

GOLETA

WEST SANITARY DISTRICT

Wastewater Miscellaneous Fees Report

Report / August 8, 2023





August 8, 2023

Mr. Brian McCarthy
General Manager/Superintendent
Goleta West Sanitary District
UCSB Campus, Lot 32
Santa Barbara, CA 93106

Subject: Wastewater Miscellaneous Fees Report

Dear Mr. McCarthy:

Presented in this report is our review and evaluation of Goleta West Sanitary District (District) miscellaneous fees. A detailed discussion of our analysis including the miscellaneous fees is provided below.

The miscellaneous fees are based on the costs of providing the various miscellaneous services and incorporate labor costs, costs of any materials, and travel costs. The current fees and corresponding proposed fees are shown below.

It has been a pleasure working with you on this project. If you have questions, please call me.

Sincerely,

A blue ink signature of Sudhir Pardiwala, written in a cursive style.

Sudhir Pardiwala, P.E.
Exec Vice President

A blue ink signature of Sarah Wingfield, written in a cursive style.

Sarah Wingfield
Associate Consultant

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Miscellaneous Fees

This section of the report includes the District's current miscellaneous fees, the methodologies and calculations used in the study, and the proposed fees.

Study Background

The Goleta West Sanitary District contracted Raftelis to perform a miscellaneous fee study in 2022. The main objective of the study is to develop fair and justifiable miscellaneous fees that reflect the actual costs the District incurs to provide wastewater services to its customers. Raftelis worked closely with District staff to determine accurate hourly estimates, inputs, and assumptions that were utilized to calculate the proposed fees.

Current Fees

Several of the District's current fees were evaluated in this study including:

- » Permit fee
- » Plan check fee
- » Inspection fee
- » Frontage fee
- » Industrial services fee

Table 1 shows the District's current fees for those included in the list above.

Table 1: Current Miscellaneous Fees

Fee Name	Current Fee
Permit Processing Fee	\$100
Plan Check Fee	\$153 for SFR, \$153 minimum for all others
Inspection Fees	\$105/ERU (\$177 minimum)
Frontage Fee (per ERU)	\$1,375
Industrial Wastewater Discharge Permit Fee – Class I	\$800 (\$855 annual renewal)
Industrial Wastewater Discharge Permit Fee – Class II	\$885 (\$1,195 annual renewal)
Industrial Wastewater Discharge Permit Fee – Class III	\$965 (\$1,830 annual renewal)
Industrial Wastewater Discharge Permit Fee – Class IIIR	\$965 (\$1,830 annual renewal)
Industrial Wastewater Discharge Permit Fee – Class V	\$1,135 (\$3,340 annual renewal)

Key Inputs

Several inputs are used to determine the proposed fees, which were determined based on discussions with and direction from District staff. The inputs include labor costs, time spent completing each task, and mileage rate for travel.

The labor costs are the loaded costs including benefits and overhead. The travel mileage rate is \$0.625 per mile traveled, based on the Internal Revenue Service’s (IRS) standard mileage rate, effective June 2022.

District staff provided hourly pay rates for all relevant employees, which were then applied to the corresponding tasks to estimate total hourly costs for each fee-related activity. The hourly employee pay costs including benefits (along with the corresponding miscellaneous fees for each type) are provided below in **Table 2**.

Table 2: Employee Pay Rates

Employee Title	Est. Hourly Pay	Fee(s) Applied
Inspector	\$81.80	Plan Check, Inspection
Inspector (Industrial)	\$83.59	Industrial
General Personnel	\$81.80	Permit

Fee Calculations

Raftelis worked closely with District staff to determine the direct labor, overhead, benefits, travel, and material costs for each fee. The total calculated fee is equal to the sum of all costs, representing the fully burdened cost of the District to provide each specific service.

Permit Processing Fee

Table 3 shows the fee calculation for the Permit Processing Fee. The permit processing fee is used to recover the cost incurred by the District personnel in processing various permits such as connection permits, sewer repair permit, grease interceptor installation permit, etc. Currently the permit processing fee is a \$100 flat charge. The proposed permit processing fee will increase to \$123 to reflect cost recovery for an estimated time of 1.5 hours spent processing each permit and the updated associated personnel hourly cost of \$81.80 per hour.

