

# **APPENDIX B**



City Of Modesto

# WASTEWATER CONNECTION FEE STUDY

---

SEPTEMBER 1998

B R O W N   A N D   C A L D W E L L

B R O W N   A N D  
C A L D W E L L

September 24, 1998

Ms. Alice Tulloch, P.E.  
Deputy Director of Public Works  
and Transportation  
City of Modesto  
1221 Sutter Avenue  
Modesto, California 95351

11-5447-08/1

Subject: Draft Wastewater Connection Fee Study

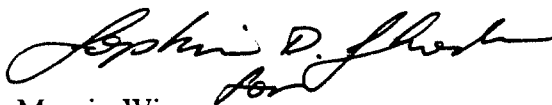
Dear Ms. Tulloch:

Enclosed is the Draft Wastewater Connection Fee Study. The findings are summarized in Chapter 1. Chapter 2 presents a discussion of the legal issues regarding connection fees and a summary of the connection fee calculation methodologies used. Chapter 3 presents the development of the connection fees. The City should examine carefully the sections in Chapter 4 that deal with replacement cost and system capacity.

If you have any questions about the development of the wastewater connection fees, call Marv Winer at (925) 210-2202.

Very truly yours,

BROWN AND CALDWELL



Marvin Winer  
Project Manager



Sophia Skoda  
Project Engineer

MW:SS:pk  
Enclosure

*Environmental Engineering And Consulting*

P.O. BOX 8045, WALNUT CREEK, CA 94596-1220 • 3480 BUSKIRK AVENUE, SUITE 150, PLEASANT HILL, CA 94523-4342  
(510) 937-9010 FAX (510) 937-9026

08/12/98\\E:\REPORTS\5447\5447-08\covitr.docpk

## CHAPTER 3

### REVIEW OF EXISTING FEES

The City of Modesto (City) has a comprehensive system of connection fees for its sewer utility. Some of the fees recover costs of specific facilities (commonly called special purpose facilities), constructed for the specific benefit of an individual new connection, while other fees recover the costs of capacity in back-up facilities (e.g., trunk sewers, treatment plant, pump stations, disposal systems, etc.) necessary to provide service. This system of fees consists of three separate and distinct fees, as set forth below:

1. **Sewer Bond Redemption Charge.** This charge was originally designed to meet the debt service on a bond issued to finance now paid off main trunk lines. This charge is now used to recover the cost of capacity in the wastewater treatment facilities. Residential fees are \$500.00 per dwelling unit, commercial fees are \$2,000 per acre and there is an additional fee of \$37.00 for an inspection to determine acreage.
2. **Subtrunk Sewer Extension Charge.** Recovers the cost of subtrunk extension, not previously recovered, from a property (or portion thereof) based on gross acres. Residential land commercial areas (Territories annexed to City pursuant to Res. 80-191, [South Airport Annexation] adopted March 4, 1980) are \$150.00 per gross acre; all other residential or commercial areas are \$645.00 per gross acre; industrial areas vary, based on sewer size; and an additional fee of \$22.00 for inspection to determine acreage.
3. **Sewer Lateral Connection Fee.** Recovers the cost of installing laterals to serve the property based on cost per linear foot. The Modesto City Council signed a resolution in February of 1997 establishing a sewer lateral connection fee. The Sewer Lateral Connection fee is \$33.00 per linear foot.

The City's current connection fee schedule is contained in Appendix B.

The system of sewer utility connection fees described above (particularly the Sewer Bond Redemption Charge and the Subtrunk Sewer Extension charge) is based, in large, on gross acreage. Because there is a very weak relationship between gross acreage and wastewater discharge, we recommend that the connection charge components be based on expected wastewater discharge (as developed from expected water use and return-to-sewer factors). As a consequence, the unit costs of capacity and the connection fees developed in the following chapter will be based on flow (gpd).

*This is a draft report and is not intended to be a final representation of the work done or recommendations made by Brown and Caldwell. It should not be relied upon; consult the final report.*