



# Administrative Regulations: Sewer Service Charge



Approved August 2018

These regulations are to be used in conjunction with San Mateo Municipal Code (SMMC) Chapter 3.54, attached as Appendix A. This document will govern implementation of the sewer charge, and is subject to approval and revision by the Public Works Director as prescribed by Chapter 3.54.010. SMMC Chapter 3.54 will prevail in the event of any inconsistencies, and future revisions to these regulations will not provide justification for retroactive appeals or adjustments.

The City of San Mateo sewer charge is billed annually through the San Mateo County property tax bill. The methodology to calculate the charge is determined herein.

## Table of Contents

- I. Definitions ..... 1
- II. Customer Classifications ..... 2
- III. Calculation of Charges ..... 4
  - Residential Customers ..... 4
  - Commercial Customers ..... 4
  - Usage-Based Fee Calculation ..... 4
- IV. Minimum Charges ..... 5
- V. Equitable Adjustments ..... 5
- Appendix A – Sewer Charge Ordinance ..... A-1

### I. Definitions

*(accompanies SMMC 3.54.020 – See Appendix A for ordinance definitions)*

- a. “CCF” refers to a hundred cubic feet of water, or 748 gallons. Water usage for the sewer charge is calculated in CCFs.
- b. “Dwelling Unit” means a fully contained residential unit subject to the per-dwelling unit charge, including “accessory dwelling units” and “bachelor, efficiency, or studio units” as defined in the San Mateo Municipal Code (Sections 27.04.165 (a) and (b), respectively). For the purposes of the sewer charge, “junior accessory dwelling units” are not included.
- c. “Wastewater Strength” means the level of biological oxygen demand (BOD) and suspended solids (SS) of the effluent produced by a sewer customer. Strength

indicates the relative intensity of the wastewater and the burden it places on the wastewater treatment plant.

## II. Customer Classifications

- a. Each user will be assigned to one of the five customer classes based on the principal activity of the sewer customer.

The rates and charges for each class, including both the residential per-dwelling unit charge, minimum monthly charge, and usage-based charge rate, are set through the Proposition 218 process and approved by City Council.

- b. The five customer classes are established as defined in Section 3.54.020(d). The ordinance language in italics is followed by clarifying guidelines.
  - i. ***Class A – Standard Strength. All residential users including, but not limited to, single-family dwelling units, duplex units, and multi-family dwelling units.***
    - Class A (residential) users are subject to a fixed per-dwelling unit fee in addition to their usage-based fee.
    - Condominiums will be treated as one dwelling unit if the owner is billed individually for their sewer charge. If billing is consolidated through the development or Homeowners' Association, the dwelling unit charge is multiplied by the total number of condominium units.
  - ii. ***Class B – Standard Strength. Commercial users, including, but not limited to, offices, retail establishments, hotel and motels without restaurants, mixed uses (high strength comprises < 25% of flow).***
    - Class B users are subject to a volumetric charge based on the annualized estimated freshwater use in CCFs.
    - Class B includes commercial users with activities similar to residential, Class A sewer customers. The bulk of wastewater produced comes from on-site restrooms, showers, and consumer kitchen fixtures.
    - For greenhouse/nursery customers, the Class B rate is reduced by half, since most of the water used is dedicated to irrigation. The minimum charge, described in Section IV, still applies at the standard Class B rate as approved by City Council.
  - iii. ***Class C – Moderate Strength. Commercial users, including, but not limited to, hotels and motels with restaurants, industrial laundries, mixed use***

*(high strength comprises 25% to 75% of flow), supermarkets with food preparation, bakeries, meat or seafood counters.*

- Class C users are subject to a volumetric charge based on the annualized estimated freshwater use in CCFs.
  - Class C includes coffee houses and other facilities that serve or reheat prepared food. Cooking equipment is limited to reheating devices such as a microwave or convection oven.
  - “Industrial Laundries” is interpreted as professional laundry services that wash work uniforms and other highly soiled material. Laundromats and dry-cleaners are classified as Class B.
- iv. ***Class D – High Strength. Commercial users, including, but not limited to, restaurants, wholesale bakeries, mortuaries, mixed use (high strength comprises >75% of flow).***
- Class D users are subject to a volumetric charge based on the annualized estimated freshwater use in CCFs.
  - If a facility is equipped with a grease trap, and/or a full commercial kitchen, it is considered Class D.
  - If the primary function of the site is food preparation and/or service, it is considered Class D.
- v. ***Class E – Special. Commercial users that may require a determination on a case by case basis as prescribed by Section 3.54.030.***

