

REPORT TO CITY COUNCIL
ANNUAL SEWER SERVICE CHARGE
CITY OF WEST HOLLYWOOD

FISCAL YEAR 2020/2021

April 30, 2020

INTRODUCTION

The City's sewer system consists of 39 miles of gravity piping ranging in size from 8 to 18 inches in diameter. This gravity sewer system includes over 850 pipe reaches and manholes, providing local sewer service to every parcel within the City. Approximately 75% of the citywide sewer system was constructed in the 1920's; the other 25% was constructed in the 1960's. The Sewer Service Charge is based on the direct cost of providing the service. These costs include staff, rent, utilities, and costs as contained in the budget to fund the ongoing operation and maintenance of the citywide sewer system. These services include routine cleaning, root and grease control, industrial waste regulation, spot repairs, as well as 24-hour emergency call-out service for line blockages. The Sewer Service Charge also funds video inspection, design, and construction work for rehabilitation of aging sewer lines.

The City levies an annual Sewer Service Charge on the property tax bill for all parcels in the City. This report explains the sewer service charges proposed to be levied on parcels for Fiscal Year 2020/2021.

PRIOR AND CURRENT YEAR ANNUAL CHARGES

In 1990, the City acquired the local sewer system from Los Angeles County and beginning in 1991, the City assumed responsibility for the Sewer Service Charge which was previously collected by the County for maintenance of the sewer system. In June 1997, the City Council adopted the method of calculation of the Sewer Service Charge after a review for compliance with the provisions of Proposition 218, which requires that fees and charges imposed on a parcel may not exceed the proportional special benefit conferred on that parcel. The Sewer Service Charge rates are directly reflective of the proportional use of the sewer system by each parcel within the City based on land use codes and parcel area. The basic term used to define the service charge is an Equivalent Sewer Unit (ESU). One ESU represents the average daily quantity of sewage flow from a single-family home. The number of ESU for all other land uses for lots and parcels is proportionally based on the ESU.

Because the costs of providing the sewer services may increase over time, in 2010 the City adopted a provision that beginning on July 1, 2018 and each July 1 through July 1, 2023, the Sewer Service Charge shall be increased by the annual increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers in the Los Angeles-Riverside-Orange County, CA Area (CPI-LA), including all items as published by the US Bureau of Labor Statistics as of March 1 of each year, not to exceed seven percent (7%) per year. The CPI-LA increase for the 2020/2021 ESU is 3.451%, and one ESU for 2020/2021 is \$45.97

In 2007 the State Water Resources Control Board approved stringent new regulations for the operation and maintenance of sewer collection systems throughout the State of California. The purpose of these regulations is to ensure that sewer systems are adequately funded and properly managed to reduce the number of sanitary sewer overflows and the potential negative impacts to public health.

In compliance with the State mandates, the City is implementing a multi-year program to perform video inspection and repair of the sewer system citywide. Approximately 10% of the sewer lines are scheduled

for inspection each year.

Following is a list of sewer rehabilitation projects completed in FY 19-20:

- CIP 1803, Sewer Repair & Rehabilitation on Melrose Ave and Robertson Blvd. Involves rehabilitation of 5,505 linear feet of sewer pipes. The cost of the project was \$730,000.
- Root Control Project: City retained the services of Duke's Root Control to spray chemicals in all sewer pipes to kill the tree roots that have infiltrated through cracks in the pipe. The cost of this project in FY 19-20 was \$70,000.

The City will continue video inspection of sewer lines to diagnose locations for rehabilitation. Approximately 40,000 linear feet of sewer lines (approximately 20% of the citywide system) have not yet been video inspected.

BUDGET FOR 2020/2021

The following chart provides a summary of the Sewer Budget for FY 2020/2021

Revenue	
Industrial waste permit fees collected by LA County	\$113,000
Assessments on Property	1,294,857
Interest earnings	1,000
Penalties on delinquent assessments	2,000
Connection fees	25,000
Mitigation fees	5,000
Total Revenues	<u>\$1,440,857</u>
Expenditures	
Salaries and wages	\$182,244.10
Fringe benefits	\$92,612.90
Supplies	5,000
Allocated overhead costs	15,000
Insurance	30,000
Professional Services	6,000
Sewer District Maintenance	300,000
Industrial Waste	110,000
Sewer Reconstruction	700,000
Total Expenditures	<u>\$1,440,857</u>

SUMMARY OF 2020/2021 CHARGES

The majority of the proposed 2020/2021 budget for the sewer program will be funded by the Sewer Service Charge levied on the property tax bill. The complete roll showing all parcels and charges is on file in the City Clerk's office. A summary of charges by land use including the high, low, and average assessments for the land use class is attached.

