AGENDA ITEM I-01

CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: **Public Hearing to Adopt Ordinance and Resolution for Updated Wastewater Capacity Impact Fee and Service Charges for High Strength Users**

MEETING DATE: **January 4,2006**

PREPARED BY: **Public Works Director**

RECOMMENDED ACTION: That the City Council conduct a public hearing to adopt an ordinance and resolution for the updated Wastewater Capacity Impact Fee and service charges for high strength users.

BACKGROUND INFORMATION: The proposed amendments to the Municipal Code implement changes to the method used to charge wastewater capacity impact fees to new growth for capacity at the White Slough Water Pollution Control Facility (WSWPCF) and facilities at the Municipal Service Center (MSC). The ordinance was considered and introduced at the December 21, 2005 City Council meeting. This is a one-time fee on new development or improvements that increase loading on WSWPCF. The actual fee is set by Resolution. Also being proposed are changes to service charges to high strength users.

Capacity Impact Fee

The existing wastewater capacity fee was approved by Council following the expansion of WSWPCF in 1991, as the final step in a series of rate and capacity (connection) fee increases initiated in 1986. The present capacity fee is $2,099 per sewage service unit (SSU), which is the same as was adopted in 1991. A SSU represents the equivalent demand of a two-bedroom home.

Recently, the plant has undergone two additional capital construction projects, and a third is planned, that increased and/or will increase the rated capacity to 8.5 million gallons per day while upgrading the level of treatment to tertiary as required by the plant's Discharge Requirements issued by the Central Valley Regional Water Quality Control Board.

A report, City *of* Lodi Wastewater Capacity Fees: Revised Analysis, prepared for the City by Hilton, Farnkopf & Hobson, LLC, is attached for reference as Exhibit 1. The report presents the results of analysis that assigns the value of past and future capital construction costs to existing and future development in the City. The recommendation is to raise the capacity fee to $5,115 per SSU. The recommended fee does not include 2% for Art in Public Places.

Capital construction and debt service costs have, in each case, been allocated to new growth and existing customers. In the case of the 1991 improvements (the 1989 improvements were refinanced as part of the 1991 improvements financing), 74% is allocated to serve new growth. For the 2003 (Phase I) and 2004 (Phase II) WSWPCF expansions, 26% and 24.2%, respectively, are allocated to new growth. The 2006 (Phase III) expansion is currently in design, and 58.4% is allocated to new growth. The costs attributed to existing Lodi customers are the share attributed to restoring the plant's rated flow capacity using updated State parameters and upgrading the level of treatment provided in response to more stringent State discharge requirements. The share attributed to new growth is basically the difference between existing flow (just over 6 million gallons/day) and the design capacity of 8.5 million gallons per day, including part of the new tertiary improvements. The capital and debt service costs of facilities serving existing customers are provided by user rates, although the rate payers are obligated to pay the

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APPROVED: _____
Blair King, City Manager

entire debt service amount as required in the financing documents if there are insufficient funds provided by new growth. (which is not expected to occur).

As part of this analysis, the City's existing separate wastewater impact fee, which primarily covers costs for expansion of the MSC. has been rolled into the capacity impact fee. This was done to simplify the fee structure to only have one wastewater impact fee. The proposed ordinance changes implement this change. The actual fee, as per the existing City Code, will be set by Resolution.

Another change in the Fee Resolution is that the fee would be adjusted annually on July 1, based on the Engineering News Record 20 Cities Average, as is now done for the other impact fees in January.

As shown in Table 4 of the report, the recommended capacity impact fee also includes a separate fee, "high-strength connections", which is broken down into flow, BOD, and TSS components. BOD (Biochemical Oxygen Demand) and TSS (Total Suspended Solids) are measures of the 'strength' of the wastewater. With the addition of tertiary treatment this year, the relative weight among these components has shifted with a higher cost increase for flow than for the other constituents.

Finally, the staff recommendation on the capacity impact fee does not include a component for the Public Art Program. This recommendation is based on the fact that a significant portion of the proposed fee is for past improvements made at WSWPCF. These improvement projects were not designated to include Public Art nor did they contribute to the Public Art Fund. Should the Council wish to include the full Public Art component, the fee should be increased by 2%. from $5.1 15 to $5,217. Another option would be to only include the art component in future projects. Based on the projects/financings shown in Table 1 of the report, and considering the future 2006 project, Master Plan and MSC projects, these represent half of the costs, therefore, a 1% Public Art fee would be appropriate ($5,115 to $5,166). The appropriate amount will be included in the Fee Resolution as directed by the Council as shown below.

In summary, the recommended changes in the sewer development fees are:

	Current	Proposed wlo Art	w/1% Art	w/2% Art
Moderate Strength Users				
Per SSU - current	$2,099.00	n/a	nla	nla
Per RAE **(residential acre equivalent)**	$583.00 **(approximately $1 16.60 per dwelling unit)**			
Per SSU – revised **(approximately)**	$2.215.60	$5,115	$5,166	$5,217
High Strength Users				
Flow (per MG, annual basis)	$11,192.96	$38,986	$39,376	$39,766
BOD (per 1,000 lbs., annual basis)	$4,610.56	$10,097	$10,198	$10,299
TSS (per 1,000 lbs., annual basis)	$2,076.43	$5,400	$5,454	$5,508

High Strength Users Service Fees

"High Strength Users" are defined in the Municipal Code as users who discharge over 2 million gallons per year or the waste strength exceeds certain parameters. Presently there are only eight customers in this category. Similar to the capacity fee, the relative weight of flow and strength is also reflected in treatment costs, and adjustments for the high-strength users service charges are also being recommended:

	Current	Proposed
Flow (per MG, annual basis)	$1,170.45	$2,052.00
BOD (per 1,000 lbs., annual basis)	$572.79	$338.64
TSS (per 1,000 lbs., annual basis)	$468.23	$211.73

The effect of these changes on any individual user will depend on their individual flow and strength characteristics, however, in looking at past data, charges for nearly all will go down.

At the conclusion of the public hearing, Council is requested to adopt the ordinance revising the Municipal Code and adopt the resolution setting the wastewater capacity impact fee. The updated fee will become effective 60 days following adoption of the resolution per State law, which translates to Monday, March 6, 2006.

