

NOTICE OF ADOPTION OF AMENDMENTS TO CHAPTER 7, SECTION 7.3 OF  
THE STEGE SANITARY DISTRICT ORDINANCE CODE

Notice is hereby given that on October 26, 2017; the Directors of the Stege Sanitary District adopted an ordinance amending Chapter 7, Section 7.3 of the Stege Sanitary District Ordinance Code. The Ordinance will become effective upon the expiration of one week from the date of this publication. The vote was: AYES: Gilbert-Snyder, James, Miller, O’Keefe; NOES: Merrill; ABSTAIN: None; ABSENT: None.

Section 7.3 of the Stege Sanitary District Ordinance Code is set forth as shown below:

**SECTION 7.3**  
**SEWER CONNECTION CHARGES**

**7.3.1 Establishment of District Sewer Connection Charge System.** This Section establishes a system of charges for connections to and the acquisition of discharge capacity allowances in the District’s wastewater collection system. For purposes of this Section 7.3, “connection charge” has the same meaning as “capacity charge” in section 66013 of the Government Code.

**7.3.2 Purposes.** The purposes of the sewer connection charge are (a) to provide revenue to acquire, construct, install and replace capital facilities and other assets required for the District’s wastewater disposal system, and (b) to distribute the cost of acquisition, construction, installation and replacement of the District’s wastewater facilities and other capital assets so that the owner of each parcel connected to the District’s system pays a proportionate share of those costs. Payment of the applicable connection charge allows discharges of wastewater to be made from the respective parcel in an amount that corresponds to the amount of the charge established by this Code. The discharge capacity thus acquired is irrevocable and runs with the parcel.

**7.3.3 Payment of Connection Charge Required.** No connection may be made to the District Sewer System, or to any sewer flowing into the **Sewer** System, until the applicable sewer connection charge has been paid to the District. The connection charge shall be in addition to charges for permits, inspections or the other requirements of any other rule or regulation of the District. Except as provided in Section 7.3.8, the connection charge shall be paid at the time the application for a sewer connection permit is filed.

**7.3.4 Basis of Charge.**

**7.3.4.1 Connection Charge Calculation.** In general, the connection charge is the depreciated replacement cost of all District facilities and other District assets, less all District liabilities, divided by the total number of Equivalent Residential Units connected to the District’s system. For purposes of this calculation, the following rules will apply:

**7.3.4.1.1** Sewer lines and other similar wastewater facilities are presumed to have a useful life of fifty years. The useful lives of other depreciable facilities and assets shall be based upon depreciation schedules established pursuant to generally accepted accounting principles. Sewer lines installed in 1987 and thereafter shall be presumed to have a useful life of seventy-five years.

**7.3.4.1.2** Depreciation of sewer lines shall be calculated on ninety percent (90%) of a sewer's replacement cost at time of installation, such that after fifty years (or the useful life) the residual value will equal ten percent (10%) of the line's replacement cost at time of installation. A depreciable sewer line that has survived beyond fifty years and continues to be in general use by the District shall be deemed to have a residual value equal to ten percent (10%) of the line's replacement cost at time of installation. All other depreciable facilities and assets that have survived beyond the time interval specified in the applicable depreciation schedule and continue to be in general use by the District may have a salvage value, the amount of which will be determined by the District individually for each facility and asset.

**7.3.4.1.3** The total number of District connections to be used in the calculation under Section 7.3.4.1 above are the total number of connected dwelling units plus the non-residential discharges expressed in Equivalent Residential Units. For purposes of non-residential discharges, an Equivalent Residential Unit is the amount of water usage by a non-residential discharger measured in gallons per day divided by the equivalency factor of 143 gallons per day per dwelling.

**7.3.5 Schedule/Determination of Charges.**

**7.3.5.1 District-Wide Schedule.** The applicable connection charges and connection charge rates for new connections and increased discharges to the District's system shall be as follows:

**Sewer Connection/Capacity Charge – District-Wide**

<u>Land Use</u>	<u>Equivalent Fixture Units per Dwelling Unit</u>	<u>Average Gallons per Day per Equivalent Fixture Unit</u>	<u>Cost per Equivalent Fixture Unit</u>	<u>Sewer Capacity Charge</u>
<u>Residential</u>	<u>19</u>		<u>\$112.95</u>	<u>\$2,154 per dwelling unit</u>
<u>Nonresidential</u>		<u>7.5</u>	<u>\$112.95</u>	<u>\$15.06 per gallon per day</u>