The formula for calculation of the Sewer Service Charge for 2020/2021 remains unchanged from the method of calculation adopted by the City Council in 1997. The Sewer Service Charge rates are directly reflective of the proportional use of the sewer system by each parcel within the City based on land use codes and parcel area. This means that properties with land uses which discharge large sewer flows pay a proportionally higher assessment than parcels with lower sewer generation rates. The Sewer Service Charge for 2020/2021 is multiplied by the Equivalent Sewer Units assigned to each parcel will be the charge for each parcel. The Equivalent Sewer Unit (ESU) determination for each parcel is described below.

SEWAGE GENERATION FACTORS

In 1992 the City commissioned Boyle Engineering Corporation (Boyle) to prepare a comprehensive Master Plan of Sewers. The Master Plan included extensive data collection regarding the average daily sewage flow generation rates for various types of West Hollywood land uses. The Master Plan was updated in November 2000 to update the computer model of the citywide sewer system to reflect development along Sunset Boulevard. City staff uses the computer model to analyze the operation and capacity of the sewer system. The average sewage flow generation rates are based on flow monitoring data collected by Boyle in 1992, as well as calibration comparisons to many years of flow monitoring data by engineering professionals from the Los Angeles County Sanitation District. The parcels within the City have a wide variety of sizes and shapes and many different land uses. The Master Plan's daily sewage generation rates are used to correlate the volume of daily sewage flow generated by a parcel to variables of land use and lot size. Also, for unique land development types (i.e. high rise commercial and medical buildings or heavy industrial operations), site specific daily flow generation data is available as part of data collected by the Master Plan, the Los Angeles County Sanitation District, flow monitoring, or through the City's Industrial Waste Permit Process.

A numeric relationship between the various lots and parcels is necessary for the allocation of the costs of sewer services among the lots and parcels. It is customary to relate the various land uses to the single family residential lot (includes Land use codes 0100, 0101, and 0104), which is established as one Equivalent Sewage Unit (ESU), and all other lots and parcels are related proportionally to the single family residential lot. Based on sewage generation rates, a single-family lot generates 260 gallons per day. Therefore, for purposes of comparison of the various land uses for lots and parcels, 260 gallons per day is designated as the equivalent of 1 ESU. The rate per ESU for 2020/2021 of \$45.97 is multiplied by the ESUs for each parcel to determine the charge for each parcel.

Residential Land Uses

The rate for single family residential is applied to all parcels with 1 to 4 dwelling units. The rate for multi-family residential parcels, with five or more apartment or condominium units, is 60% of the rate for single family residential. This is because apartments and condominiums on average have fewer occupants, fewer bathrooms, and typically do not have laundry facilities in each unit.

For Fiscal Year 2020/2021 the Sewer Service Charge rates for residential parcels are described below:

LAND USE	ESU	PRIOR YEAR ANNUAL CHARGE (2019/2020) (Per Unit)	PROPOSED ANNUAL CHARGE (2020/2021) Increase by 3.451% (Per Unit)	AMOUNT OF PROPOSED ANNUAL INCREASE (Per Unit)
Single Family	1.0	\$ 44.44	\$ 45.97	\$1.53
Multi Family	0.6	\$ 26.66	\$ 27.58	\$ 0.92
Condominiums	0.6	\$ 26.66	\$ 27.58	\$ 0.92

Non-Residential Parcels

For calculation of daily sewage generation characteristics for the majority of non-residential land uses within the City, the independent variable used by the Master Plan to calculate the daily sewage generation rates is the gross acreage of the parcel (measured in square feet).

