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**DEPARTMENT OF  
PUBLIC WORKS**

OFFICE OF THE DIRECTOR

May 22, 1991

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: Proposed Storm Drainage Rates For 1991 - 1992**

**CITY OF SACRAMENTO  
CALIFORNIA**

CITY HALL  
ROOM 207  
915 I STREET  
SACRAMENTO, CA  
95814-2673

916-449-5283

ADMINISTRATION  
916-449-8747

FAX 916-449-5573

**SUMMARY**

This report recommends the adoption of a 7% increase in storm drainage rates. This rate increase will enable the City to: (1) implement the Stormwater Management Program; (2) operate the combined system in compliance with the revised operating permit issued by the Regional Water Quality Control Board; (3) complete the drainage rate study and implement a revised rate structure; and (4) begin the master planning process for the City's drainage basins.

**BACKGROUND**

The Storm Drainage Fund is an enterprise fund which supports the Storm Drainage, Regional Sanitation Pumping, Stormwater Pumping and Treatment and Flood Control Administration organizations. The operating environment for this utility is becoming more heavily regulated at the same time that the pace of development is quickening. Taken together, these changes have led to a closer scrutiny of daily operations by the Regional Water Quality Control Board, a U.S. Environmental Protection Agency requirement to implement new stormwater management practices, and a greater need to do long range master planning because of development pressures. The proposed budget contains funding for conservative programs to address these issues.

This enterprise will fund a large portion of the eventual program to repair or replace the combined sewer/stormwater system. This rate increase contains no funding for that program.

**FINANCIAL DATA**

A breakdown of what the proposed average monthly residential storm drainage user charge pays for is shown in Table One on the next page.

<b>TABLE ONE: COMPONENTS OF STORM DRAINAGE CHARGES</b>				
	<u>Actual 1990-91</u>	<u>Proposed 1991-92</u>	<u>Change</u>	<u>% of Rate Increase</u>
1. Storm Water Pumping Operations	\$1.23	\$1.54	\$ .31	3.7%
2. Drainage Line, Levee and Channel Cleaning, Repair, and Maintenance	1.84	1.35	-.49	-5.8%
3. Regional Sanitation Pumping	.69	.71	.02	0.2%
4. Other Operational Costs	1.63	2.08	.45	5.3%
5. In-lieu Franchise Fee*	1.23	1.56	.33	4.0%
6. Approved Capital Improvement Projects	1.97	1.97	.00	0.0%
7. Contingency Reserves and Emergencies	-.12	-.15	-.03	-0.4%
<b>TOTAL</b>	<b>\$8.47</b>	<b>\$9.06</b>	<b>\$0.59</b>	<b>7.0%</b>

\* The additional \$ .33 is the equivalent of a 4.0% rate increase over the current charge. Without the change in the in-lieu franchise fee, the storm drainage charge for the typical user would be \$8.73. Raising the in-lieu franchise fee adds 3.8% to the \$8.73.

The effect of the proposed fee adjustments on the average home and commercial customers is shown in Table Two.

<b>TABLE TWO: TYPICAL STORM DRAINAGE SERVICE CHARGES</b>				
Category	Current	Proposed	\$ Change	% Increase
Single Family Residence (6-7 room house)	8.47	9.06	\$0.59	7%
Commercial Property (per 10,000 sq.ft.)	14.42	15.43	\$1.01	7%

Attachment A shows the proposed charges in all rate categories.

The proposed increase in storm drainage rates is expected to generate \$1,250,000 in additional revenue to the Drainage Fund. Total revenue from the storm drainage rates is projected to be \$19,189,000. This estimate is reflected in the proposed budget.

**POLICY CONSIDERATIONS**

Sacramento City Code 36.502, Division 1, Article V, of Chapter 36 allows the City Council to establish sewer and storm drainage rates by resolution. The proposed 7% rate increase will fund existing programs and services as well

City Council  
Proposed Storm Drainage Rates for FY92  
May 22, 1991

the additional costs for the in-lieu franchise fee, Stormwater Management Program, revised operations in the combined system, drainage rate restructuring, and master planning. Attachment B lists the programs and services which would be impacted, and their effect on rates, if the Council wished to reduce or eliminate the proposed rate increase.