### III. Calculation of Charges

#### Residential Customers

- a. A fixed monthly fee that is a per-dwelling unit charge applies to Class A (residential) sewer customers.
  - i. Dwelling Units, as defined in Section I, include single-family homes, individual units within multi-family buildings (e.g. duplexes, apartments) and accessory dwelling units.
  - ii. If **two or more** of the conditions below apply, the unit is considered a dwelling unit and is subject to the per-dwelling unit charge:
    1. The unit has a distinct mailing address according to the County Assessor
    2. The unit has a private entrance, separate from that of the primary residential unit
    3. The unit has a separate Recology solid waste account
    4. The unit has a separate fresh water account
- b. The usage-based fee is calculated using the estimated annual water usage in CCFs, multiplied by the Class A rate as approved by City Council. This charge is described in detail in the Calculation Details section below.

#### Commercial Customers

- a. The usage-based fee is calculated using the estimated annual water usage in CCFs, multiplied by the commercial rate (Classes B – E) as approved by City Council. This charge is described in detail in the Usage-Based Fee Calculation section.

#### Usage-Based Fee Calculation

- a. To estimate annual water usage, the City calculates a monthly average based on data from California Water Service and other official water providers.
  - i. The City averages usage data from the water bills from November through March of the preceding fiscal year, to the nearest ten (10) cubic feet. For example, the sewer charge on the fiscal year 2018/19 property tax bill would be calculated using water usage data from November 2017 through March 2018.
  - ii. This five-month usage total is divided by 5, then multiplied by 12, to estimate usage for the whole fiscal year.
  - iii. This annualized estimated use is then multiplied by the customer classification rate to calculate the usage-based charge.
- b. The sewer charge is calculated directly from the data provided by California Water Service or other drinking water providers, except:

- i. If usage in any one of the five months used to calculate the bill (November through March) exceeds 150% of the five-month mean, it is removed from the calculation.
    - 1. Example: Usage for November is 37, December is 76, January is 20, February is 16, and March is 17. The five-month average is 33.2. Usage in any month in excess of 49.8 (150% of 33.2) would be excluded from the calculation. Therefore, December would be excluded, and the average would be calculated using only November, January, February, and March.
  - ii. If no water usage (0 CCF) is shown for a given month, that month is excluded from the calculation.
- c. In cases where the five-month average is not representative of the actual average sewer use during the year, then the entire fiscal year water usage data may be considered in determining the yearly usage, at the discretion of staff.

#### IV. Minimum Charges

- a. All sewer customers are subject to a minimum sewer charge to ensure contribution to the operation, maintenance, and improvement of the wastewater treatment plant and sanitary collection system.
- b. The minimum charge is set through the Proposition 218 process and approved by City Council.
- c. The minimum charge for all customers (Class A through E) is equal to the Class A per-dwelling unit charge.

#### V. Equitable Adjustments

The sewer service charge is intended to reasonably reflect the cost of providing sewer service to a property. Under certain circumstances, it may be appropriate to provide an equitable adjustment to the sewer service charge for a given year or years. This section governs the process for submittal and review of requests for equitable adjustments.

- a. Property owners or their authorized agents may request an equitable adjustment to their sewer charge in the following situations:
  - i. A rupture in the fresh water system impacted the billing calculation:
    - 1. The applicant's water system was ruptured; AND
    - 2. The rupture caused the reported water flow for one or more of the months designated in Section III to be abnormally high; AND
    - 3. The applicant effected repairs that corrected the rupture within a reasonable period of time
  - ii. The applicant became the owner and occupant of the residential property after the consumption period used to calculate the charge in Section III, and the average water consumption during the following year for the period used to calculate the charge is lower than the previous year's

consumption period by at least 25 percent.

