794000 gal.	106.73
10"	168700 cu. ft.,	1262000 gal.	149.47
12"	262500 cu. ft.,	1964000 gal.	213.53

SERVICE CONNECTION TO CITY SEWER SYSTEM

A. Sewer Service Installation (Total charge to be based on unit cost time one-half actual street width)

<u>Nom. Dia.</u>	<u>Streets & Alleys</u>	<u>Easements</u>
4"	\$74.00/ft.	\$310.00
Larger	4.00/2" dia. increase	25.00/2" dia. increase

B. Easements

		<u>Reference</u>
1. City connects first pipe	Rate schedule determined	Code Sec.
2. Connection into manhole or trunk	by City Manager based on average actual cost during a reasonable past period of time.	36.601 Ordinance 3454/4178
3. City labor and materials	Averaged cost recovery	
4. Reconnect following disconnection	Full cost recovery	Code Sec. 36.703 Ordinance 3353
5. Trunk connections in district parcels: (North Bannon Street District only):		Code Sec. 36.903 Ordinance 3711

SERVICE CONNECTION TO CITY SEWER SYSTEM (cont.)

<u>Parcel No.</u>	<u>Forced Main Fee</u>	<u>Out Fall Fee</u>	<u>Area Fee</u>	<u>Total Fee</u>
1	\$ 899.85	\$252.12	\$1,482.08	\$2,634.05
2	156.55	43.89	468.60	669.14
3	156.55	43.89	468.60	669.14
4	156.55	43.89	468.60	669.14
5	156.55	43.89	468.60	669.14
6	156.55	43.89	468.60	669.14
7	156.55	43.89	468.60	669.14
8	156.55	43.89	468.60	669.14

(Subject to .583% per month increases)

SEWER SYSTEM DEVELOPMENT FEES

<u>Size of Connection</u>	<u>Rate</u>
4"	\$ 100
6"	225
8"	400
10"	625
12"	900

If an existing sewer service is replaced by one of a larger size at the owner's request the fee shall be equal to the difference between the fee for the original service size and that for the replacement service size in the foregoing schedule.

SEWER FEES

SEWER SERVICE RATES - RESIDENTIAL

	<u>Rate</u>	
Single-family residence: 1 - 3 rooms	\$-1-69	\$ 1.94
4 - 5 rooms	-2-15	2.47
6 - 7 rooms	-2-57	2.96
8 - 9 rooms	-2-97	3.42
10 -15 rooms	-3-42	3.93
Over 15, each additional room	-0-24	0.28

Multiple-family residence: Each dwelling unit charged as a single-family residence, see above.

SEWER SERVICE RATES, MONTHLY COMMERCIAL

	<u>Rate</u>	
Bakery, each 1,000 sq. ft. of gross floor area or fraction thereof	\$ 4-29	4.93
Barber Shop or Beauty Parlor, each 1,000 sq. ft. of gross floor area or fraction thereof	-2-30	2.65
Bowling Alley, each 1,000 sq. ft. of gross floor area or fraction thereof	-2-00	2.30
Dining Facilities (including restaurant, cafeteria, cafe, bar), each 1,000 sq. ft. of gross floor area or fraction thereof	-4-61	5.30
Drug, Store, each 1,000 sq. ft. of gross floor area or fraction thereof	-1-50	1.73
Furniture Store, each 1,000 sq. ft. of gross floor area or fraction thereof	0-49	0.56
Garage, each 1,000 sq. ft. of gross floor area or fraction thereof	0-41	0.47
Halls (including lodge and auditorium), each 1,000 sq. ft. of gross floor area or fraction thereof	1-32	1.52
Hotel, per sleeping room	0-46	0.53
Laundry (where laundering is performed on premises), each 1,000 sq. ft. of gross floor area or fraction thereof	8-92	10.26
Market, each 1,000 sq. ft. of gross floor area or fraction thereof	1-93	2.22
Mortuary, each 1,000 sq. ft. of gross floor area or fraction thereof	1-27	1.46
Motel, per sleeping room or fraction thereof	0-46	0.53
Office building, each 1,000 sq. ft. of gross floor area or fraction thereof	1-56	1.79
Religious Worship (premises), each 1,000 sq. ft. of gross floor area or fraction thereof	0-68	0.78

SEWER SERVICE RATES, MONTHLY COMMERCIAL (cont.)

