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**DEPARTMENT OF  
PUBLIC WORKS**

DONALD M. DODGE  
DEPUTY DIRECTOR OF  
PUBLIC WORKS  
UTILITY SERVICES

**CITY OF SACRAMENTO  
CALIFORNIA**

1391 - 35TH AVENUE  
SACRAMENTO, CA  
95822-2911

916-449-8570

July 16, 1991

**APPROVED**  
BY THE CITY COUNCIL

JUL 16 1991

OFFICE OF THE  
CITY CLERK

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: STORM DRAINAGE AND SEWER RATE STRUCTURE REVIEW, PHASE I;  
AND APPROVING AMENDMENT #2 TO CITY COUNCIL AGREEMENT NO.  
90-003 WITH CH2M HILL TO IMPLEMENT PHASE II OF THE STORM  
DRAINAGE AND SEWER RATE STUDY**

**SUMMARY**

This report responds to questions by the Joint Transportation and Community Development/Budget and Finance Committee meeting on July 9, 1991. The recommendation and resolution attached cover the continuing of the project into Phase II with the consultant (implementation of the new rate structures).

This item was heard by the Joint Budget and Finance/Transportation and Community Development Committee on July 9, 1991.

**BACKGROUND**

The Joint Committee raised a concern as to why vacant parcels would be charged. At the present time the City does not charge vacant property for storm drainage service. However, because much of the drainage must be pumped, the City is incurring costs that benefit vacant property. The City clearly expends funds that benefit the vacant property at the cost of developed parcels. The proposal is to charge the vacant parcels only a portion of the storm drainage fee, the account administration component and the citywide drainage component.

A question was asked if this new formula (and adding vacant parcels) would generate more revenue. The answer is no. The first requirement is to determine how much the total yearly costs are for providing storm water service to the community. This then is broken down to the component charges (water quality, citywide drainage, local drainage, etc.) and distributed accordingly to each user. However, the cost for some single family dwellings could drop if more parcels are billed.

The major concern was raised over smaller room single family homes on very large lots. Using the gross parcel size as one of the equity factors could raise the monthly service fee for this case. The report focuses on this single concern in Chapter 6, page 6-11 and 6-12. The first test area requirement demonstrated that there was a fairly close correlation between the charges for R-1 residential parcels. This indicated that the City's "room count" method approach approximates the amount of impervious area on such parcels. There were some obvious and rather large exceptions, but these were relatively few and could be adjusted to reflect actual conditions. Limits could be set in the billing program to identify these exceptions and the consultant will be directed to include this possibility in the study.

See attached Joint Committee report for additional background.

**FINANCIAL**

See attached Joint Committee report.

**POLICY CONSIDERATIONS**

See attached Joint Committee report.

**MBE/WBE EFFORTS**

See attached Joint Committee report.

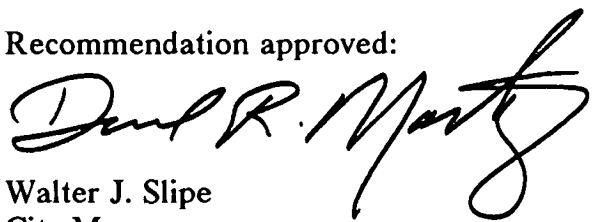
**RECOMMENDATION**

It is recommended that the City Council approve the attached resolution to authorize the City Manager to sign and the City Clerk to execute Amendment #2 to City Council Agreement No. 90-003 with CH2M HILL California, Incorporated.


Respectfully submitted,

  
for Donald M. Dodge  
Deputy Director of Public Works

Recommendation approved:

  
for Walter J. Slipe  
City Manager

Approved:

  
Melvin H. Johnson  
Director of Public Works

Contact Person:  
Don Dodge, Deputy Director of Public Works  
449-8570

July 16, 1991  
All Districts

DMD/rl

STORMSEW.CC3

**RESOLUTION NO. 91-540**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

RESOLUTION TO AUTHORIZE AMENDMENT NO. 2 TO CITY COUNCIL AGREEMENT NO. 90-003 FOR PHASE II OF THE STORM DRAINAGE AND SEWER RATE STUDY FOR AN AMOUNT OF \$493,725.00.