FISCAL IMPACT: The additional utility revenue from the capacity fee will be significant, but the actual amount will obviously depend on development levels. Revenue in FY 04105 was $1.44 million. The change in the service charges for high-strength users, based on current usage, will reduce annual revenue by approximately $200,000.

FUNDING AVAILABLE: Not applicable.

for _____
Richard C. Prima, Jr.
Public Works Director

Prepared by F. Wally Sandelin. City Engineer
RCP/FWS/pmf
Attachment
cc: Interested Parties

CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Ordinance No. 1768 Entitled, "An Ordinance of the City Council of the City of Lodi amending Lodi Municipal Code relating to the establishment of wastewater development impact fees by amending Lodi Municipal Code Title 13 – Public Services – Chapter 13.12, "Sewer Service," by repealing and reenacting Sections 13.12.020 (5) and (45), 13.12.180 (A), and 13.12.190; and further amending Title 15 – Buildings and Construction – Chapter 15.64, "Development Impact Mitigation Fees," by amending Section 15.64.10 – adding new paragraph "F" and relettering paragraphs (G) and (H) – repealing and reenacting Sections 15.64.030 **(A)** and 15.64.040, amending Section 15.64.060 – adding paragraph "C" – and repealing and reenacting Section 15.64.070 (B)"

MEETING DATE: January 4, 2006

PREPARED BY: City Clerk

RECOMMENDED ACTION: Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1768.

BACKGROUND INFORMATION: Ordinance No. 1768 entitled, "An Ordinance of the City Council of the City of Lodi amending Lodi Municipal Code relating to the establishment of wastewater development impact fees by amending Lodi Municipal Code Title 13 – Public Services – Chapter 13.12, "Sewer Service," by repealing and reenacting Sections 13.12.020 (5) and (45), 13.12.180 (A), and 13.12.190; and further amending Title 15 – Buildings and Construction – Chapter 15.64, "Development Impact Mitigation Fees," by amending Section 15.64.10 – adding new paragraph "F" and relettering paragraphs (G) and (H) – repealing and reenacting Sections 15.64.030 (A) and 15.64.040, amending Section 15.64.060 – adding paragraph "C" – and repealing and reenacting Section 15.64.070 (B)" was introduced at the regular City Council meeting of December 21, 2005.

ADOPTION: With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. ***Cal. Gov't Code § 36934.***

Ordinances take effect 30 days after their final passage. ***Cal. Gov't Code § 36937.***

This ordinance has been approved as to form by the City Attorney.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Susan J. Blackston
City Clerk

SJB
Attachment

APPROVED: _____
Blair King, City Manager

ORDINANCE NO. 1768

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI AMENDING LODI MUNICIPAL CODE TITLE 13 – PUBLIC SERVICES – CHAPTER 13.12, "SEWER SERVICE," BY REPEALING AND REENACTING SECTIONS 13.12.020 (5) AND (45), 13.12.180 (A), AND 13.12.190; AND FURTHER AMENDING TITLE 15 – BUILDINGS AND CONSTRUCTION – CHAPTER 15.64, "DEVELOPMENT IMPACT MITIGATION FEES," BY AMENDING SECTION 15.64.010 – ADDING NEW PARAGRAPH " F AND RELETTERING PARAGRAPHS (G) and (H) – REPEALING AND REENACTING SECTIONS 15.64.030 (A) AND 15.64.040, AMENDING SECTION 15.64.060 – ADDING PARAGRAPH "C" – AND REPEALING AND REENACTING SECTION 15.64.070 (B) RELATING TO THE ESTABLISHMENT OF WASTEWATER DEVELOPMENT IMPACT FEES

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

Section 1. Lodi Municipal Code Title 13, "Public Services," Chapter 13.12, "Sewer Service," is hereby amended by repealing and reenacting Sections 13.12.020 (5) and (45), 13.12.180 (A), and 13.12.190 and shall read as follows:

13.12.020 Definitions.

5. "Capacity" or "Impact fee" means a charge as described in this chapter, levied on construction or on new, expanded, or ongoing activity, which uses publicly-owned treatment works (POTW) capacity and other wastewater facilities associated with growth. The fee is normally paid at the time of issuance of a building permit.

45. "Sewage service unit or S S U is defined as each increment of flow equal to the flow from an average two-bedroom residence (one-hundred and ninety-four gallons per day) and having a strength **less** than three hundred milligrams per liter biochemical oxygen demand (BOD) and suspended solids (SS).

13.12.180 Domestic system service charges.

A. Basis. Charges for use of the domestic system shall **be** determined by the volume, BOD, and SS of wastes discharged. In addition, charges for preparation and maintaining the Sewer Master Plan, expansion of the Public Works Administration Building, and expansion of the Public Works Storage Facilities are allocated based upon volume, BOD, and SS.

13.12.190 Domestic system capacity or impact fees.

The capacity fee shall cover the capital cost associated with the POTW capacity and the planning, financing, acquisition, and development of other services and facilities directly related to the utilization of capacity by the discharger. Any actual costs incurred by the city in making the physical connection (tap) shall be separate and in addition to the capacity fee described in this section.

A. Moderate-strength user capacity fees shall be based on a rate per sewage service unit as assigned under Section 13.12.180. The capacity fee for a new commercial or industrial user shall be a minimum of one sewage service unit, and additions or modifications shall be prorated to fractions of sewage service units.

B. High-strength user capacity fees shall be based on a unit rate for flow, BOD, and SS. The estimated annual quantities of each characteristic shall be justified to, and approved by, the Public **Works** Director for the purpose of determining the capacity fee.

C. City projects and projects funded by the City are exempt from capacity fees as described in this section.

Section 2. Lodi Municipal Code Title **15,** "Buildings and Construction," Chapter **15.64,** "Development Impact Mitigation Fees," is hereby amended by amending §1**5.64.10** – adding new paragraph F and relettering paragraphs G and **H** – repealing and reenacting §§15.64.030 (A) and **15.64.040,** amending §15.64.060 – adding paragraph (C) – and repealing and reenacting §15.64.070 **(B)** and shall read as follows:

15.64.010 Findings and purpose.

F. The specific improvements and costs for wastewater capacity impact fees are described in the City of Lodi Wastewater Capacity Fees Analysis prepared for the City by Hilton, Famkopf & Hobson, LLC, dated August **15, 2005,** and the Development Impact Fee Update Study prepared for the City by Harris & Associates, dated October 2001, copies of which are on file with the City Clerk. The calculation of the fee is presented in Title **13,** Chapter **13.12** of the Lodi Municipal Code.