Table 3: Permit Processing Fee Calculation

Permit Processing Fee	
Estimated Time Spent	1.5 hr(s)
Estimated Personnel Cost	\$81.80/hr
Total Fee	\$123

Plan Check Fee

Table 4 shows the fee calculation for the Plan Check Fee. The plan check fee recovers the cost of the District’s staff reviewing the proposed construction plan to check for standard specifications, examining gradients, etc. The current plan check fees are classified as single family residential use, all non-single family residential use, construction of public sewers, and special on-site installations. Estimates of the costs associated with plan checks have been provided by the District to develop a fee for plan checks. The costs are based on District staff’s average time to complete the plan check assuming that the mileage is covered as part of other tasks resulting in a proposed plan check fee of \$184 for single family residential and \$81.80 per hour for all other customers (subject to a minimum charge of \$184). The deposit for construction of public sewers remains at 5% of the engineer’s cost estimate.

Table 4: Plan Check Fee Calculation

Plan Check Fee	
Inspector Hourly Cost	\$81.80
Estimated Time Spent Working	1.75 hr(s)
Estimated Travel Time	0.50 hr(s)
Estimated Mileage	0.00
Estimated Mileage Cost (per IRS)	\$0.625/mi
Total Fee	\$184

Customer Classification	Existing	Proposed
Single Family Residential	\$153	\$184
Multi-family Residential/per ERU, New/Remodel	\$68 per hour \$153 Minimum	\$81.80 per hour \$184 Minimum
Commercial/Industrial New/Remodel/ Tenant Improvements	\$68 per hour \$153 Minimum	\$81.80 per hour \$184 Minimum
Special Facility Installations (Pump Stations, manholes, Grease interceptors)	\$68 per hour \$153 Minimum	\$81.80 per hour \$184 Minimum
Construction of public sewers – Deposit	2% of cost estimate	2% of cost estimate
Accessory Dwelling Units	\$153	\$184

For special on-suite installations, the minimum charge will be \$184 plus \$81.80 per hour.

Inspection Fees

The District’s current inspection fees are separated into more specific categories that allow for a more detailed approach to the calculation of the final fee. These fees represent the cost of an inspector making trips to the construction site and conducting a walkthrough of the site to inspect the actual construction and to verify construction was completed per

approved plans. **Table 5** and **Table 6** show the individual calculations for each general type of Inspection fee. **Table 7** shows the current and proposed Inspection Fees for each customer class and activity.

Table 5: Inspection Fee Rate Data

Estimated Cost of Inspector	\$81.80/hour
Time per Trip, hours	0.50
Miles - roundtrip	6.00
IRS rate per mile	0.63

Table 6: Inspection Fee –Calculations

	Building Sewer Repair & Replacement	SFR New/ Remodel	MFR/per ERU, New/ Remodel	Commercial/ Industrial New/Remodel/ Tenant Improvements	Special Facility Installations (Pump Stations, manholes, Grease interceptors
Time Spent, hours each trip	1.50	1.50	1.00	2.00	2.00
Number of Trips	2	2	1	4	4
Mileage	\$7.50	\$7.50	\$3.75	\$15.00	\$15.00
Labor	<u>\$204.50</u>	<u>\$204.50</u>	<u>\$122.70</u>	<u>\$327.20</u>	<u>\$327.20</u>
Total Fee	\$212	\$212	\$126	\$342	\$342
All uses requiring construction of public sewers		5.00%		Deposit of General Manager's estimate of cost of construction	

Table 7: Existing & Proposed Inspection Fees

	Existing	Proposed
Customer Class	Flat Fee	Flat Fee
SFR New/Remodel	\$177	\$212
MFR/per ERU, New/Remodel	\$105	\$126
Building Sewer Repair & Replacement	\$177	\$212
Commercial/Industrial New/Remodel/ Tenant Improvements	\$285	\$342
Special Facility Installations (Pump Stations, manholes, Grease interceptors)	\$285	\$342
Construction of Public Sewers - Fee	\$85/hour of District Staff time	\$85/hour
Construction of Public Sewers - Deposit	5% of engineer's cost estimates	5% of engineer's cost estimates
Accessory Dwelling Units	\$177	\$212