**APPROVED**  
BY THE CITY COUNCIL  
JUL 16 1991  
OFFICE OF THE  
CITY CLERK

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

1. The City Manager and the City Clerk are authorized to execute and record Amendment No. 2 to City Council Agreement No. 90-003 with CH2M HILL, consulting engineers, to perform Phase 2 of a Storm Drainage and Sewer Rate Study. Phase II of the project is estimated to cost \$493,725.00 for a total cost, including Phase I, not to exceed \$794,707.00.

\_\_\_\_\_  
MAYOR

ATTEST:

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

FOR CITY CLERK USE ONLY

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

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



**DEPARTMENT OF  
PUBLIC WORKS**

DONALD M. DODGE  
DEPUTY DIRECTOR OF  
PUBLIC WORKS  
UTILITY SERVICES

**CITY OF SACRAMENTO  
CALIFORNIA**

1391 - 35TH AVENUE  
SACRAMENTO, CA  
95822-2911

916-449-8570

July 9, 1991

Budget and Finance Committee  
Sacramento, California

Honorable Members in Session:

**SUBJECT: STORM DRAINAGE AND SEWER RATE STRUCTURE REVIEW, PHASE I;  
AND APPROVING AMENDMENT #2 TO CITY COUNCIL AGREEMENT NO.  
90-003 WITH CH2M HILL TO IMPLEMENT PHASE II OF THE STORM  
DRAINAGE AND SEWER RATE STUDY**

**SUMMARY**

This report describes the results of Phase I work completed by the Consultant (CH2M HILL) analyzing the storm drainage and sewer rates presently established by the City of Sacramento. The report recommends altering the commercial and industrial sewer rates. This will provide better equity based on an "equivalent single family dwelling unit" (ESD). The report covers a series of alternatives for a range of equity on the storm drainage rates and recommends that this rate have four components: an account charge, a general flood control charge, a local drainage charge, and a water quality charge. The report explains that all parcels within the City benefit from the storm drainage systems presently in place and recommends that even vacant parcels pay a portion of the storm drainage fees. Finally, the recommendation and resolution attached cover the continuing of the project into Phase II with the consultant (implementation of the new rate structures).

**BACKGROUND**

On March 13, 1990 the City Council adopted Resolution No. 90-188 authorizing the execution of Agreement No. 90-003 regarding Phase I of the Storm Drainage and Sewer Rate Study. The firm of CH2M HILL was selected through a "Request for Qualifications" (RFQ) and "Request for Proposals" (RFP) process. Both the larger RFQ and RFP stressed that there were two phases for this project.

Phase I was amended by City Council on January 8, 1991 to identify several unknowns at the start of the contract. Tasks 7, 8, and 9 expanded the scope of sewer rate customer classes studied to include residential rates and compare this data with the Sacramento County Regional Sanitation District. Task 11 informed concerned rate payers of the changes and allowed the consultant to assist staff in meeting with these groups. The Natural Resources Committee of the Sacramento Metropolitan Chamber of Commerce and COSSO (Senior Group) reviewed the initial data and discussed the methodology. Task 12 expands the development fee methodology and takes into account equity and effectiveness of development charges in the Natomas and Combined Sewer Areas.

Phase I portion on rate analysis is now available for City Council review. Staff is also requesting authorization to move to Phase II--implementation. The additional work remaining in Phase I to be completed by the consultant involves Task 11 (public meetings) assistance to Public Works and Task 12 the separate report on developed impact fees (Natomas, Combined Sewer System, etc.).

#### A. PHASE I - SEWER RATE CONCLUSIONS

Chapter 4 of the report covers the sewer rate structure evaluation stating that the overall rate system is adequate. The report does point out deficiencies in the commercial and industrial rates presently charged. The present sewer rate ordinance lists hotels and this needs to be changed and combined with motels (aggregated). Table 4-4 shows the effects on the flat rate commercial; some will increase in monthly rates and some will decrease. The metered commercial rate class needs to be increased to match the equity of the other user classes. Residential classes presently established are very close to the current rate charges and would not be changed.