G. New development will generate new demand for facilities which must be accommodated by construction of new or expanded facilities. The amount of demand generated and, therefore, the benefit gained, varies according to kind of use. Therefore, a "residential acre equivalent" (RAE) factor was developed to convert the service demand for general plan based land use categories into a ratio of the particular use's rate to the rate associated with a low-density, single-family dwelling gross acre. The council finds that the fee per unit of development is directly proportional to the RAE associated with each particular use.

H. The city has previously approved various development projects which have made significant financial expenditures towards completion, including the payment of the then current development impact mitigation fees: but have not obtained a building permit. The city council finds and declares that such projects should be allowed to proceed without the imposition of new development impact mitigation fees imposed under this chapter.

15.64.030 Development impact funds.

A. The city finance director shall create in the city treasury the following special interest-bearing trust funds into which all amounts collected under this chapter shall be deposited:

1. Water facilities:
2. Sewer facilities:
3. Storm drainage facilities;
4. Street improvements;
5. Police facilities:
6. Fire facilities;
7. Parks and recreation facilities;
8. General city facilities and program administration.

15.64.040 Payment **of** Fees.

A. The property owner of any development project causing impacts to public facilities shall pay the appropriate development mitigation fee as provided in this chapter. The amount shall be calculated in accordance with this chapter and the program fee as established by council resolution.

B. When such payment is required by this chapter, no building permit or site development permit shall be approved for property within the city unless the development impact mitigation fees for that property are paid or guaranteed as provided in this chapter.

C. The fees shall be paid with the approval of a final subdivision map, building permit or site development permit, whichever occurs first except as provided in subsection (E) or (F) of this section.

D. If a final subdivision map has been issued before the effective date of the ordinance codified in this chapter, then the fees shall be paid before the issuance of a building permit or grading permit, whichever comes first except as exempted under Section 15.64.110 of this chapter.

E. Where the development project includes the installation of public improvements, the payment of fees established by this chapter may be deferred and shall be collected prior to acceptance of the public improvements by the city council. Payment of all deferred fees shall be guaranteed by the owner prior to deferral. Such guarantee shall consist of a surety bond, instrument of credit, cash, or other guarantee approved by the city attorney.

F. The fees may not be prepaid unless specified otherwise in a fee payment agreement or development agreement approved by the City Council.

G. Notwithstanding the above, City may collect subsequent increases in impact fees or new impact fees, unless the development project is exempt from fee increases under the terms of a fee payment agreement approved by Council, a Development Agreement approved by Council or California law.

15.64.060 Calculation of fees.

C. Sewer fees shall be calculated and collected per LMC 13.12.

15.64.070 Residential acre equivalent factor.

B. The residential acre equivalent (RAE) factors are as set out in the following table.

Land Use Categories	Water RAE	Storm Drainage RAE	Streets RAE	Police RAE	Fire RAE	Parks & Recreation RAE	General Facilities RAE
RESIDENTIAL							
Low Density	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Medium Density	1.96	1.00	1.96	1.77	1.96	1.43	1.43
High Density	3.49	1.00	3.05	4.72	4.32	2.80	2.80
East Side Residential	1.00	1.00	1.00	1.09	1.10	1.10	1.10
PLANNED RESIDENTIAL							
Low Density	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Medium Density	1.96	1.00	1.96	1.77	1.96	1.43	1.43
High Density	3.49	1.00	3.05	4.72	4.32	2.80	2.80
COMMERCIAL							
Retail Commercial	0.64	1.33	2.08	4.12	2.69	0.32	0.89
Office Commercial	0.64	1.33	3.27	3.72	2.46	0.54	1.53
INDUSTRIAL							
Light Industrial	0.26	1.33	2.00	0.30	0.64	0.23	0.64
Heavy Industrial	0.26	1.33	1.27	0.19	0.61	0.33	0.93

Section 3 - No Mandatorv Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside **of** the City so **as** to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section **4.** All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

Section 5. This ordinance shall be published one time in the "Lodi News Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi, and shall be in force and take effect 30 days from and after its passage and approval.

Attest:

Approved this 4th day of January, 2006.

SUSAN BLACKSTON
City Clerk

SUSAN HITCHCOCK
Mayor

State of California
County of San Joaquin, **ss.**

I, Susan J. Blackston, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1768 was introduced at a regular meeting of the City Council of the City of Lodi held December **21,** 2005, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held January **4,** 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, and Mounce

NOES: COUNCIL MEMBERS – Johnson and Mayor Hitchcock

'ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

I further certify that Ordinance No. 1768 was approved and signed by the Mayor of the date of its passage and the same has been published pursuant to law.

SUSAN J. BLACKSTON
City Clerk

Approved as to Form:

D. STEPHEN SCHWABAUER
City Attorney

RESOLUTION NO. 2006-06

A RESOLUTION OF THE LODI CITY COUNCIL
ADOPTING UPDATED WASTEWATER CAPACITY
IMPACT FEES

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby approve Wastewater Capacity Impact Fees as follows:

WASTEWATER CAPACITY IMPACT FEES	
	Fees ***NOTE: Includes 1% Public Art fee***
Moderate Strength **Users**	
Per SSU – current	n/a
Per RAE (residential acre equivalent)	$ 583.00 (approximately $116.60 per dwelling unit)
Per SSU – revised	$ 5,166.00
High Strength Users	
Flow (per MG, annual basis)	$39,376.00
BOD (per 1,000 lbs., annual basis)	$10,198.00
SS (per 1,000 **lbs..** annual basis)	$ 5,454.00

BE IT FURTHER RESOLVED that the Wastewater Capacity Impact Fees shall be adjusted annually on July 1, based on the past annual change in the Engineering News Record 20 Cities Construction Cost Index; and

BE IT FURTHER RESOLVED that this Resolution shall take effect March 6, 2006 (60 days following the final adoption of Ordinance No. 1768).