The ESU for various non-residential land uses is calculated by the following equation: ESU =

$$[(\text{FACTOR}) \times (\text{PARCEL ACREAGE})] / 260$$

Following is a discussion of the various non-residential land uses and the derivation of the sewage generation FACTOR for use in the above equation to calculate the ESU generated by the parcels:

□ **Manufacturing and Utility (Land use codes 3020, 3100, 3200, 3700, 8100)**

Daily sewage generation rate = 0.20 gallons per day per square foot of gross parcel area
 FACTOR = (0.2 gallons/square foot) = 0.20

□ **Supermarket (Land use code 1400)**

Daily sewage generation rate = 0.30 gallons per day per square foot of gross parcel area
 FACTOR = (0.3 gallons/square foot) = 0.30

□ **Warehousing, Lumber Yard (Land use codes 2200, 3300, 3600)**

Daily sewage generation rate = 0.15 gallons per day per square foot of gross parcel area
 FACTOR = (0.15 gallons/square foot) = 0.15

□ **Commercial - retail stores, neighborhood shopping, service/repair, shopping center (Land use codes 1010, 1100, 1500, 1600, 2400, 2500, 2600, 2800, 2900, 7700)**

Daily sewage generation rate = 0.25 gallons per day per square foot of gross parcel area
 FACTOR = (0.25 gallons/square foot) = 0.25

NOTE: There are commercial properties with the above Land use codes which have been developed as laundries, dry cleaners, and car washes. These types of land uses operate with very intensive sewage generation and do not follow the above Factor formula. Based on flow monitoring data on file with the City and Los Angeles County, the following shall be used for the Factor formulas for these types developed properties:

For laundries and dry cleaners-

Daily sewage generation rate = .55 gallons per day per square foot of gross parcel area.
FACTOR = (.55 gallons/square foot) = .55

For car washes -

Daily sewage generation rate = .5 gallons per day per square foot of gross parcel area.
FACTOR = (.5 gallons/square foot) = .5

In the case of mixed use parcels, the number of businesses on the parcel became that basis for the determination of the Factor, i.e., a parcel with a dry cleaner and a convenience store would have one-half of its Factor based on the dry cleaner rate and one-half based on the convenience store rate.

- **Commercial - Store & Office Combo, Store & Residential Combo (Land use code 1200, 1210, and 1330)**

Daily sewage generation rate = 0.20 gallons per day per square foot of gross parcel area
FACTOR = (0.2 gallons/square foot) = 0.20

- **Private Schools, Lodge Halls, Fraternal Clubs, Churches, Theater (Land use code 6100, 6400, 7200, and 7100)**

Daily sewage generation rate = 0.1 gallons per day per square foot of gross parcel area
FACTOR = (0.1 gallons/square foot) = 0.1

- **Gymnasiums, Health Spas (Land use code 6530)**

Daily sewage generation rate = 0.35 gallons per day per square foot of gross parcel area
FACTOR = (0.35 gallons/square foot) = 0.35

- **Office Building, Professional Building (Land use codes 1700, 1900)**

Daily sewage generation rate = 0.20 gallons per day per square foot of gross parcel area
FACTOR = (0.2 gallons/square foot) = 0.20

NOTE: There are parcels with the land use codes 1700 and 1900 which are actually multi-story buildings over three floors in height. These parcels do not follow the above factor formula. At the end of this document there is a listing of multi-story buildings and the ESU associated with each specific property, based on site specific analysis of the sewage discharge for the site.

□ **Banks, Savings & Loans (Land use code 2300)**

Daily sewage generation rate = 0.20 gallons per day per square foot of gross parcel area

$$\text{FACTOR} = (0.2 \text{ gallons/square foot}) = 0.20$$

NOTE: There may be some parcels with the land use code 2300 which are actually multi-story buildings over three floors in height. These parcels do not follow the above factor formula. At the end of this document there is a listing of multi-story buildings and the ESU associated with each specific property, based on site-specific analysis of the sewage discharge for the site

□ **Veterinary Hospitals, Clinics, Medical Building (Land use code 1920 and 7400)**

Daily sewage generation rate = 0.30 gallons per day per square foot of gross parcel area

$$\text{FACTOR} = (0.3 \text{ gallons/square foot}) = 0.30$$

NOTE: There are parcels with the land use code 7400 which are actually multi-story buildings over three floors in height. These parcels do not follow the above factor formula. At the end of this document there is a listing of multi-story buildings and the ESU associated with each specific property, based on site-specific analysis of the sewage discharge for the site.