**MBE/WBE EFFORTS**

Not applicable. There are no goods or services being purchased as a direct result of this action.

**RECOMMENDATION**

It is recommended that the City Council adopt the findings reflected in the attached resolution and approve an increase of 7% in the drainage user service rates to be effective July 1, 1991.

Respectfully submitted,

  
Melvin H. Johnson  
Director of Public Works

Recommendation Approved:

  
Walter J. Slipe  
City Managers

Contact Person to Answer Questions:  
Kathy Mullen, Administrative Analyst  
449-8741

May 22, 1991  
All Districts

## PUBLIC WORKS DEPARTMENT - STORM DRAINAGE RATES

			RATE
			CODE
<b>I. STORM DRAINAGE SERVICE RATES - RESIDENCE</b>			
Single-family residence: 1-3 rooms	<del>5.63</del>	6.02	300
4-5 rooms	<del>7.17</del>	7.67	300
6-7 rooms	<del>8.47</del>	9.06	300
8-9 rooms	<del>10.00</del>	10.70	300
10-15 rooms	<del>11.40</del>	12.20	300
over 15, each additional room	<del>.89</del>	.95	300
Multiple-family residence:			
Each dwelling unit charged the same as a single-family residence			
<b>II. STORM DRAINAGE SERVICE RATES - MONTHLY COMMERCIAL</b>			
For each 10,000 sq.ft. of gross surface area of fraction thereof	<del>14.42</del>	15.43	330
Minimum Rate	<del>6.27</del>	6.71	300

Where commercial property contains common facilities, e.g., a parking lot, the common facilities will be treated as one property and the owner shall be liable for payment of fees for the common facilities, notwithstanding the fact that other fees charged to the property may be charged to the tenants or owners of divided interests. Common areas in planned unit developments or condominium developments shall be treated as commercial property for purposes of this division.

## PRIORITIZED STORM DRAINAGE RATE IMPACT ITEMS

Item	Description	Dollar Amount of Program	Rate Impact	Program Impact
1. Base CIP Reserve Project CIP Number 888W	This project has been established in order to maintain the capital improvement program at the same level from one year to the next in those years in which the program level is lower than in the previous year.	415,000	2.3%	Reduction of this project will result in a smaller capital improvement program than in the previous year and a rate increase in subsequent years if the cost of approved projects is more than in the current year.
2. Sump 101 Rehab CIP Number 104W	This project will install new concrete box to house check valve, which is currently underground.	50,000	0.3%	Funding must be placed in a subsequent fiscal year, which impacts rates in that year.
3. North Sacramento Drainage Area CIP Number 108W	This projects funds study of infrastructure requirements.	100,000	0.6%	Amount shown is half the amount proposed in FY92 and must be budgeted in a subsequent fiscal year, delaying completion of study and eventual construction.
4. FEMA Levee Certification Studies CIP Number WC31	This project retains consultants to certify City-owned levees to FEMA 100-yr standards.	43,000	0.2%	Delay in this project will postpone eventual certification of secondary levees.
5. Ditch Invert and Ramp Paving CIP Number WC01	This project is an on-going program to upgrade all ramps into channels for secure vehicle access.	157,000	0.9%	Funds are for construction of ramps designed in FY91; delay increases the eventual cost of construction.
6. Drainage Sump 2 Modifications CIP Number WC61	This project is for upgrading the master control computer at Sump 2.	50,000	0.3%	Project must be completed, so funding must roll over to a subsequent fiscal year.
7. Pump Station Radio Telemetry CIP Number XB21	This project continues work on upgrading the radio telemetry system connecting the pumps and stations to a master board.	45,000	0.3%	This project has been underway for two years; this funding would be postponed to subsequent years.