#### B. PHASE I - STORM DRAINAGE RATE CONCLUSIONS

The major component of this study was to review the present storm drainage rates. The consultant was to determine if the present rate system is adequate and equitable. Chapter 6 covers the storm drainage rate structure evaluation and presents strong reasons to change the rate structure presently used. Phase I is now complete except for the presentation to City Council and the approval to move to Phase II.

The present storm drainage rate structure uses number of rooms (excluding bathrooms) in a home for residential calculations and total square footage for commercial and industrial calculations. The study reviewed these two items for equity, implementation, ease of administration, and incentives. Reviewing six alternatives shows the present system does not adequately address the entire needs of the rate system.

Five components appeared to best handle the storm drainage rate structure. They are gross parcel area, total impervious area for commercial, non-roof impervious area for commercial, imputed impervious area for residential (similar to number of rooms), a general account charge for each parcel, and a water quality charge to each parcel. Using these components gives the City of Sacramento 1) the equity desired for differing accounts; 2) incentives in the future for water quality requirements; 3) can be implemented and is compatible with the future implementation of GIS (Geographic Information System); and 4) can be explained in administrative terms.

The report recommends that vacant property should be charged for this service. The vacant parcels would only pay an account charge and gross parcel charge (general flood control costs). There are approximately 15,000 vacant properties that could enter the billing data base and are presently unaccounted for in the storm drainage charges.

Finally, the report recommends a portion of the rate cover city streets drainage. This is the major collection source for the storm drainage system and fronts all parcels in the City. Also this portion of the charge allows the City to bill the State Highway system in the future. Charging the State Highway system would have to be resolved through negotiations with the California Department of Transportation. If future negotiations are successful, this could yield approximately 310 acres (impervious surface area) in the city's data base, presently unaccounted in the storm drainage charges. There is no question the quantity and water quality issues in storm drainage are highly impacted by state highway impervious surfaces draining directly into the City storm drainage systems.

### C. PHASE I - STORM DRAINAGE IMPACT FEE CONCLUSIONS

The study included reviewing impact fees for the storm drainage utility. There currently is no charge. The consultant was to investigate the potential of this fee and, if it could apply, to identify the charge out rate both for a single family lot (7,000 square feet) and a commercial/industrial development. Chapter 8 covers this request and states that the fee should be established in the storm drainage rate structure program. After reviewing the costs and investment in the storm drainage infrastructure program, the approximate impact fee established in the study is \$0.09 per square foot. This equates to an average residential lot charge of \$630 and larger commercial property of 20,000 square feet gross parcel charge of \$1,800.

## PHASE II - IMPLEMENTATION PROGRAM

Upon City Council approval of Phase I described above, the rate changes will be implemented. There are eleven tasks identified in the Phase II scope of services. Initially the consultant will

need to receive all photographs of the City for calculating all non-single family parcel measurements which include:

- \* Gross parcel area
- \* Building impervious area
- \* Ground surface impervious area
- \* Gross street area
- \* Street impervious area
- \* Street frontage (lineal footage)

The compiled data base will be used to calculate the initial storm drainage monthly rate charges. The program will review all initial parcel data. If there are exceptions between the various data bases, these will be resolved.

Public Works staff will be establishing community meetings at selected locations throughout the City. This will provide property owners and rate payers with information on the new storm drainage rate structure. In addition, there are two planned press releases explaining the new storm drainage rate structure.

Public Works and the consultant will prepare the new rate ordinances with the assistance of the City Attorney's Office. This will be presented to the City Council for final approval. The resolutions that cover the specific rate charges will be implemented in July 1992.

The new storm drainage rate system can be entered into the City's billing system, tested, confirmed and all corrections made before any official mailings in July 1992. The consultant has provided some staff training time for the data maintenance that will become an ongoing process once the new rate structure is in place.