□ **Restaurants, Cocktail Lounges (Land use code 2100)**

Daily sewage generation rate = 0.3 gallons per day per square foot of gross parcel area

$$\text{FACTOR} = (0.3 \text{ gallons/square foot}) = 0.3$$

□ **Hotels, Motels, and Rooming Houses (Land use codes 0800, 1800, 1810, 1820, 1830, 1850, 7500)**

For this category of non-residential land use, the number of rooms or units serves best as the independent variable for calculation of daily sewage generation characteristics. The daily sewage generation rate is 125 gallons per day per room. Therefore, for this category the equation to calculate the ESU is as follows:

$$\text{ESU} = [(\text{NUMBER OF ROOMS}) \times (125 \text{ gallons per room})] / 260$$

□ **Vacant Land and Parking Lot Uses (Land use codes 010V, 020V, 030V, 040V, 050V, 100V, 300V, 1000, 2700, and 3800)**

For these categories of land use, the parcel's occupancy condition does not generate a substantial volume of sewage flow. However, these parcels may have previously contained sewage generating development and have the potential for development into a sewage generating land use in the future. The City's mainline sewer system is laid out such that all of these parcels have connection to the existing sewer system. As part of providing citywide mainline sewer service, the City must continue to operate and maintain the main line sewer system adjacent to these vacant parcels and parking lots. Therefore, a base of 1/2 ESU is assigned to each of these parcels.

□ **Multi-unit Residential Land Uses (Land use codes 010C, 010E, 010F, 0200, 0300, 0400, and 0500)**

For multiple unit residential land uses (i.e. apartments and condominiums), the daily sewage generation rate is 156 gallons per day per dwelling unit. The flow rate for multi-unit residential is less than for single family residential because these types of units generally have fewer occupants and fewer bathrooms per unit as well as generally do not have laundry facilities located within each unit. Therefore, for this category the equation to calculate the ESU is as follows:

$$ESU = [(NUMBER\ OF\ UNITS) \times (156\ gallons\ per\ unit)] / 260$$

□ **Multi-story Commercial Buildings and Mixed-Use Commercial/Residential Buildings**

As noted previously, there are a number of high-rise properties within the City that operate as office, professional, and medical buildings. Additionally, there are a number of multi-story mixed use parcels containing combinations of residential, retail, restaurant, office, and other uses. For these sites, the general Factor formulas are not applicable. Following is a listing of the specific sites, and the ESU for each, based on sewage flow data collected for the Master Plan, the Los Angeles County Sanitation District, flow monitoring, or through the City’s Industrial Waste Permit Process:

APN	Building Name	Site Address	Daily Sewage Generation Rate	ESU
4335002050	Mixed Use Medical Office/Retail	8900 BEVERLY BLVD	14,780 gallons per day	(14,780/260) = 57
4336019033	Multi-story Office Building	8899 BEVERLY BLVD	51,700 gallons per day	(51,700/260) = 199
5531009035	Mixed Use Residential & Commercial	7141 SANTA MONICA BLVD (FORMERLY 1107 DETROIT ST)	23,880 gallons	(23,920/260) = 92
5531018001	The Lot - Movie Studio Campus	1041 N FORMOSA AVE	46,280 gallons per day	(46,280/260) = 178
5555004091	Pali House	8465 HOLLOWAY DR	9,617 gallons per day	(9,617/260) = 37
5531010009 & 5531010010	Mixed Use Residential & Commercial	1145 N LA BREA	6,605 gallons per day	(6,605/260) = 25
5531012039	Parking Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	0.5	0.5
5531012040	Restaurant and Retail Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	5,429 gallons per day	(5,429/260) = 21
5531012041	Restaurant and Retail Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	5,429 gallons per day	(5,429/260) = 21
5531012042	Apartments Parcel of Mixed Use Residential and	1234 N LA BREA	149 apartment units	89.4