Dated: January 4, 2006

I hereby certify that Resolution **No,** 2006-06 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 4, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, and Mounce

NOES: COUNCIL MEMBERS – Johnson and Mayor Hitchcock

ABSTAIN: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

SUSAN J. BLACKSTON
City Clerk

RESOLUTION NO. 2006-07

A RESOLUTION OF THE LODI CITY COUNCIL
ADOPTING HIGH STRENGTH USERS SERVICE FEES

WHEREAS, "High Strength Users" are defined in the Lodi Municipal Code as users who discharge over 2 million gallons per year or the waste strength exceeds certain parameters. Similar to the Wastewater Capacity Impact Fee, the relative weight of flow and strength is reflected in treatment costs, and adjustments for the high-strength users' service charges are being recommended.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby approve High Strength Users Service Fees as follows:

HIGH STRENGTH USERS SERVICE FEES	
	Fees
Flow (per MG, annual basis)	$2,052.00
BOD (per 1,000 lbs.. annual basis)	$ 338.64
SS (per 1,000 lbs., annual basis)	$ 211.73

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

Dated: January 4, 2006

I hereby certify that Resolution No. 2006-07 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 4, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, and Mounce

NOES: COUNCIL MEMBERS – Johnson and Mayor Hitchcock

ABSTAIN: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

SUSAN J. BLACKSTON
City Clerk

PROOF OF PUBLICATION

(2015.5 C.C.C.P.)

STATE OF CALIFORNIA

County of San Joaquin

I am a citizen of the United States and a resident of the County aforesaid I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Lodi News-Sentinel, a newspaper of general circulation, printed and published daily except Sundays and holidays, in the City of Lodi, California, County of San Joaquin and which newspaper had been adjudicated a newspaper of general circulation by the Superior Court, Department 3, of the County of San Joaquin, State of California, under the date of May 26th, 1953. Case Number 65990; that the notice of which the annexed is a printed copy (set in type not smaller than non-pareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereto on the following dates to-wit:

December 3rd,

all in the year 2005.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Lodi, California, this 3rd day of December, 2005

Diane Rosales

Signature

This space is for the County Clerk's Filing Stamp

Proof of Publication of
pecial Notice of Public Hearing for January 4, 2006,
.eview the Proposed Wastewater Capacity Fee,
rovide Direction to Consider Adoption of the Fee

08502466

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Wednesday. January 4, 2006 at the hour of 700 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

a) Adoption of Wastewater Capacity Fees

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, California. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the close of the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine street, at or prior to the close of the public hearing.

By Order of the Lodi city Council:
Susan J. Blackston
City Clerk

Dated: November 22, 2005

Approved as to form:

D Stephen Schwabauer
City Attorney
December 3, 2005 – 08502466

8502466

Please immediately confirm receipt of this fax by calling 333-6702

CITY OF LODI
P. O. BOX **3006**
LODI. CALIFORNIA **95241-1910**

ADVERTISING INSTRUCTIONS

SUBJECT **SPECIAL NOTICE OF PUBLIC HEARING FOR JANUARY 4,2006, REVIEW THE PROPOSED WASTEWATER CAPACITY FEE, PROVIDE DIRECTION TO CONSIDER ADOPTION OF THE FEE.**

LEGAL AD

PUBLISH DATE: **DECEMBER 3,2005**

TEAR SHEETS WANTED: **Three (3) please**

SEND AFFIDAVIT AND BILL TO: SUSAN BLACKSTON, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: TUESDAY NOVEMBER 29,2005

ORDERED BY:

SUSAN J. BLACKSTON
CITY CLERK

JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

JACQUELINE **L.** TAYLOR, CMC
DEPUTY CITY CLERK

DANA R. CHAPMAN

ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Faxed to **the** Sentinel at 369-1084 at 12:25p (time) on 11/29/05 (date) 2 (pages)
US DIA P- **Phone**d to confirm receipt of all pages at 1230 (time) ___JLT ___DRC ___JMP (initials)

CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: January 4,2006

Time: 7:00 p.m.

For information regarding this notice please contact:
Susan J. Blackston
City Clerk
Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Wednesday, January **4, 2006** at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

a) Adoption of Wastewater Capacity Fees

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, California. Ali interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the close of the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing

By Order of the Lodi City Council:

Susan J. Blackston
City Clerk

Dated: November 22.2005

Approved as to form:

D. Stephen Schwabauer
City Attorney

DECLARATION OF POSTING

PUBLIC HEARING FOR JANUARY 4,2006, REVIEW THE PROPOSED WASTEWATER CAPACITY FEE, PROVIDE DIRECTION TO CONSIDER ADOPTION OF THE FEE

On Friday, December 2, 2005, in the City of Lodi, San Joaquin County, California, a notice of public hearing to review the proposed wastewater capacity fee, provide direction to consider adoption of the fee was posted at;

Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 2, 2005, at Lodi, California.

ORDERED **BY:**

SUSAN J. BLACKSTON
CITY CLERK

JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

JACQUELINE L. TAYLOR, CMC
DEPUTY CITY CLERK

DANA R. CHAPMAN
ADMINISTRATIVE CLERK

N:\Administration\CLERK\Forms\DECPOST.DOC

DECLARATION OF MAILING

PUBLIC HEARING FOR JANUARY 4,2006, REVIEW THE PROPOSED WASTEWATER CAPACITY FEE, PROVIDE DIRECTION TO CONSIDER ADOPTION OF THE FEE

On November 29,2005, in the City of Lodi, San Joaquin County, California, I deposited in the United States mail, envelopes with first-class postage prepaid thereon, to review the proposed wastewater capacity fee, provide direction to consider adoption of the fee.

There is a regular daily communication by mail between the City of Lodi, California, and the places to which said envelopes were addressed.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 29, 2005, at Lodi, California

ORDERED BY:

SUSAN BLACKSTON
CITY CLERK, CITY OF LODI

ORDERED BY:

JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

JACQUELINE L. TAYLOR, CMC
DEPUTY CITY CLERK

DANA R. CHAPMAN
ADMINISTRATIVE CLERK

A FRED BAKER
PO BOX 1510
LODI CA 95241-1510

EDWARD BARKETT
ATLAS PROPERTIES INC
2800 W MARCH LN STE 250
STOCKTON CA 95219-8218

DELMAR BATCH
11174 N DAVIS RD
LODI CA 95242

DENNIS BENNETT & STEVE MOORE
BENNETT DEVELOPMENT
777 S HAM LN
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CITY COUNCIL
SUSAN HITCHCOCK. Mayor
BOB JOHNSON
Mayor Pro Tempore
JOHNBECKMAN
LARRY D. HANSEN
JOANNE L. MOUNCE

CITY OF LODI

PUBLIC WORKS DEPARTMENT

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BLAIR KING
City Manager
SUSAN J. BLACKSTON
City Clerk
O. STEVEN SCHWABAUER
City Attorney
RICHARD C. PRIMA, JR.
Public Works Director

December 30, 2005

SUBJECT: Public Hearing to Adopt Ordinance and Resolution for Updated Wastewater Capacity Impact Fee and Service Charges for High Strength Users

Enclosed is a copy of background information on an item on the City Council agenda of Wednesday, January 4, 2006. The meeting will be held at 7 p.m. in the City Council Chamber, Carnegie Forum, 305 West Pine Street.