PHASE II SCHEDULE

Public Works has established a goal to implement the rates by July 1992. The following schedule provides a timetable for meeting this anticipated goal.

July 1991	Rate structure concept approved by City Council. Funds authorized for Phase II.
July 1991	Consultant notice to proceed on Phase II.
June through December 1991	Various tasks underway, including public information program.
Winter 1991	Implement computer programming for City billing system.
March 1992	Data file preparation completed.
May 1992	Revised storm drainage rate ordinance and resolutions presented to City Council. (Adopted in June 1992).
May 1992	Data entry and testing completed.
July 1992	Billing new rates begins.

## FINANCIAL

Phase II of the project is estimated to cost \$493,725.00 for a total cost, including Phase I, not to exceed \$794,707.00. Sufficient funding is available in the department's operating budget (425-320-3161-4258).

## POLICY CONSIDERATIONS

The action conforms to Article IV, Section 58.6 of the Sacramento City Code concerning change orders and supplemental agreements.

Several policy considerations warrant City Council attention.

First is the changing of the present storm drainage rate structure from number of rooms in a residential dwelling to a series of equity factors. These would include an account charge, a general flood control charge, a local flood control charge, and a water quality charge based upon gross parcel area and imputed values.

The second is changing all commercial/industrial storm drainage charges from a unit cost per gross square footage to the same equity charges listed above based upon measured values.

Third is charging all vacant parcels a share of the storm drainage rates. Currently they are not charged any fees within the City of Sacramento. These parcels would pay an account charge and a general flood control charge.

## MBE/WBE EFFORTS

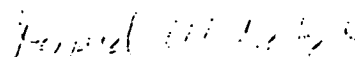
The consultant team includes the Minority Business Enterprise of Kato & Warren, who completed approximately 40 percent of the expanded Phase I effort, and will complete approximately 11 percent in the Phase II efforts.

Joint Transportation and Community Development/  
Budget and Finance Committee  
Storm Drainage and Sewer Rate Study  
July 9, 1991  
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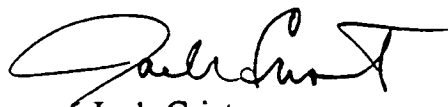
**RECOMMENDATION**

Staff recommends that the Budget and Finance Committee forward to the City Council, with a recommendation of approval, the attached resolution to authorize the City Manager to sign and the City Clerk to execute Amendment #2 to City Council Agreement No. 90-003 with CH2M HILL California, Incorporated.


Respectfully submitted,

  
Donald M. Dodge  
Deputy Director of Public Works

Recommendation approved:

  
Jack Crist  
Deputy City Manager

Approved:

  
Melvin H. Johnson  
Director of Public Works

Contact Person:  
Don Dodge, Deputy Director of Public Works  
449-8570

July 9, 1991  
All Districts

DMD/rlh

STORMSEW.BF1



## CITY OF SACRAMENTO

DEPARTMENT OF ENGINEERING  
 945 I STREET SACRAMENTO, CALIFORNIA 95814  
 CITY HALL ROOM 207 TELEPHONE (916) 449-5281

R. H. PARKER  
 CITY ENGINEER  
 J. F. VAROZZA  
 ASSISTANT CITY ENGINEER

June 9, 1982

City Council  
 Sacramento, California

Honorable Members in Session:

SUBJECT: An Emergency Ordinance Amending Certain Sections of Chapter 36 of  
 the Code of the City of Sacramento Relating to Storm Drainage and  
 Sanitary Sewer Fees

SUMMARY:

Submitted herewith is a report to the Budget and Finance Committee recommending the  
 adoption of a new storm drainage fee throughout the City of Sacramento and the  
 reduction of the sanitary sewer fees to 62% of the current charges both effective  
 July 1, 1982. Attached is an Ordinance amending certain sections of Chapter 36 of  
 the Code of the City of Sacramento and declaring this Ordinance to be an emergency  
 Ordinance to take effect July 1, 1982. The Budget and Finance Committee approved  
 staff's recommendation at their June 15, 1982 meeting.