APN	Building Name	Site Address	Daily Sewage Generation Rate	ESU
	Commercial Building			
5531012043	Apartments Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	1 apartment unit	.6
5531012044	Apartments Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	6 apartment units	3.6
5531012045	Apartments Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	9 apartment units	5.4
5531012046	Apartments Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	3 apartment units	1.8
5531012047	Apartments Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	4 apartment units	2.4
5531012048	Apartments Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	3 apartment units	1.8
5531012049	Apartments Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	6 apartment units	3.6
5531012050	Apartments Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	1 apartment unit	.6
5531012051	Apartments Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	2 apartment units	1.2
5531012052	Apartments Parcel of Mixed Use Residential and Commercial Building	1234 N LA BREA	3 apartment units	1.8
4336011018, 4336011019, & 4336011027	Kimpton La Peer Hotel	627 LA PEER DR	17,343 gallons per day	$(17,343/260) = 67$
4337003101	Mixed Use Restaurant & Commercial	8507 MELROSE AVE	3,197 gallons/day	$(3,120/260) = 12$

APN	Building Name	Site Address	Daily Sewage Generation Rate	ESU
4336007037	Mixed Use Restaurant & Commercial	8711-8715 MELROSE AVE	10,989 gallons/day	$(3,120/260) = 42$
4337017041	Pacific Design Center - Blue Building	8687 MELROSE AVE	150,000 gallons per day	$(150,000/260) = 577$
4337017042	Pacific Design Center - Green Building	8687 MELROSE AVE	89,840 gallons per day	$(89,840/260) = 346$
4337017043	Pacific Design Center - Red Building	750 SAN VICENTE BLVD	58,450 gallons per day	$(58,450/260) = 225$
4337020024	Medical Office Building	310 N SAN VICENTE BLVD	11,700 gallons/day	$(11,700/260) = 45$
4339017059	London Hotel	1020 N SAN VICENTE BLVD	35,792 gallons/day	$(35,792/260) = 138$
5531010031	Parking Parcel of Mixed Use Residential and Commercial Building	7111 SANTA MONICA BLVD	0.5	0.5
5531010032	Restaurant and Retail Parcel of Mixed Use Residential and Commercial Building	7111 SANTA MONICA BLVD	5,270 gallons per day	$(5,270/260) = 20$
5531010033	Apartments Parcel of Mixed Use Residential and Commercial Building	7111 SANTA MONICA BLVD	147 apartment units	88.2
5531010034	Apartments Parcel of Mixed Use Residential and Commercial Building	7111 SANTA MONICA BLVD	1 apartment unit	.6
5531010035	Apartments Parcel of Mixed Use Residential and Commercial Building	7111 SANTA MONICA BLVD	5 apartment units	3
5531010036	Apartments Parcel of Mixed Use Residential and Commercial Building	7111 SANTA MONICA BLVD	13 apartment units	7.8
5531010037	Apartments Parcel of Mixed Use Residential and Commercial Building	7111 SANTA MONICA BLVD	10 apartment units	6
5531010038	Apartments Parcel of Mixed Use Residential and Commercial Building	7111 SANTA MONICA BLVD	2 apartment units	1.2

APN	Building Name	Site Address	Daily Sewage Generation Rate	ESU
5531010039	Apartments Parcel of Mixed Use Residential and Commercial Building	7111 SANTA MONICA BLVD	4 apartment units	2.4
5531010040	Apartments Parcel of Mixed Use Residential and Commercial Building	7111 SANTA MONICA BLVD	2 apartment units	1.2
5531017020	Gateway Shopping Center	7118 SANTA MONICA BLVD	50,180 gallons per day	$(50,180/260) = 193$
5531021026	Restaurant and Retail Parcel of Mixed Use Residential and Commercial Building	7302 SANTA MONICA BLVD	7,755 gallons per day	$(7,755/260) = 30$
5531021027	Restaurant and Office Parcel of Mixed Use Residential and Commercial Building	7302 SANTA MONICA BLVD	1,210 gallons per day	$(1,210/260) = 5$
5531021028	Market Parcel of Mixed Use Residential and Commercial Building	7302 SANTA MONICA BLVD	1,198 gallons per day	$(1,198/260) = 8$
5531021029	Restaurant, Office, and Retail Parcel of Mixed Use Residential and Commercial Building	7302 SANTA MONICA BLVD	1,776 gallons per day	$(1,776/260) = 7$
5531021030	Apartments Parcel of Mixed Use Residential and Commercial Building	7302 SANTA MONICA	294 apartment units	176.4
5531021031	Apartments Parcel of Mixed Use Residential and Commercial Building	7302 SANTA MONICA	77 apartment units	46.2
5531021032	Parking Parcel of Mixed Use Residential and Commercial Building	7302 SANTA MONICA	0.5	0.5
5529001192	Mixed Use Residential & Commercial	8350-8364 SANTA MONICA BLVD	8,073 gallons per day	$(8,060/260) = 31$
5554026022	Multi-story Office Building	8431 SANTA MONICA BLVD	8,400 gallons per day	$(8,400/260) = 32$
4339010070	Restaurant Parcel of Condominium Mixed Use Residential and Retail	8759 SANTA MONICA BLVD	1,053 gallons per day	$(1053/260) = 4$