The Council will conduct a public hearing on this item. You are welcome to attend and speak at the appropriate time.

If you wish to write to the City Council, please address your letter to City Council, City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the mail. Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Council Meeting, be sure to fill out a speaker's card (available at the Carnegie Forum immediately prior to the start of the meeting) and give it to the City Clerk. If you have any questions about communicating with the Council, please contact Susan Blackston, City Clerk, at (209) 333-6702.

If you have any questions about the item itself, please call Wally Sandelin at (209) 333-6706.

Wally Sandelin
for Richard C. Prima, Jr.
Public Works Director

RCP/drr

Enclosure

cc: City Clerk

NCCMTG.DOC

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I-1

Exhibit 1

HILTON FARNKOPF & HOBSON, LLC
Advisory Services to
Municipal Management

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Fax (925) 977-6955
hfh-consultants.com

Walnut Creek
Newport Beach

August 15,2005

Mr. Richard C. Prima
Director of Public Works
City of Lodi
221 West Pine Street
Lodi, CA 96241-1910

Subject: Wastewater Capacity fees: Revised Analysis

Dear Mr. Prima:

The purpose of this letter is to present the results of our analysis of the City's wastewater capacity fees.

Current Capacity Fees

The City has two sewer development fees that are charged to new connections. The fees are based on either sanitary sewer units (SSUs)[1] or acreage. The fee based on sanitary sewer units is called the "capacity fee" and is intended to recover the cost of treatment and disposal facilities. The current capacity fee is $2,099 per SSU.

The fee based on acreage is called the "development impact mitigation fee" (DIMF) and is intended to recover the cost of other facilities that are not directly related to heahnent or disposal but are still integral with the sewer system, such as the Sewer Fund's share of the corporation yard. The DIMF varies depending on land use, ranging from $583 per acre for low-density residenhal development to $2,035 per acre for high-density

[1] Sanitary sewer units are based on a system of equivalencies specified in Article III., Section 13.12180 of the Lodi Municipal Code. For residential connections, one SSU equals a two–bedroom residence. A one-bedroom residence equals 0.75 SSUs and each additional bedroom equals 0.25 SSUs. For non-residential SSUs, 30 different parameters are used to establish the number of SSUs, such as the number of seats for restaurants, the number of machines for laundries, the number of students for schools, the number of employees for grocery stores, etc.. For high-strength connections, estimates of flow, BOD, and SS are used.

residential development with other intervening rates for non-residential development, For a typical home with a density of five units per acre, the DIMF is $116.60.

Capacity Fee Methodology

Capacity fees represent the unit cost of capacity paid by new connections to ensure that they contribute their fair share of capital costs. In calculating capacity fees, it is important to correlate the facilities with the corresponding connections to establish the "nexus" or relationship required by the Mitigation Fee Act.[2] The unit cost is the ratio of the value of the facilities divided by the corresponding connections. Of the commonly recognized methods for calculating capacity fees, we used the incremental approach, which calculates the unit cost of the growth-related portion of system expansion.

Unlike the City's current capacity fee and DIMF, we do not distinguish between wastewater treatment/disposal facilities and other support facilities like corporation yards, which do not provide capacity per *se*. The City is not unique in differentiating between connection-based and acreage-based components of capacity fees. We are aware of other water and sewer agencies with a similar bifurcation. Although it is possible to distinguish between the two types of facilities, we see no compelling logic to denominate certain facilities by capacity and others by acreage. Hence, we combined all facilities into a single capacity fee that is denominated by connections. This approach is simpler, which may explain why it is more prevalent.

INCREMENTAL COST CALCULATION

Under the incremental cost approach, the cost of expansion attributable to growth is divided by the growth-related capacity to determine the unit cost of growth. Table 1 shows the costs associated with upgrades for existing users and with expansion for new users. The majority of these costs are the debt service on the three outstanding bonds that have been issued and one bond planned for 2006.

The debt service cost includes principal and interest as part of the value of the facilities. Interest is often mistakenly excluded in capacity fee calculations under the misapprehension that double counting will not occur. In other words, it is thought that new connections will pay the interest in both the capacity fee and later through sewer

[2] Government Code 66000 el *seq.*.

service charges. That reasoning is flawed. New connections will only pay interest on debt service that **is** not included in the capacity fee. If all of the interest **is** included in the capacity fee, there should be no need for rate payers to also pay interest costs. It **is** appropriate to include interest because interest **is** part of the cost of the facilities in the same way that principal **is.**

The incremental costs of debt service are allocated to growth based on the portion of capacity that is related to expansion. In the case of the 1991 improvements (which refinanced the 1989 improvements), 74% (2.7 mgd added to 5.8 mgd for a total of 8.5 mgd) was related to growth. The 2003 (Phase I 2003/2004 improvements), 2004 (Phase II 2004/2005 improvements), and 2006 (Phase III 2006/2007 improvements) bonds were allocated based on the expansion related capacity **(2.2** mgd added to 6.3 mgd of current flow for a total of 8.5 mgd[3]) of each of the unit processes included in each of the three phases of improvements. Attachment **1** is included to show the detailed allocations that were performed to derive the growth allocations in Table **1** for the 2003,2004, and 2006 improvements. The result **is** an incremental cost of capacity of $5,115 per connection or SSU.