Frontage Fee

Table 8 shows the calculation for the Frontage Fee. For properties that will be in-filling and continue to use existing collector sewers the District should charge a frontage fee to cover the cost of the collector sewers. For a typical single family residence with 50 feet of frontage, an 8-in sewer collector is estimated to cost \$245 per foot. Assuming that these sewers are half depreciated results in a Replacement Cost less Depreciation (RCLD) of \$122.50 for the 50 feet frontage. This cost is shared by two properties on either side of a street. Therefore, the frontage fee is \$3,065 per ERU. An ADU will pay at the frontage fee based on its percentage size.

Table 8: Frontage Fee Calculation

Frontage Fee	
Cost of Installing New 8" Collector Line	\$245/ft
Cost of Depreciated line	\$122.50/ft
Front Footage (per 2 ERU)	50 ft
Cost for 2 ERU	\$6,125
Total Fee per ERU	\$3,065

Industrial Wastewater Discharge Permit Fee

As defined in the District's Industrial Waste/Pretreatment Ordinance, all significant industrial users proposing to connect to or discharge into any part of the sewerage system must first obtain an Industrial Wastewater Discharge Permit". The District currently has five classes of industrial users, as described below:

1. **Class I: No Hazard** – Industrial users in this class do not handle, store, dispose or discharge toxic wastes into the sewer system.
2. **Class II: Low Hazard** – Industrial users in this class handle or store toxic wastes, but do not discharge them into the sewer system.

3. **Class III: Hazardous** – Industrial users in this class either intermittently or continuously discharge toxic wastes into the sewer system but are not classified as significant industrial users.
4. **Class III-R: Groundwater Remediation** – Industrial users in this class pump contaminated groundwater through treatment and then discharge it into the sewer system.
5. **Class IV: Serious Hazard** – Industrial users in this class are significant industrial users that are regulated under categorical pretreatment standards that have continuous discharge to the sewer system that contain toxic pollutants.

Since the bulk of monitoring cost applies to industrial customers, the purpose of the industrial wastewater discharge fee is to recover these costs from the five industrial classes serviced by the District. The monitoring costs are recovered through an initial permit fee and an annual renewal fee based on cost estimates provided by District staff. The initial permit fee recovers costs associated with the issuance of a new permit based on the amount of personnel time involved. This fee is one-time only and is assessed for each new industrial customer requiring an initial permit. At the time the initial permit fee is paid, an additional annual renewal fee will be charged to the customer on a pro-rated quarterly basis from the time the initial permit is issued.

For example, if the initial permit will be issued in the first quarter of the year, the customer will pay 75% of the annual renewal fee for that customer class for that year. The annual renewal fee recovers costs that have both fixed and variable components. The fixed component is associated with the cost to renew and reissue the permit and annual renewal sticker. Each permit has a three-year life cycle but must be renewed annually. The variable component varies by customer class and is associated with the number of inspections, samples, and self-samples required annually and the number of trips required to the industrial customer site.

Table 8 summarizes the inspection and sampling frequency required of each class:

Table 9: Inspection and Sampling Frequency

Customer Class	# of inspections per year	# times samples per year	# trips per year	# times self-sampled
Class I	1	-	1	-
Class II	1	1	2	-
Class III	2	2	4	-
Class IIIR	2	2	4	-
Class IV	4	2	6	2

Table 9 summarizes the inspection and sampling frequency required of each class:

Table 10: Inspection and Sampling Frequency for New Permits

Customer Class	New permit time (hrs)	Renew and issue permit, once per every 3 years (hrs)	Issue renewal sticker, twice per 3 years (hrs)	Inspection (hrs)	Sampling (hrs)	Travel Time (hrs)	Self Sampling (hrs)	EPA Audit & Reporting (hrs)
Class I	2	4	5	1	2.5	0.5	1.5	4
Class II	2	4	5	2	2.5	0.5	1.5	4
Class III	4	4	5	3	2.5	0.5	1.5	4
Class IIIR	3	4	5	3	2.5	0.5	1.5	4
Class IV	5	4	5	5	2.5	0.5	1.5	4

Labor costs are based on an hourly rate of \$83.59 and include travel time and time associated with each element of service needed shown above. **Table 10** shows the calculation of an initial permit fee for a Class I customer, which is comprised of the labor costs required to issue a permit to an industrial customer. The initial permit requires 8 hours of administrative time for each class. **Table 11** shows the calculation of an annual renewal fee for a Class I customer combining the labor time from **Table 9** and the frequency from **Table 8**. The resulting fees for each industrial customer class are then summarized and compared with existing industrial fees in **Table 12**.