APN	Building Name	Site Address	Daily Sewage Generation Rate	ESU
	Building			
5530019901 & 5530019902	Mixed Use Residential & Commercial	1060 SIERRA BONITA	7,317 gallons per day	(7,280/260) = 28
5555022032	Multi-story Office Building	8305 SUNSET BLVD	5,051 gallons per day	(4,940/260) = 19
5555022003	Multi-story Office Building	8335 W SUNSET BLVD	2,645 gallons per day	(2,645/260) = 10
5555011039	Andaz Hotel	8401 W SUNSET BLVD	37,888 gallons per day	(37,888/260) = 146
5555011038	Multi-story Office Building	8439 W SUNSET BLVD	9,010 gallons per day	(9,010/260) = 35
5555002125 & 5555002126	Sunset-La Cienega East Parcel – Mixed Use Hotel and Commercial Building	8490 W SUNSET BLVD	49,690 gallons per day	(49,690/260) = 191
5555005038 & 5555005039 & 5555005040 & 5555005041 & 5555055210	Sunset-La Cienega Middle Parcel - Mixed Use Residential and Commercial Building	8500 W SUNSET BLVD	40,963 gallons per day	(41,080/260) = 158
5559001188	Multi-story Office Building	8560 W SUNSET BLVD	13,570 gallons per day	(13,570/260) = 52
5559001192	Sunset Millennium West Parcel - Shopping Center	8570 W SUNSET BLVD	38,232 gallons per day	(38,232/260) = 147
5559002017	Multi-story Office Building	8730 W SUNSET BLVD	14,218 gallons per day	(14,218/260) = 55
4339016025	Multi-story Office Building	8800 W SUNSET BLVD	14,220 gallons per day	(14,220/260) = 55
5560022032	Multi-story Office Building	8831 W SUNSET BLVD	5,460 gallons per day	(5,460/260) = 21

APN	Building Name	Site Address	Daily Sewage Generation Rate	ESU
5560022033	Multi-story Office Building	8833 W SUNSET BLVD	5,460 gallons per day	$(5,460/260) = 21$
5560025021	Multi-story Office Building	8981 W SUNSET BLVD	7,615 gallons per day	$(7,615/260) = 29$
4340026027	Multi-story Office Building	9000 W SUNSET BLVD	28,440 gallons per day	$(28,440/260) = 109$
4340028020	Multi-story Office Building	9200 W SUNSET BLVD	76,700 gallons per day	$(76,700/260) = 295$
5560035025	Sunset Medical Center Tower	9201 W SUNSET BLVD	47,825 gallons per day	$(47,825/260) = 184$
4340028019	Multi-story Office Building	9220 W SUNSET BLVD	10,964 gallons per day	$(10,964/260) = 42$
4350001033	Multi-story Office Building	9229 W SUNSET BLVD	18,100 gallons per day	$(18,100/260) = 70$
4350001036	Multi-story Office Building	9255 W SUNSET BLVD	26,500 gallons per day	$(26,500/260) = 102$

□ **Government Facilities and Parcels (Land use codes 8100 and 8800)**

There are several parcels that receive sewer service that are owned and operated by government agencies. These include the MTA station near San Vicente, City Hall, city-owned parking structures, two fire stations, schools, County facilities, two post offices and several public parks. Proposition 218 requires that each parcel not pay more than the proportional cost of providing the service. Therefore, because these government parcels use the sewer service, they are included in the computation of the charge and are charged. Each parcel in the governmental land use codes was reviewed to determine its type of use, i.e., City Hall is an office building and ESU's were assigned on that comparative basis.