Table 1. Incremental Cost Calculation

Facilities	Cost	Growth Allocation	Growth Related Cost	Growth Related Capacity (gal)	Growth Related Connections (SSUs)	Cost Per Connection
1991 COP debt service	$28,065,964	74 0%	$20,768,813	2 700,000	13.916	$1,492
2003 COP debt service	$7,666,354	260%	$1,989,711	2,200,000	11,340	1175
2004 COP debt service	$37,376,493	24 2%	$9 046,845	2,200,000	11,340	$798
2006 COP debt service	$50,261,973	58 4%	$29,364,137	2,200,000	11,340	$2.589
Subtotal	$123 370,784		161,169,508			15.055
Sanitary sewer Master Plan	$115,970	100%	$115.970	2,200,000	11,340	$10
Public Works Admin Building	5373.420	100%	S373.420	2,200,000	11,340	$33
Public Works - Storage Facilities	1187.870	100%	1187,870	2,200,000	11,340	$17
Total	$124,048,044		SG1.846.768			55.115

Table *2* shows the derivation of the **unit** cost of capacity for each loading category (i.e., flow, BOD and SS). The total cost allocated to growth ($61,846,768) is allocated to each

[3] **The 2003 and 2004 bonds pay for facilities that do not add capacity beyond the current 6.8 mgd capacity. These facilities provide tertiary filtration and disinfection. With the 2006 bonds, the capacity will be expanded to 8.5 rngd.**

loading category based on the functions associated with each improvement'. Each of these three cost categories is then divided by the respective units of capacity to derive the unit cost for each loading category.

Table 2. Functionalized Costs

		Allocations Per Loading Category					
		Flow		BOD		SS	
	Total Cost	Percent	Amount	Percent	Amount	Percent	Amount
1991 COP debt service	$20,768,813	40.0%	$8,307,525	30.0%	$6,230,644	30.0%	$ 6,230,644
2003 COP debt service	$1,989,711	10.4%	$206,096	44.8%	$891,808	44.8%	$ 891,808
2004 COP debt service	$9,046,845	57.2%	$5,171,640	21.4%	$1,937,603	21.4%	1,937,603
2006 COP debt service	$29,364,137	58.8%	$17,277,779	34.1%	$9,999,355	7.1%	2,087,003
Subtotal	$61,169,508	50.6%	$30,963,041	31.2%	$19,059,409	18.2%	$11,147,057
Sanitary Sewer Master Plan	$115,970	50.6%	$58,702	31.2%	$36,134	18.2%	$21,133
Public Works Admin. Building	$373,420	50.6%	$189,019	31.2%	$116,352	18.2%	$68,049
Public Works - Storage Facilities	$187,870	50.6%	$95,097	31.2%	$58,537	18.2%	$34,236
Total	$61,846,768	50.6%	$31,305,859	31.2%	$19,270,432	18.2%	$11,270,476
		Units of Capacity and Cost of Capacity Per Loading Category					
Units for each loading category		Gal/day:	2,200,000	mg/l:	285	mg/l:	308
		Mg/day:	2.200	1,000 lb/day:	5.229	1,000 lb/day:	5.644
		Mg/yr:	803.0	1,000 lb/y:	1,908.5	1,000 lb/y:	2,087.2
Unit cost per loading category		Per mg/yr:	$38,986	Per 1,000 lb/yr:	$10,097	Per 1,000 lb/yr:	$5,400

To validate the methodology, the unit cost for each loading category are applied to the loadings specific to a residential connection in Table 3. The resulting capacity fee ($5,118 per residential connection) is virtually identical to the previous capacity fee ($5,115 per SSU).

Table 3. Residential Capacity Fee

	Flow Component		BOD Component		SS Component	
Residential loadings	Gal/day:	194	mg/l:	243	mg/l:	285
	Mg/yr:	0.0708	1,000 lb/y:	0.1435	1,000 lb/y:	0.1683
Cost per loading category		$ 2,761		$ 1,449		$ 909

Flow component	$ 2,760.61
BOD component	$ 1,448.97
SS Component	$ 908.83
	$ 5,118.41
Fee per SSU	$ 5,114.61
Rounding error	$ 3.80

Table **4** summarizes the revised capacity fees and compares them with the existing capacity fees.

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4 See **Attachment** 1.

Table 4. **Capacity** Fee Summary and Comparison

		Capacity Fees	
		Revised	Existing
Residential connections			
Bedrooms	SSUs		
1	0.75	$ 3.837	$ 1.575
2	1.00	$ 5.115	$ 2,099
3	1.25	$ 6,400	$ 2.627
4	1.50	$ 7,678	$ 3,151
5	1.75	$ 8.955	$ 3.675
6	2.00	$ 10333	$ 4.200
7	225	$ 11.515	$ 4,126
Commercial/Moderate Strength Conections			
Per SSU		$ 5.115	$ 2.099
High-Strength Connections			
Per MG per year		5 38,986	$ 11,193
Per 1,000 lbs BOD per year		$ 10.097	$ 4.611
Per 1,000 lbs SS per year		$ 5,400	$ 2.076

The revised capacity fees are greater than the existing capacity fees because of the improvements financed by the 2003,2004, and 2006 bonds, which total more that twice the improvements included in the existing capacity fees. In addition, cost per million gallons of flow has increased proportionately more than the charges per 1,000 pounds of BOD and SS because of the flow-related function provided by the improvements. Despite this increase, the revised capacity fees are less than the unit cost of capacity for a new plant.[5]

CONCLUSION

We recommend that the City adopt the revised capacity fees described in this report. In addition, we recommend that the City periodically update the capacity fees to reflect revised cost estimates and actual costs incurred. Between periodic updates, we

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5 West Yost & Associates estimated the cost of a new 8.5 mgd plant to be about $125 million, which with interest costs of financing could cost about $245 million, yielding a unit cost of $5,610 per SSU.

recommend that the City annually escalate the capacity fees **using** the ENR construction cost index so that the value of the capacity fees does **not** decline because of inflation. Rate payers are entitled to receive reimbursement based **on** the current cost of capacity and should not see their investment eroded by inflation.

Very truly yours,

HILTON FARNKOPF & HOBSON, LLC

John W. Farnkopf, P.E.
Senior Vice President

Attachment **1as** noted.

Phase I 2003 Improvements

Blower Improvements

Item	Estimated Construction Cost	Users Served Existing	Users Served New	Allocation to Functional Categories Flow	BOD	SS	Flow	BOD	SS	Total
Mobilization and contractor indirect costs @ 12%	$245,000									
Demolition	$10,000									
Blowers (pre-purchased)	$300,000									
Blower accessories (cost agreed to in pre-purchase contract)	$150,000									
Blower installation	$99,000									
Blower building piping, valves, fittings and appurtenances	$186,000									
Startup, testing, training	$19,000									
Electrical service upgrade *	$150,000									
Electrical, instrumentation, and controls	$1,000,000									
Subtotal (rounded)	$2,160,000									
Estimating Contingency @ 20%	$430,000									
Subtotal	$2,590,000									
Engineering and Administration @ 25%	$650,000									
Construction Contingency @ 10%	$130,000									
Estimated Construction Cost	$3,370,000	$2,500,000	$870,000	0%	50%	50%	$ -	$ 1,685,000	$ 1,685,000	$ 3,370,000

* PG&E utility costs not included.