RECOMMENDATION:

It is recommended that the City Council approve the attached ordinance amending  
 Section 36 of the City Code effective July 1, 1982.

**FILED**

By the City Council  
 Office of the City Clerk

*Cost 70*  
*6-29-82*

JUN 15 1982

Respectfully submitted,

*John F. Varozza*  
 JOHN F. VAROZZA  
 City Engineer

**APPROVED**  
 BY THE CITY COUNCIL *as amended*

JUN 29 1982

OFFICE OF THE  
CITY CLERK

June 15, 1982  
 All Districts

Recommendation Approved:

*Walter J. Slize*  
 Walter J. Slize City Manager

4-F-010-00-0



# CITY OF SACRAMENTO

## DEPARTMENT OF ENGINEERING

915 I STREET SACRAMENTO, CALIFORNIA 95814  
CITY HALL ROOM 207 TELEPHONE (916) 449-5281

R. H. PARKER

CITY ENGINEER

J. F. VAROZZA

ASSISTANT CITY ENGINEER

June 9, 1982

Budget and Finance Committee  
Sacramento, California

Honorable Members in Session:

SUBJECT: Proposed Storm Drainage Fee for 1982/83

### SUMMARY:

This report recommends the adoption of a new storm drainage fee throughout the City of Sacramento and the reduction of the sanitary sewer fees to 62% of the current charges both effective July 1, 1982. The major reason for this change is that one-third of the City is in a County sanitation district and so, pays no fee for the operation and maintenance of storm drainage systems. Exhibit I is a map of the City showing the areas within County sanitation districts. The result is that two-thirds of the people who use the system must carry the entire financial burden. The proposed change will result in an equitable spread of the financial burden of supporting the system. In addition, funds are provided for the operation and maintenance of American River Flood Control District (ARFCD) pumping stations which serve the City. The total fees charged is equal to the cost of providing the system. The implementation of a new storm drainage fee will provide revenue for the required bond debt coverage of 1.30 for the 1982/83 fiscal year.

### BACKGROUND:

The City Council received a status report on March 16, 1982 regarding the implementation of a city-wide storm drainage fee by July 1, 1982. The Council heard the report, directed staff to develop an information system to make the general public aware of the plans to establish this fee and requested a time line for the program.

The March 16th report noted that an equitable way to implement a storm drainage fee would be to base charges on a room count of each residential account. Because room count relates to the size of a building, which, in turn, generally relates to the size of a property, the fee should correspond to the total size of each parcel. It would be possible to convert the utility billing system to include a storm drainage fee based on room count, because water and sewer rates are already charged on that basis.

The report also stated that there were many commercial properties which must be researched, and area of each parcel computed, before a rate and billing system can be set up for this category.

At the Budget and Finance Committee meeting of May 20, 1982, the committee approved a proposed storm drainage fee for 1982/83. The committee requested that staff meet

with the ARFCD staff regarding their ability to fund their on-going operation and maintenance of pumping stations maintained by this agency but serving the citizens of the City of Sacramento. The Budget and Finance Committee considered and approved the report recommending financial aide to ARFCD at their meeting of June 1, 1982 (copy attached). The report also noted that the Office of Revenues and Collections had estimated that sewer revenue would be less than the estimate used in preparation of the proposed storm drainage fee. The addition of \$123,600 for the ARFCD and the estimated \$70,000 shortfall in revenue estimates required that a new rate schedule be developed to provide for these changes. In addition, further review of the proposed rates by City staff revealed a financial burden to school districts under the proposed rate ordinance. Many schools have large undeveloped yard areas that contribute very little runoff compared to roofed and paved areas and as the rate ordinance proposes to only charge developed property and not vacant property, all school areas were revised to reflect only improved portions of the parcels and that area was used in the calculations of rates for individual schools.