8.	Hagginwood-Kathleen-SPRR CIP Number WC26	This project will construct new facilities on Hagginwood Creek to more adequately carry drainage.	60,000	0.3%	Amount would continue design on this project; delay in funding postpone design and construction.
9.	Sump 159 Reconstruction CIP Number WB56	This project increase the drainage capability of Sump 159.	40,000	0.2%	Amount would continue design on this project; delay in funding postpone design and construction.
10.	ARFCD Rehabilitation CIP Number WB01	This project funds various rehabilitation projects at the pumping stations being acquired by the City from the American River Flood Control District.	250,000	1.4%	This amount would be defunded from an on-going CIP and result in postponement of planned projects to upgrade these facilities.
11.	Rate Study Implementation Project	Provides funds to implement revised sewer and storm drainage user fees, connection fees, and impact fees designed to ensure equitability in charging customers relative to impact on the sewer and storm drainage systems.	600,000	3.3%	Implementing a revised rate structure ensures an equitable revenue base for program support; delaying increases costs of implementation at a later time.
12.	Engineering & Architectural (3161) - Status Quo from FY91	Provides funds for various on-going programs in support of engineering efforts in support of operations and maintenance.	120,000	0.7%	Elimination of these contracts will slow engineering support for the O&M sections by curtailing the ability of the department to seek outside assistance to augment the capabilities of current staff.
13.	Maintenance and Repair - Channel Cleaning Contracts	Provides funds to contract to clean levees and channels during late summer in advance of the rainy season.	20,000	0.1%	Storm Drainage Organization (3165) would have to include this essential work with other preventive maintenance projects. Other maintenance work such as line cleanings most likely would be curtailed.

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

## RESOLUTION OF FINDINGS ON INCREASED STORM DRAINAGE SERVICE FEES

WHEREAS, the City Council has held a public hearing on storm drainage service fees on May 22, 1991, at which staff made a presentation including a report and at which public testimony was heard and said City Council recommended adoption of an increased storm drainage service fee schedule, and

WHEREAS, the City Council on June 25, 1991, at a regular public council meeting, received the following information:

- (1) A staff report on the proposed increased storm drainage fees;
- (2) Oral presentation by City staff;
- (3) Public testimony from interested parties.

NOW THEREFORE, based on this data and all information part of the public record on this matter, the City Council makes the following finding to comply with Government Code Section 210809 (b)8 to establish that the passing of the increased storm drainage service fees of even date herewith serves the following purposes:

- (1) The storm drainage fees will provide funds to meet operating expenses.
- (2) The storm drainage fees will permit the generation of necessary cash flow to finance maintenance of the system and meet financial reserves requirements.
- (3) The storm drainage fees will permit the purchase of necessary equipment for the storm drainage system.
- (4) The storm drainage fees are essential as a source of funds for capital projects necessary to maintain the storm drainage system.

NOW THEREFORE, based on this information and the public words, the Council of the City of Sacramento makes the specific finding contained herein as well as all other matters in the public record as its basis for the resolution establishing the fees passed of even date herewith.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

RESOLUTION AMENDING THE CITY OF SACRAMENTO FEE AND CHARGE REPORT TO ESTABLISH STORM DRAINAGE SERVICE FEES AND CHARGES PURSUANT TO SECTION 36.502 OF THE SACRAMENTO CITY CODE

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

That the City of Sacramento Fee and Charge Report is hereby amended to include the following storm drainage fees and charges to take effect on July 1, 1991.

I. STORM DRAINAGE SERVICE RATES - RESIDENCE		RATE	CODE
Single-family residence: 1-3 rooms	6.02	300	
4-5 rooms	7.67	300	
6-7 rooms	9.06	300	
8-9 rooms	10.70	300	
10-15 rooms	12.20	300	
over 15, each additional room	.95	300	

Multiple-family residence:

Each dwelling unit charged the same as a single-family residence

## II. STORM DRAINAGE SERVICE RATES - MONTHLY COMMERCIAL

For each 10,000 sq.ft. of gross surface area of fraction thereof	15.43	330
Minimum Rate	6.71	300

Where commercial property contains common facilities, e.g., a parking lot, the common facilities will be treated as one property and the owner shall be liable for payment of fees for the common facilities, notwithstanding the fact that other fees charged to the property may be charged to the tenants or owners of divided interests. Common areas in planned unit developments or condominium developments shall be treated as commercial property for purposes of this division.

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MAYOR

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