New NCPA Pumping Station & Diversion Structure

Item	Estimated Construction Cost	Users Served Existing	Users Served New	Flow	BOD	SS	Flow	BOD	SS	Total
Mobilization and contractor indirect costs @ 12%	$30,000									
Excavation	$3,000									
Sheeting & Shoring	$10,000									
Concrete Structure	$32,000									
30" FE Pipe	$15,000									
Pumps	$30,000									
Valves and Appurtenances	$10,000									
Startup, testing, training	$4,000									
Electrical, instrumentation, and controls	$65,000									
Subtotal (rounded)	$200,000									
Estimating Contingency @ 20%	$40,000									
Subtotal	$240,000									
Engineering and Administration @ 25%	$60,000									
Construction Contingency @ 10%	$12,000									
Estimated Construction Cost	$312,000	$230,000	$82,000	100%	0%	0%	$ 312,000	$ -	$ -	$ 312,000

Civil Improvements (Levee Construction)

Item	Estimated Construction Cost	Users Served Existing	Users Served New	Flow	BOD	SS	Flow	BOD	SS	Total
Mobilization and contractor indirect costs @ 12%	$30,000									
Excavation & Loading (5,000 CY @ $10/CY)	$50,000									
Hauling (5,000 CY @ $3.50/CY)	$25,000									
Engineered Fill (5,000 CY @ $1.50/CY)	$7,500									
Paving	$20,000									
Piping	$60,000									
Subtotal (rounded)	$190,000									
Estimating Contingency @ 20%	$40,000									
Subtotal	$230,000									
Engineering and Administration @ 25%	$60,000									
Construction Contingency @ 10%	$12,000									
Estimated Construction Cost	$302,000	$220,000	$82,000	33%	33%	33%	$ 100,667	$ 100,667	$ 100,667	$ 302,000
	$ 3,984,000	$ 2,950,000	$ 1,034,000				$ 412,667	$ 1,785,667	$ 1,785,667	$ 3,984,000
							10.4%	44.8%	44.8%	To Table 11

Estimated Total 2003 Construction Cost	$3,984,000
Estimated 2003 Construction Cost Serving Existing Users	$2,950,000
Estimated 2003 Construction Cost Serving New Users	$1,034,000
% Estimated 2003 Construction Cost Serving Existing Users	74.0% To Table 11
% Estimated 2003 Construction Cost Serving New Users	26.0% To Table 12

Phase II 2004 Improvements

Installation of Parkson Panels in 2 Basins

Item	Estimated Construction Cost	Users Served Existing	Users Served New	Allocation to Functional Categories Flow	BOD	SS	Flow	BOD	SS
Mobilization @ 5%	$55,000								
Contractor indirect costs @ 12%	$130,000								
Demolition of existing diffusers/piping	$5,000								
Purchase aeration panels & appurtenances	$270,000								
Aeration piping and panel installation	$350,000								
Baffle wall and mixers	$85,000								
Startup, testing, training	$5,000								
Subtotal (rounded)	$900,000								
Estimating Contingency @ 20%	$180,000								
Subtotal	$1,080,000								
Engineering and Administration @ 25%	$270,000								
Construction Contingency @ 10%	$54,000								
Estimated Construction Cost	$1,404,000	$1,404,000		0%	50%	50%	$0	$702,000	$702,000

Item	Estimated Construction Cost	Users Served Existing	Users Served New	Flow	BOD	SS	Flow	BOD	SS
Tertiary Filtration Improvements (Estimate from Master Plan)	$11,910,000	$8,830,000	$3,080,000	33%	33%	33%	$3,970,000	$3,970,000	$3,970,000
UV Disinfection Facilities (Based on Estimate from Wedeco)	$8,500,000	$8,300,000	$2,200,000	100%			$8,500,000	$0	$0
	$21,814,000	$16,534,000	$5,280,000				$12,470,000	$4,672,000	$4,672,000
							57.2%	21.4%	21.4%

Estimated Total 2004 Construction Cost	$21,814,000		
Estimated 2004 Construction Cost Serving Existing Users	$16,534,000	$0	0
Estimated 2004 Construction Cost Serving New Users	$5,280,000		
% Estimated 2004 Construction Cost Serving Existing Users	75.8% To Table 11		
% Estimated 2004 Construction Cost Serving New Users	24.2% To Table 11		

Phase III 2006 Improvements

Item	Estimated Construction Cost	Users Served Existing	Users Served New	Flow	BOD	SS	Allocation to Functional Categories: Flow	BOD	SS	Total
Influent Screening	$650,000	$480,000	$170,000	50%		50%	$ 325,000	$ -	$ 325,000	$ 650,000
Headworks Improvements	$260,000	$190,000	$70,000	100%			$ 260,000	$ -	$ -	$ 260,000
Modify Domestic Pumps	$210,000	$160,000	$50,000	100%			$ 210,000	$ -	$ -	$ 210,000
Industrial Pumping Improvements	$360,000	$360,000		100%			$ 360,000	$ -	$ -	$ 360,000
2 New Aeration Basins	$4,440,000		$4,440,000	50%	9%		$ 2,220,000	$ 2,220,000	$ -	$ 4,440,000
New Diffusers in Existing Aeration Basins	$1,080,000	$1,080,000		50%	50%		$ 540,000	$ 540,000	$ -	$ 1,080,000
New Secondary Clarifier	$2,700,000		$2,700,000	50%	50%		$ 1,350,000	$ 1,350,000	$ -	$ 2,700,000
RAS/WAS Improvements	$1,360,000	$1,090,000	$270,000	50%	50%		$ 680,000	$ 680,000	$ -	$ 1,360,000
New Anaerobic Digester	$1,710,000		$1,710,000		50%	50%	$ -	$ 855,000	$ 855,000	$ 1,710,000
Sludge Lagoon Improvements	$930,000	$690,000	$240,000	50%	50%		$ 465,000	$ 465,000	$ -	$ 930,000
Storage Pond Aeration	$250,000	$190,000	$60,000	50%	50%		$ 125,000	$ 125,000	$ -	$ 250,000
Control System & Miscellaneous Operational Upgrades	$460,000	$340,000	$120,000	33%	33%	33%	$ 153,333	$ 153,333	$ 153,333	$ 460,000
Operation Building Improvements	$150,000	$110,000	$40,000	100%			$ 150,000	$ -	$ -	$ 150,000
100 Ac Wetlands	$3,000,000	$2,220,000	$780,000	100%	0%	0%	$ 3,000,000	$ -	$ -	$ 3,000,000
Reaeration, Diffuser	$1,200,000	$890,000	$310,000	100%	0%		$ 1,200,000	$ -	$ -	$ 1,200,000
Subtotal	$18,760,000	$7,800,000	$10,960,000				$ 11,038,333	$ 6,388,333	$ 1,333,333	$ 18,760,000
							59%	34%	7%	100%
Contingencies @ 20%	$3,752,000	$1,560,000	$2,192,000				$ 1,289,767	$ 746,441	$ 155,792	$ 2,192,000
	$22,512,000	$9,360,000	$13,152,000				$ 12,328,100	$ 7,134,774	$ 1,489,126	$ 20,952,000
							59%	34%	7%	To Table 11