We have now completed the proposed 1982/83 budget and computed the required revenue from fees to be \$4,376,000, which includes the \$123,600 added expense for the ARFCD financing, of which \$2,469,300 would be for storm drainage operation and maintenance and \$1,906,700 would be for sanitary sewer operation and maintenance.

Using these new estimates, we have computed a proposed storm drainage fee schedule and a proposed sanitary sewer fee schedule. The \$1,906,700 is 62% of the present revenue collected from sewer fees, therefore, under this proposal, all sanitary sewer fees would be lowered to 62% of their present level. Exhibit II of this report reflects present and proposed sanitary sewer fees for residential customers. Commercial accounts would also be lowered to 62% of the existing fees.

Exhibit III is a rate schedule for residential property storm drainage, based on room count. The proposed residential rate would generate \$1,679,124, which is 68% of the total storm drainage revenue requirement. The non-residential area representing 32% of the City would then be required to generate \$790,176 in revenue. Having computed total square footage for non-residential properties in the City of Sacramento, staff has determined that the proposed storm drainage rate for this category should be \$2.30 per 10,000 square feet of parcel area. Exhibit IV of this report shows a comparison of proposed fees and current sewer fees for residential customers within the City sewer service area and those within the County sanitation districts.

During staff's analysis of the non-residential rates for sanitary sewers and for the proposed rate for storm drainage, it became apparent that there is an inequity in having sanitary sewer fees appropriated for operation and maintenance of both storm drainage and sanitary sewers. Currently, commercial properties are charged for sanitary sewer fees in relationship to water use. For instance, a laundry where laundering is done on the premises is currently charged \$8.56 for each 1,000 square foot of floor area. In contrast, a warehouse is charged \$.36 for each 1,000 square foot of floor area. The laundry pays sewer fees that are 20 times greater than the warehouse's, but for storm drainage, each should be charged

the same unit fee, based on their respective areas. This is an extreme example, but all fees set forth in the sanitary sewer rate ordinance taking into consideration water usage. The staff feels the non-residential storm drainage fees should be based on square footage of property regardless of the commercial use of the property, since area is closely related to storm drainage.

Exhibit V is a comparison of proposed fees versus current fees for non-residential use. The proposed fees were computed using 62% of the sanitary sewer fee for sanitary and \$2.30/10,000 sq. ft. for storm drainage. It should be noted that, in many cases, there will be a change of fees for the non-residential properties. In some of the large ownerships the fees will rise significantly. Others that are on a high water use schedule may drop significantly.

The proposed drainage fee is based upon the total area of a parcel, including buildings, parking lots, walkways, and so forth. This may cause problems for owners of shopping centers and other multi-tenant developments. Each owner will receive a bill for the entire area and must collect from his tenants their appropriate share of the total cost. We also feel that the establishment of this drainage fee might pinpoint other inequities that are not apparent at this time. To deal with any problems, we would recommend the formation of an appeals board consisting of the Director of Finance and the Manager of the Water and Sewer Division.

Councilman Pope requested that information on the proposed drainage fee be distributed as widely as possible. The Public Information Officer will arrange an informal press briefing on the contents of this report prior to the Budget and Finance Committee meeting, and will issue a news release to the media, as well as other affected community groups, prior to the hearing before the full City Council. If the new fees are approved, a notification and explanation will be included in a utility bill announcement with the first bill.

Attached hereto as Exhibit VI are a proposed ordinance revising the sanitary sewer fees to 62% of the current rates and a proposed ordinance to implement a storm drainage fee throughout the City.

#### FINANCIAL:

Exhibit VII shows the financial status of the sewer budget and bond coverage using current rates for 1982/83 and projects the 1982/83 coverage under the proposed rates.

#### RECOMMENDATION:

It is recommended that the Budget and Finance Committee approve the attached ordinances

amending Section 36 of the City Code effective July 1, 1982.

Respectfully submitted,

*J. F. Varozza*  
 J. F. VAROZZA  
 City Engineer

Recommendation Approved:

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Solon Wisham, Jr.  
 Assistant City Manager