



Legislation Details (With Text)

File #: ID16-1215 **Version:** 1 **Name:**

Type: Ordinance **Status:** Passed

File created: 10/11/2016 **In control:** City Council

On agenda: 10/20/2016 **Final action:** 10/20/2016

Title: ***BILL NO. B-39 - (Intro. 10/13/2016) (For adoption) - Repealing and adding Section 6-301 of the Fresno Municipal Code related to General Provisions; Purpose and Policy of Sewage and Water Disposal (Citywide).

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. 2016-10-13 ORD Repealing FMC 6-301 and Adding FMC 6-301.pdf

Date	Ver.	Action By	Action	Result
10/20/2016	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

October 20, 2016

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

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Department of Public Utilities - Wastewater Management Division

SUBJECT

***BILL NO. B-39 - (Intro. 10/13/2016) (For adoption) - Repealing and adding Section 6-301 of the Fresno Municipal Code related to General Provisions; Purpose and Policy of Sewage and Water Disposal (Citywide).

RECOMMENDATION

Staff recommends City Council consider for introduction and adoption an Ordinance repealing section 6-301 of the Fresno Municipal Code and adding a revised section 6-301 to allow the City Manager or designee to approve transfer of sewer capacity for businesses in Fresno when the business is relocating to another Fresno location at which there is no or insufficient sewer capacity, the business has previously purchase sewer capacity at a location, and an agreed-upon amount of sewer capacity is left at the donating location.

EXECUTIVE SUMMARY

Sewer capacity purchased upfront or acquired through a deferred payment program pays for the right to connect to the sewer conveyance system and for sewer treatment at the Fresno Clovis Regional Wastewater Reclamation Facility (RWRF). Currently, sewer capacity paid upfront or through a deferred payment program remains in the property and cannot be transferred to another location. The proposed ordinance repeals section 6-301 of the Fresno Municipal Code and adds an updated section 6-301 allowing the City Manager or designee to authorize transfers of limited sewer capacity for businesses using the RWRF and relocating to other areas in Fresno. The transfer would be permissible only where there is insufficient or no sewer capacity at the location to which the business is relocating. Business in Fresno planning to expand by relocating in other areas of Fresno will benefit from the ability to transfer a limited amount of capacity already acquired at the existing location saving in connection costs if relocating in an area that has insufficient capacity or none.

BACKGROUND

New residential, commercial and industrial developments pay capacity charges for the right to connect to the sanitary sewer system and to treat their wastewater discharge at the RWRF. These charges are the Wastewater Facilities Charge and the Trunk Sewer Charge and pay for the capital costs associated with the design and construction of wastewater facilities needed to convey and process the wastewater discharged by the users of the system. Residential development pays these charges upfront at time of permit or when safe to occupy. After 1999, businesses pay these fees as “Sewer Facility Charges” through a deferred, non-interest program.

Sewer capacity for businesses paid up-front, grandfathered by customer use or expansion, or acquired through the deferred payment program stays in the property. Currently, a business in Fresno relocating within the City cannot use the sewer capacity they previously acquired at the existing location. The proposed Ordinance will permit such transfers upon the City Manager or designee’s approval.

The proposed Ordinance allows the City Manager or designee to enter into an agreement with the customer to transfer acquired sewer capacity from one location (“donating property”) to another location (“receiving property”) for existing businesses relocating within the City. Transfers can only occur if: 1) the receiving property is in Fresno; 2) the receiving property has insufficient or no sewer capacity; and 3) capacity is left at the donating property.

In addition, customers utilizing greater capacity than is allocated at the donating or receiving property will incur sewer capacity charges as set forth in the Master Fee Resolution.

Existing business relocating to another area in Fresno will benefit from the ability to transfer sewer capacity to a new location, thus cutting expenses that could be substantial if the location has insufficient or no capacity.

ENVIRONMENTAL FINDINGS

This is not a project for the purposes of CEQA, pursuant to section 15378 of the CEQA Guidelines.

LOCAL PREFERENCE

Local preference was not considered because the Ordinance does not include a bid or award of a construction or services contract.

FISCAL IMPACT

There is no fiscal impact. Sewer capacity acquired at the donating location will be moved to the receiving location with no impact to the Regional Sanitary System or the RWRF. The system will not be overuse by doing these transfers.

Attachments:
Ordinance for Adoption