Estimated Total 2005-6 Construction Cost	$22,512,000
Est.2005-6 Construction Cost Serving Existing Users	$9,360,000
Est. 2005-6 Construction Cost Serving New Users	$13,152,000
% Est.2005-6 Construction Cost Serving Exist. Users	41.6%
% Est.2005-6 Construction Cost Serving New Users	58.4%

13.12.020 Definitions.

5. 'Capacity' or 'Impact fee" means a charge as described in this chapter, levied on construction or on new. expanded or ongoing activity. which uses POTW capacity and other wastewater facilities associated with growth. The fee is normally paid at the time of issuance of a building permit.

45. 'Sewage service unit or SSU" is defined as each increment of flow equal to the flow from an average two-bedroom residence (~~two hundred and six~~ one-hundred and ninety-four gallons per day) and having a strength less than three hundred milligrams per liter BOD and SS.

13.12.180 Domestic system service charges.

A. Basis. Charges for use of the domestic system shall be determined by the volume, biochemical oxygen demand (BOD) and suspended solids (SS) of wastes discharged. In addition, charges for preparation and maintaining the Sewer Master Plan, expansion of the Public Works Administration Building and expansion of the Public Works Storage Facilities are allocated based upon volume, BOD and SS

13.12.190 Domestic system capacity or impact fees.

The capacity fee shall cover the capital cost associated with the POTW capacity ~~which will be utilized by the discharger~~ and the planning. financing, acquisition and development of other services and facilities directly related to the utilization of capacity by the discharger. Any actual costs incurred by the city in making the physical connection (tap) shall be separate and in addition to the capacity fee described in this section.

D. The capacity fee shall be paid at the time a building permit is issued and cannot be prepaid.

15.64.010 Findings and purpose.

F. The specific improvements and costs for wastewater capacity impact fees are described in the City of Lodi Wastewater Capacity Fees Analysis prepared for the City by Hilton, Famkopf & Hobson, LLC. dated August 15, 2005, and the Development Impact Fee Update Study prepared for the City by Harris & Associates, dated October 2001, copies of which are on file with the City Clerk. The calculation of the fee is presented in Title 13, Chapter 13.12 of the Lodi Municipal Code.

G. New development will generate new demand for facilities which must be accommodated by construction of new or expanded facilities. The amount of demand generated and, therefore, the benefit gained, varies according to kind of use. Therefore, a "residential acre equivalent" (RAE) factor was developed to convert the service demand for general plan based land use categories into a ratio of the particular use's rate to the rate associated with a low-density, single-family dwelling gross acre. The council finds that the fee per unit of development is directly proportional to the RAE associated with each particular use.

H. The city has previously approved various development projects which have made significant financial expenditures towards completion, including the payment of the then current development impact mitigation fees; but have not obtained a building permit. The city council finds and declares that such projects should be allowed to proceed without the imposition of new development impact mitigation fees imposed under this chapter. (Ord. 1547 § 1, 1992; 1526 § 1, 1991; Ord. 1518 § 1 (part), 1991)

15.64.030 Development impact funds.

A. The city finance director shall create in the city treasury the following special interest-bearing trust funds into which all amounts collected under this chapter shall be deposited:

1. Water facilities;

2. Sewer facilities:

~~a. General sewer facilities,~~

~~b. Kettleman Lane lift station,~~

~~c. Harney Lane lift station,~~

~~d. Cluff Avenue lift station,~~

3. Storm drainage facilities;

4. Street improvements;

5. Police facilities;

6. Fire facilities;

7. Parks and recreation facilities;

8. General city facilities and program administration,

15.64.060 Calculation of fees.

C. Sewer fees shall be calculated and collected per LMC 13.12.

15.64.070 Residential acre equivalent factor.

B. The residential acre equivalent (RAE) factors are as set out in the following table.

Land Use Categories	Water RAE	Sewer RAE	Storm Drainage RAE	Streets RAE	Police RAE	Fire RAE	Parks & Recreation RAE	General Facilities RAE
RESIDENTIAL								
Low Density	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Medium Density	1.96	1.96	1.00	1.96	1.77	1.96	1.43	1.43
High Density	3.49	3.49	1.00	3.05	4.72	4.32	2.80	2.80
East Side Residential	1.00	1.00	1.00	1.00	1.09	1.10	1.10	1.10
PLANNED RESIDENTIAL								
Low Density	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Medium Density	1.96	1.96	1.00	1.96	1.77	1.96	1.43	1.43
High Density	3.49	3.49	1.00	3.05	4.72	4.32	2.80	2.80
COMMERCIAL								
Retail Commercial	0.64	0.94	1.33	2.08	4.12	2.69	0.32	0.89
Office Commercial	0.64	0.94	1.33	3.27	3.72	2.46	0.54	1.53
INDUSTRIAL								
Light Industrial	0.26	0.42	1.33	2.00	0.30	0.64	0.23	0.64
Heavy Industrial	0.26	0.42	1.33	1.27	0.19	0.61	0.33	0.93

(Ord. 1547 § 3, 1992; Ord. 1518 § 1 (part), 1991)