**7.3.5.2 San Pablo Specific Plan Area Schedule.** In September 2017, a special study was completed to help plan for future developments in the San Pablo Specific Plan Area (SPSPA) in the City of El Cerrito. (“Sewer Capacity Charge for the San Pablo Avenue

Specific Plan Area,” September 12, 2017, Urban Economics.) Without pipe upsizing, the anticipated development in the SPSPA would surcharge existing facilities. An additional capacity charge will fund sewer capacity improvements needed to serve projected growth within the SPSPA. For new connections and increased discharges in the SPSPA, both residential and nonresidential developments will pay \$217.89 per fixture unit. For SPSPA developments, these amounts charges must be paid in addition to the rates listed above in section 7.3.5.1:

**Sewer Connection/Capacity Charge – San Pablo Avenue Specific Plan Area**

<u>Land Use</u>	<u>Cost per Equivalent Fixture Unit</u>
<u>Residential</u>	<u>\$217.89</u>
<u>Nonresidential</u>	<u>\$217.89</u>

7.3.5.2.1 If a proposed development in the SPSPA will result in an exceedance of the growth scenario for its specific block and development type as summarized in Appendix C of the BKF technical memorandum dated July 28, 2017, and may create, in the sole determination of the District, demand that will exceed the sewer capacity of the planned improvements, then the District may require a sewer capacity study that will confirm whether or not additional changes must be made to the sewer system. For developments that will not result in exceeding the growth scenario, the District will not require a special study. If a study is required, such study must be conducted in accordance with District criteria. Upon District approval and agreement with the study, the District may in its sole discretion, either (a) pay a pro rata share of the costs of any required improvements; or (b) enter into a reimbursement agreement with the owner(s) in which the owner(s) pay all or a portion of the entire cost of the required improvements, the actual cost to be determined by the District, and the District agrees to collect fees from those subsequently connecting to the oversized facility and to reimburse such payments to the owner(s) for a period not to exceed ten (10) years.

7.3.5.2.2 This section 7.3.5.2 will sunset without further action of the Board when all of the sewer system improvements identified in the September 12, 2017, Urban Economics study have been completed, and either the District has collected enough funds to cover the costs of the improvements, or the improvements have otherwise been paid for

7.3.5.3 Adjustment of Charges. The above rates may be adjusted annually for inflation based on the Construction Cost Index published by the Engineering-News Record.

**7.3.6 Charges by Type of Connection.**

**7.3.6.1 Residential Connections.** The residential connection charge for connection to the District's system shall be the corresponding charge for the applicable fiscal year for each dwelling unit.

**7.3.6.2 Non-Residential Connections.** The non-residential connection charge shall be the applicable per fixture unit charge multiplied by the number of fixture units, but in no event shall the charge be less than the residential charge for one dwelling unit. Payment of the non-residential connection charge entitles the owner(s)/occupant(s) of the premises to discharge up to the wastewater discharge capacity acquired, but no more.

**7.3.6.3 Combined Residential and Non-Residential Connection.** In the event a parcel has combined residential and non-residential uses, the connection charge shall be the corresponding residential charge times the number of dwelling units plus the corresponding per fixture unit charge times the number of fixture units in the non-residential premises.

**7.3.6.4 Credit for Contributed Facilities.** In the case of any person who constructs wastewater facilities that are then dedicated to the District for public use, and to the extent the value of those facilities has been taken into account in the District's establishment of connection charge rates imposed pursuant to this Ordinance, the person shall be allowed an appropriate credit against the connection charges otherwise payable by that person. The credit shall be calculated by the District, consistent with the manner in which the connection charge rate was established by the District.

**7.3.7 Persons Responsible for Payment.** The owner of the premises is responsible for payment of all connection charges applicable to the premises. It is the duty of each property owner to ascertain from the District the amount and due date of any connection charge applicable to the property and to pay the charge when due and payable. Each property owner shall be responsible to inform the District within a reasonable period of time of any changes in circumstances that might result in a change in the amount of the charge.

### **7.3.8 Increased Use of Sewers.**

**7.3.8.1 Consent of District Required.** No person shall cause or permit an increase in the wastewater discharge from any premises over the amount of the wastewater discharge capacity allowance for the premises without prior consent of the District and the payment of an additional sewer connection charge. Additional residential units, or the addition of fixture units in non-residential premises, may increase wastewater discharge and trigger the imposition of additional capacity charge(s).