- iii. The applicant's customer classification is incorrect. Such applicant will be required to inquire in writing, documenting the basis for the requested change in customer classification. A site visit by staff may be necessary.
  - iv. The applicant disputes the number of residential units on their parcel. Requests will be reviewed based on the criteria presented in Section III.b.ii.
- b. Any applications for an equitable adjustment must be made in writing to City Hall or in an email to City staff. Contact Public Works at (650) 522-7300 to be connected to staff for more details on how to initiate the application process. An application shall include all relevant documentation, including as applicable:
- i. Relevant water usage data or bills, including the full five-month billing period as well as additional months as needed to establish typical use and a return to it after repairs
  - ii. Receipts, invoices, or billing statements proving implementation of repairs
  - iii. A written explanation of the rupture, when it was discovered, when it was repaired, and which months were affected
- c. The Public Works Director shall review the application for an equitable adjustment. If one of the conditions in Section V.a.i-iv is demonstrated conclusively by the application, the Public Works Director may approve the adjustment.
- d. Timing
- i. If an equitable adjustment is requested with sufficient time prior to the due date of the tax bill, the City will instruct the County to adjust the tax roll and send the owner a revised tax bill. An administrative fee from the County will apply (\$25 as of 2018; subject to change).
  - ii. If an equitable adjustment is approved after the tax has been paid, the City of San Mateo will issue a refund for the difference. There is not an administrative fee charged for adjustments made via City refund.
- e. Appeal
- i. Once an applicant has been notified of the Director's decision, the applicant may submit a written request for appeal within ten (10) calendar days. The request must include the reason the request is being made and any pertinent documentation.
  - ii. The City Manager will review any valid appeals. The City Manager's decision will be final.

## Appendix A – Sewer Charge Ordinance

Sewer Service Charge Ordinance (SMMC 3.54) as adopted March 19, 2018

### Chapter 3.54 SEWER SERVICE CHARGES AND CONNECTION FEES

#### 3.54.010 PURPOSE—ADMINISTRATION.

The purpose and intent of this chapter is to provide for sewer service charges and connection charges to be imposed upon the owner(s) of every parcel of land within the City served by the City's sanitary sewer system and wastewater treatment plant.

This chapter shall be interpreted and administered in accordance with the provisions of Article XIII D of the Constitution of the State of California and Sections 53750 through 53758 of the [Government Code](#).

The Director of Public Works is authorized to administer and enforce the provisions of this chapter and shall adopt regulations necessary to effectuate such authority. (Ord. 2018-1 § 1; Ord. 2007-7 § 1; Ord. 1989-16 § 1; Ord. 1975-2 § 1)

#### 3.54.020 DEFINITIONS.

For the purposes of this chapter, the following words and phrases shall have the following meanings:

- (a) "Commercial" means all uses other than residential.
- (b) "Connection" means each separate residential, lodging, or commercial and industrial, and institutional unit connected to an internal plumbing drainage system or external sewer lateral.
- (c) "Customer class" means or represents the structure or designation by which a user is classified based on industry standards for wastewater strength, as measured by biochemical oxygen demand (BOD) and suspended solids (SS). There are five customer classes, one for residential and four for commercial customers. Customer classes are further defined as shown below.
  - (1) Class A – Standard Strength. All residential users including, but not limited to, single-family dwelling units, duplex units, and multi-family dwelling units.
  - (2) Class B – Standard Strength. Commercial users, including, but not limited to, offices, retail establishments, hotel and motels without restaurants, mixed uses (high strength comprises < 25% of flow).
  - (3) Class C – Moderate Strength. Commercial users, including, but not limited to, hotels and motels with restaurants, industrial laundries, mixed use (high strength comprises 25% to 75% of flow), supermarkets with food preparation, bakeries, meat or seafood counters.
  - (4) Class D – High Strength. Commercial users, including, but not limited to, restaurants, wholesale bakeries, mortuaries, mixed use (high strength comprises >75% of flow).
  - (5) Class E – Special. Commercial users that may require a determination on a case-by-case basis as prescribed by Section [3.54.030](#).
- (d) "Director of Public Works" means Director of Public Works or designee.
- (e) "Fixture unit" means a unit of measurement for computing waste flow volumes for each plumbing fixture as set forth in the [Uniform Plumbing Code](#) as then adopted by the City in Title 23 of this code.

(f) “Institutional” means uses by churches, clubs, hospitals, lodges, community care facilities, schools, and public buildings, whether privately or publicly owned, and whether profit or nonprofit in operation. Such entities shall be considered commercial.

(g) “Residential” means a place designed or used for residence or dwelling, whether permanent or temporary in nature. Residential does not include hotels or motels.

(h) “Restaurant” means restaurant, fast-food, and drive-in establishments, as defined in the Zoning Code.