Table 11: Industrial Fee – Initial Permit Calculation for Class I

Industrial Fee – Initial Permit	Cost	
Inspector Hourly Cost	\$83.59	
Estimated Administrative Time	8 hr(s)	\$668.72
Estimated Working Time	2 hr(s)	\$167.18
Estimated Travel Time	0.5 hr(s)	\$41.80
Mileage Cost	\$0.625/mi	
Estimated Mileage	6.00 mi	\$3.75
Total Fee rounded up to nearest \$5		\$885

Table 12: Industrial Fee – Annual Renewal Calculation for Class I

Industrial Fee – Annual Renewal	Time from Table 9	Number per year from Table 8	Cost
Inspector Hourly Rate	\$83.59		
Estimated Time to Renew a Permit & Issue a Renewal Sticker every 3 years	4 hr(s)	1/3	\$111.45
Estimated Time to Issue a Renewal Sticker twice in 3 years	5 hr(s)	2/3	\$278.63
Inspection Time	1 hr	1	\$83.59
Estimated Sampling Time per sample	2.5 hr(s)	0	\$0
Estimated Time to Review Self-Sampling	1.5 hr(s)	0	\$0
Estimated Time for EPA Audit and Reporting	4 hr(s)	1	\$334.36
Estimated Travel Time	0.5 hr(s)	1	\$41.80
Mileage Cost	\$0.625/mi		
Estimated Mileage	6.00 mi	1	\$3.75
Total Fee rounded up to nearest \$5			\$885

Table 13: Existing & Proposed Industrial Fees

Customer Class	Existing		Proposed	
	Initial Permit	Annual Renewal	Initial Permit	Annual Renewal
Class I	\$800	\$855	\$885	\$855
Class II	\$885	\$1,195	\$885	\$1,195
Class III	\$965	\$1,830	\$1,050	\$1,830
Class IIIR	\$965	\$1,830	\$970	\$1,830
Class IV	\$1,135	\$3,340	\$1,135	\$3,340

Summary of Proposed Fees

Each fee is calculated by adding the total labor, overhead, employee benefits, travel, and material costs. **Table 13** lists the proposed fees alongside the District's current fees.

Table 14: Proposed Miscellaneous Fees

Fee Name	Current Fee	Proposed Fee
Permit Processing Fee	\$100	\$123
Plan Check Fee - SFR	\$153	\$184
Plan Check Fee – All Others	\$68/hour \$153 minimum	\$81.80 /hour \$184 minimum
SFR Inspection Fee	\$177	\$212
MFR (per ERU) or New/Remodel Inspection Fee	\$105/ERU	\$126/ERU
Building Sewer Repair & Replacement Inspection Fee	\$177	\$212
Commercial/Industrial Inspection Fee	\$285	\$342
Special Facility Inspection Fee	\$285	\$342
Construction of Public Sewers Fee Construction of Public Sewers Deposit	\$85/hr of District staff time, 5% of engineer's cost estimate	No Change
Accessory Dwelling Unit	\$177	\$212
Frontage Fee (per ERU)	\$1,375	\$3,065
Industrial Fee – Initial Permit Fees		
Class I	\$800	\$885
Class II	\$885	\$885
Class III	\$965	\$1050
Class IIIIR	\$965	\$970
Class IV	\$1,135	\$1,135
Industrial Fee – Annual Renewal Fees		
Class I	\$855	\$885
Class II	\$1,195	\$1,195
Class III	\$1,830	\$1,830
Class IIIIR	\$1,830	\$1,830
Class IV	\$3,340	\$3,340

NOTE: Some of the numbers shown above in **Table 13 were rounded per direction by the Board.**