



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

DATE: April 19, 2016

MEMO TO: Board of Directors - Union Sanitary District

FROM: Paul R. Eldredge, General Manager/District Engineer

SUBJECT: Agenda Item No. 11 - Meeting of April 25, 2016
Consider Adopting an Ordinance Providing for the Collection of Capacity Charges for Connection to the Main Sewers of Union Sanitary District

Recommendation

Consider Adopting Ordinance No. 35.22, Setting the Capacity Fees Specified Therein for Fiscal Years 2017 through 2020.

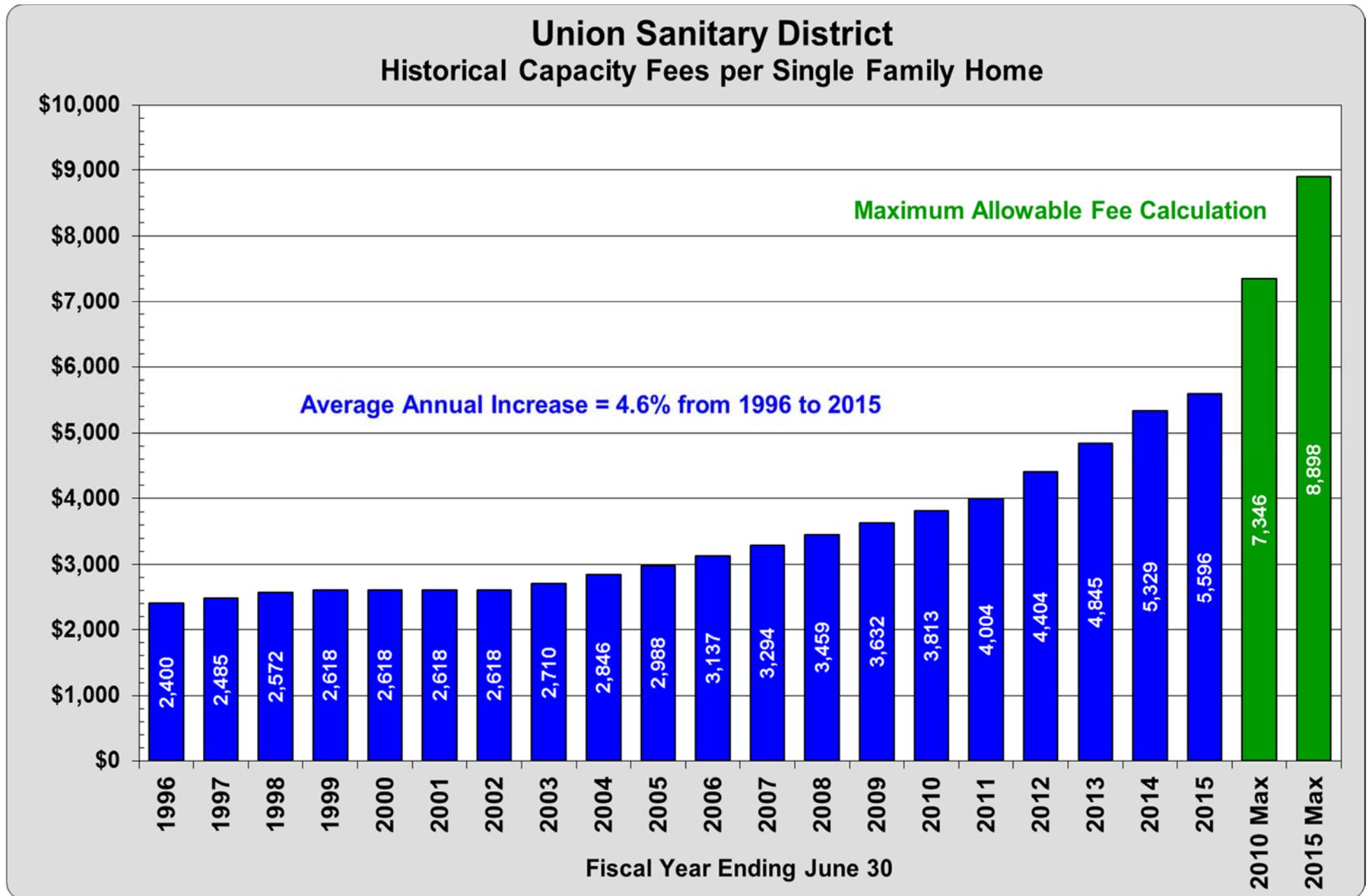
Background

Serving the cities of Fremont, Newark, and Union City, Union Sanitary District manages a large collection of facilities that includes over 800 miles of sewer lines, seven pump stations, and the buildings and equipment at the Union City Wastewater Treatment Plant. In total, the District is responsible for operating, maintaining, and replacing over \$650.9 million of assets. The District's FY 2016 operating budget is approximately \$60.2 million, and raises revenue from two primary sources: (1) Sewer service charges paid by residential customers, businesses, and other users of the system; and (2) Capacity fees paid by developers and other new users when they connect to USD's system.