**7.3.8.2 Initial Wastewater Discharge Allowance.** As of March 2004, the effective date of this Code, the wastewater discharge allowance, measured in gallons per day, for any premises in the District shall be as follows:

**7.3.8.2.1** For premises not previously legally connected, to the District's wastewater facilities, the initial allowance is "0".

**7.3.8.2.2** For residential premises legally connected to the District system as of or after the effective date of this Code, the initial allowance shall be determined by the number of dwelling units authorized to be connected.

**7.3.8.2.3** For non-residential premises legally connected to the District's system as of March 2004, the initial allowance shall be the greatest of (a) the flow authorized to be discharged under a District permit or other formal authorization, (b) the flow derived from water use data used by the District in calculating sewer service charges levied for the parcel in Fiscal Year 2006-07, or (c) such other discharge rate as the property owner is able to demonstrate represents actual previous discharges from the premises and for which District sewer service charges were paid.

**7.3.8.2.4** For non-residential premises legally connected to the District system after March 2004, the initial allowance shall be the flow authorized to be discharged under a District permit or other formal authorization.

### **7.3.9 Resumption of Use.**

**7.3.9.1 Supplemental Connection Charge.** Any person required to obtain a permit for resumption of a discontinued use shall pay a supplemental connection charge computed in accordance with this Section.

**7.3.9.2 Calculation Without Credits.** Before allowing any credits that may be applicable under Section 7.3.9.3 below, the amount of the connection charge that would be applicable for a new connection shall first be determined as provided in Section 7.3.5.

**7.3.9.3 Allowance for Credits.** Credit shall then be given for any connection charges previously paid for wastewater use that was disconnected. Credit shall also be given for the differential increase, if any, in connection charges that occurred from the time connection charges were originally paid to the time the original use was discontinued, but only if all sewer service charges levied against the premises during that interval were paid. In no event shall the amount of the credit exceed the amount of the connection charge determined as provided in Section 7.3.5.

**7.3.10 Sewer Capacity Study.** For only those projects not within the SPSPA, a sanitary sewer capacity study may be required for a proposed project if it consists of any of the following:

1. 10 or more residential dwelling units,
2. 10,000 square feet or more of office or commercial facilityspace,
3. 1,000 square feet or more of restaurant, ~~or~~ space
4. Any laundromat and/or industrial laundry, or;

5. Any other project that may create a new connection(s), including an alternative use of existing connection, that will exceed the sewer capacity of existing sewer lines, as determined by the District.

In any of above situations, the District may:

- a. Require the owner(s) of such proposed new connection(s) to contract for, at its own expense, a qualified engineering firm to conduct a study of the impact of such proposed connection(s) on existing pipelines and any required sewer improvements to eliminate under capacity. Such study must be conducted in accordance with District criteria. Upon District approval and agreement with such study, the owner(s) shall pay the entire cost of the required improvements, the actual cost to be determined by the District.
- b. Refuse to approve such connections, if the owner(s) refuses to comply with any of the obligations imposed upon it by a., above.

### **7.3.11 Administration of Connection Charges.**

**7.3.11.1 Two-Thirds Vote Requirement.** The sewer connection charge rate may be increased only by an amendment to this Ordinance approved by a two-thirds vote of the members of the District Board and compliance with any other applicable requirements of law.

**7.3.11.2 Periodic Review.** The District Board shall review the sewer connection charge as needed, but at least every five years, to determine whether the connection charge rates should be adjusted. If a request for a permit is received during the periodic review of the connection charge, a provisional fee will be charged by District staff, pending the completion of the review.

**7.3.11.3 Collection Remedies.** Nothing contained in this Section shall be deemed to limit any rights or remedies of the District to collect sewer connection charges. In addition to any other rights and remedies which are available, the District Board may, if it determines to do so, employ the procedures established in the California Health & Safety Code Sections 5474, et seq.

**7.3.11.4 Delinquencies.** Any amount which becomes delinquent shall be subject to the penalties specified in Section 7.7.

A copy of the Ordinance is posted at the District Office, at 7500 Schmidt Lane, El Cerrito, CA. Anyone desiring a copy of the Ordinance should contact the District at [staff@stegesan.org](mailto:staff@stegesan.org) or (510) 524-4668.