(i) “User” means any person or persons, a legal entity, or a business, commercial or manufacturing enterprise, which uses the sewer system and disposal facilities of the City in any manner, and whether a property owner or tenant. (Ord. 2018-1 § 1; Ord. 2007-7 § 1; Ord. 1996-19 § 1; Ord. 1989-16 § 1; Ord. 1975-14 § 1; Ord. 1975-2 § 1)

#### 3.54.030 SEWER SERVICE CHARGES.

The Council shall, by ordinance, establish the sewer service charge, to be imposed on the owner(s) of every parcel of land within the City served by the City’s sanitary sewer system and wastewater treatment plant. The sewer service charges shall be based on customer class. For governmental entities, or other users whose operations have unusual or unique circumstances related to the return of water to the sewer system, the City may enter into a contract to provide sewer service at a charge different from that calculated based on customer class. Such a contract shall be subject to approval by the Director of Public Works and may be proposed at any time. (Ord. 2018-1 § 1; Ord. 2008-6 § 1; Ord. 2007-7 § 1; Ord. 1996-19 § 2; Ord. 1989-16 § 1; Ord. 1980-3 § 1; Ord. 1977-12 § 1; Ord. 1977-7 § 1; Ord. 1975-14 § 3; Ord. 1975-2 § 1)

#### 3.54.040 COLLECTION OF CHARGES.

The sewer service charges provided for in this chapter shall be collected on tax rolls in the same manner and by the same persons and at the same time as, together with and not separately from, City general property taxes as provided in Chapter [3.38](#). Irrigation meters shall be exempt from the sewer service charge. In addition, the City may, by agreement, provide that individual charges for specified parcels shall be collected apart from the tax roll when unusual circumstances warrant such a collection process. (Ord. 2018-1 § 1; Ord. 2007-7 § 1; Ord. 1996-19 § 3; Ord. 1989-16 § 1; Ord. 1975-2 § 1)

#### 3.54.050 LIEN FOR CHARGES.

The amount of the sewer service charge shall constitute a lien against the parcel of land against which the charge has been imposed as of noon on the first Monday in March immediately preceding the date of the levy. Thereafter, unless otherwise provided by agreement pursuant to Section [3.54.040](#), the amount of the charges shall be collected at the same time and in the same manner and by the same persons as, together with and not separately from, the general taxes on the property, and shall be delinquent at the same time and thereafter be subject to the same delinquency penalties. (Ord. 2018-1 § 1; Ord. 2007-7 § 1; Ord. 1989-16 § 1; Ord. 1975-2 § 1)

#### 3.54.060 SEWER CONNECTION CHARGES.



Before making a connection to the sanitary sewer system, a permit shall be obtained from the Building Official. No connection permit shall be issued except upon payment of the applicable sewer connection charge. The sewer connection charge shall be established by resolution of the City Council. (Ord. 2018-1 § 1; Ord. 2015-2 § 1; Ord. 2007-7 § 1; Ord. 1989-16 § 1; Ord. 1978-9 § 1; Ord. 1975-2 § 1)

3.54.070 SEWER SERVICE FUND.

There is established the “Sewer Service Fund” to which the Finance Director shall transfer all sewer service charges and connection charges collected. This fund shall only be used for the costs associated with providing sanitary sewer and wastewater treatment service, including construction, reconstruction, maintenance, operation, and direct and indirect financing costs, and for accumulation of a depreciation reserve fund for such purposes in an amount as the Council may determine is appropriate. (Ord. 2018-1 § 1; Ord. 2007-7 § 1; Ord. 1989-16 § 1; Ord. 1975-2 § 1)

3.54.080 SOUTH TRUNK SEWER AREA IMPACT FEE.

(a) As of March 1, 2008, there is hereby imposed on all development, whether new development or redevelopment, in the South Trunk Sewer Area (generally that area extending south from the Dale Avenue Pump Station utility corridor parallel to Highway 101, and upstream in or parallel to East 16th Avenue, South Delaware Street through the Bay Meadows area, and Railroad Avenue and South El Camino Real, and extending up Borel Avenue, West Hillsdale Boulevard, and Saratoga Drive but excluding Bay Meadows Phase I and Phase II) a sewer area development impact fee for each type of sewer connection.

(b) The impact fee shall be collected at the same time the sewer connection charge imposed under this chapter is collected and shall be placed in the sewer service fund established pursuant to this chapter.

(c) The amount of impact fee charged shall be established by resolution of the City Council and based upon dwelling unit equivalents as follows:

**Dwelling Unit Equivalents**

Development Type	Unit	EDUs
Single-family dwelling	Dwelling unit	1
Multi-family dwelling, 1 bedroom	Dwelling unit	0.5
Multi-family dwelling, 2 bedroom	Dwelling unit	0.75
Multi-family dwelling, 3 bedroom	Dwelling unit	1
Hotels or motels	Room	0.5
Nonresidential	Fixture unit	0.05

(Ord. 2018-1 § 1; Ord. 2015-2 § 2; Ord. 2014-6 § 2; Ord. 2007-13 § 1)