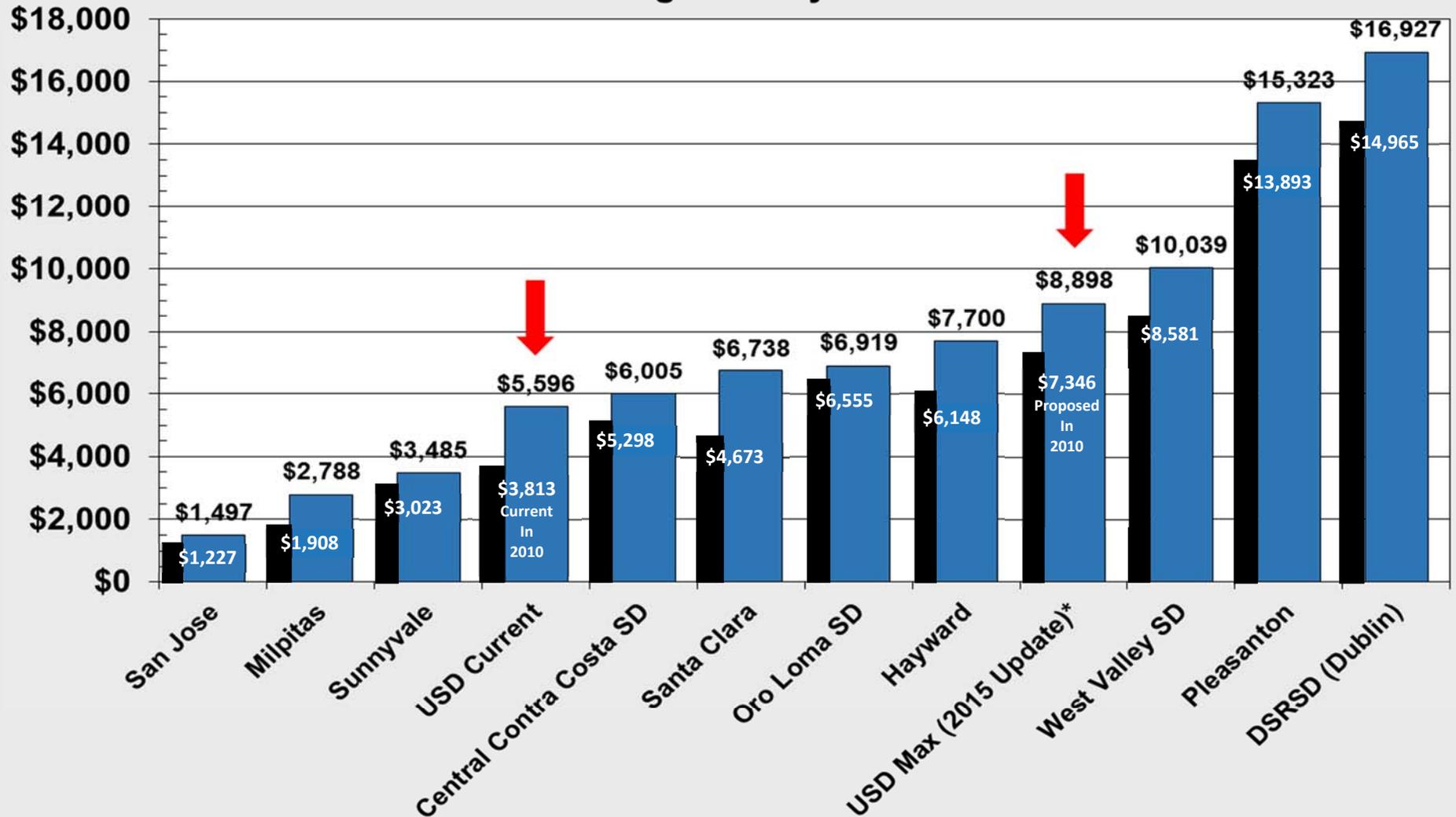
Sewer capacity fees are separate from USD's ongoing sewer service charges. USD's ongoing sewer service charges are governed by Proposition 218, and as such, subject to Proposition 218's various notice and hearing requirements. In contrast, USD's sewer capacity fees are governed by the Mitigation Fee Act and are one-time fees, imposed when a user makes a new or expanded connection to USD's system. Capacity fees recover the costs for existing facilities and facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged.

District Outreach and Proposed Fees

Prior to this meeting, USD provided notice of the proposed increase in capacity fees and made data supporting the proposed increase available to the public as required by law, including, without limitation, Government Code sections 66013 and 66016. In addition, staff conducted a noteworthy



Union Sanitary District Sewer Capacity Fee Survey - October 2015 Single Family Home



* Based on moderate CIP alternative.

\$0.00 2010 Capacity Fees

Fees Effective October 2015

Attachment 3 – Capacity Fee Fund Balance
 Ordinance 35.22 Staff Report, April 25, 2016