	<u>Rate</u>	
Rest or Convalescent Homes, per sleeping room or fraction thereof	\$ 0-74	.85
School, first 100 pupils or fraction thereof	--4-08	4.69
Service Station and Used Car Lot (no wash racks) -		
Water Tap size to City main: 3/4"	-2-42	2.78
1"	-3-16	3.63
1 1/2"	-5-18	5.96
2"	-8-92	10.26
Store, each 1,000 sq. ft. of gross floor area or fraction thereof	-1-60	1.84
Theatre, each 1,000 sq. ft. of gross floor area or fraction thereof	-1-89	2.17
Warehouse, each 1,000 sq. ft. of gross floor area or fraction thereof	-0-37	0.43
Minimum rate, not less than	-2-41	2.77

SPECIAL SEWER USE RATES, MONTHLY

	<u>Rate</u>	<u>With Water Conservation Device</u>	
Air Conditioning Systems			
a. For systems on flat-rate service, each month during air conditioning season, per ton of system capacity:	\$ 3-84 4.42	\$ 0-37	0.43
b. Evaporative coolers (commercial establishment), for each month during air conditioning season: Unit capacity: per 1,000 C.F.M.	0-51 0.59	0-15	0.17
	Without Recircu- lation	With Re- circula- tion	
Refrigeration Systems			
For systems on flat-rate service, per compressor horsepower	3-84 4.42	0-37	0.43
Dining Facility, each 1,000 sq. ft.	2-97 3.42		
Gymnasium, each shower head	1-38 1.59		
Hydraulically operated elevator	11-88 13.60	2-06	2.37
Swimming Pool, non-commercial			
Capacity of pool			
Under 300 cu. ft. (fill & draw)	-0-	per 100 cu. ft. contents	-0-
Over 300 cu. ft. (fill & draw)	-0-49	"	.56
Under 300 cu. ft. (filtered)	-0-	"	-
Over 300 cu. ft. (filtered)	-0-12	"	0.14

METERED SEWER USE, per 100 cu. ft. \$ 0-10 0.11

Water meter size	Quantity of sewage allowed		Rate	
	without additional payment			
5/8" x 3/4"	1200 cu. ft.,	9000 gal.	\$ 2-41-	\$ 2.77
3/4"	1700 cu. ft.,	13000 gal.	-2-41	2.77
1"	2100 cu. ft.,	16000 gal.	-2-61	3.00
1 1/2"	3700 cu. ft.,	28000 gal.	-4-45	5.12
2"	6200 cu. ft.,	46000 gal.	-7-44-	8.56
3"	12500 cu. ft.,	94000 gal.	14-85	17.08
4"	21800 cu. ft.,	163000 gal.	26-01-	29.91
6"	50000 cu. ft.,	374000 gal.	51-98	59.78
8"	106200 cu. ft.,	794000 gal.	92-81	106.73
10"	168700 cu. ft.,	1262000 gal.	129-97	149.47
12"	252500 cu. ft.,	1964000 gal.	185-68	213.53

SERVICE CONNECTION TO CITY SEWER SYSTEM

A. Sewer Service Installation (Total charge to be based on unit cost time one-half actual street width)

Non. Dia.	Streets & Alleys	Easements
4"	\$42.00/ft. \$74.00/ft.	\$125.00 \$310.00
Larger	4.00/2" dia. increase	25.00/2" dia. increase

B. 4. Reconnect following dis-connection Full cost recovery Code Sec. 36.703 Ordinance 3353

C. 5. Trunk connections in district parcels: (North Bannon Street District only): Code Sec. 36.903 Ordinance 3711

SERVICE CONNECTION TO CITY SEWER SYSTEM (cont.)

<u>Parcel No.</u>	<u>Forced Main Fee</u>	<u>Out Fall Fee</u>	<u>Area Fee</u>	<u>Total Fee</u>
1	\$ 899.85	\$252.12	\$1,482.08	\$2,634.05
2	156.55	43.89	468.60	669.14
3	156.55	43.89	468.60	669.14
4	156.55	43.89	468.60	669.14
5	156.55	43.89	468.60	669.14
6	156.55	43.89	468.60	669.14
7	156.55	43.89	468.60	669.14
8	156.55	43.89	468.60	669.14

(Subject to .583% per month increases)

SEWER SYSTEM DEVELOPMENT FEES

<u>Size of Connection</u>	<u>Rate</u>
4"	\$ 100
6"	225
8"	400
10"	625
12"	900

If an existing sewer service is replaced by one of a larger size at the owner's request the fee shall be equal to the difference between the fee for the original service size and that for the replacement service size in the foregoing schedule.