ANNUAL INCREASES

Every 5 years Proposition 218 Omnibus Implementation Act (Government Code Section 53756) requires Mailed Balloting to Property Owners to re-authorize the automatic CPI increase. Assuming there is not a majority protest, beginning July 1, 2018 and each July 1 through July 2022, the Sewer Service Charges established in 2010 shall be adjusted annually for inflation for a period of five years as described above. Notices will be mailed out each year that there is a CPI increase and the CPI will not exceed 7%. If CPI is negative, there will be no increase that year.

PROPOSITION 218 CONSIDERATIONS

Proposition 218, which was approved by the voters of the State of California on November 6, 1996, contains requirements for the imposition of a fee or charge for property related services. Procedures for fees and charges are contained in Section 6 of Article XIII D.

Pursuant to Proposition 218, a fee or charge must comply with the following five conditions:

- (1) Revenues shall not exceed the funds required to provide the service.
- (2) Revenues shall not be used for any other purpose.
- (3) The amount of the fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- (4) No fee or charge may be imposed unless the service is actually used by or immediately available to the owner of the property in question.
- (5) No fee or charge shall be imposed for general governmental services, i.e., police, ambulance, library, where the service is available to the public at large in substantially the same manner as it is to the property owners.

We conclude that the City of West Hollywood Sewer Service Charge with its annual CPI increase as described in this report is permitted under Prop 218 as it satisfies the five conditions as follows:

- (1) The base rates have been the same for many years and are not increasing under this proposal. The only change is for inflation, which by its very nature covers the increased costs of living and doing business as a result of normal economic conditions and thus the increase will not exceed the cost of providing service.

- (2) Revenues are held separate from other City funds and only used for the sewer program.
- (3) Rates are based on the services attributed to each parcel. These services are directly reflective of the proportional use of the sewer system by each parcel within the City based on land use codes and parcel area. This means that properties with land uses which discharge large sewer flows pay a proportionally higher assessment than parcels with lower sewer generation rates.
- (4) Revenue collected from parcels on the property tax bill is based on the County Assessor's records. The City has a program in place to review and resolve any discrepancies with the charge for a parcel, based on an audit of the actual land use and sewage discharge rate.
- (5) Funds for the sewer program are specific services provided for operation and maintenance of the sewer infrastructure, which serves all parcels citywide. The City uses other funds for general services to the public at large.

Government Code Section 53756 allows the City to authorize automatic adjustments to property-related charges that are clearly defined by a formula for adjusting for inflation and are for a period not to exceed five years. On June 2, 2018, the City held a public hearing and established the automatic adjustment of these charges, commencing July 1, 2018 and each July 1 through July 1, 2022. We conclude that the City is permitted under Government Code Section 53756 to increase the annual charge for an additional five-year period. The inflation increase will be in accordance with CPI, which is identified as the Consumer Price Index for Urban Wage Earners and Clerical Workers in the Los Angeles-Long Beach-Anaheim Area (CPI-LA), including all items as published by the US Bureau of Labor Statistics as of March 1st of each year, and the increase is not to exceed seven percent (7%) per year. For the fiscal year starting July 1, 2020 the CPI-LA rate is 3.451%, if adopted. As required under the Government Code, notices will be mailed out each year that there is a CPI increase and before the increase is applied. If CPI is negative, there will be no increase that year.

City of West Hollywood
 Sewer District Assessments
Examples of Assessments by Land Use

ATTACHMENT A
 February 2020

Fiscal Year: July 2020 - June 2021

Code	Land Use Description	High Asmt	Low Asmt	Avg. Asmt	No. of Parcels	Total Asmt
0100	Single Family Residential	\$1,379.10	\$0.00	\$47.39	1,034	\$49,004.02
0101	Single Family Residence w/Pool	\$45.97	\$45.97	\$45.97	51	\$2,344.47
0104	Single Family Residence w/Therapy Pool	\$45.97	\$45.97	\$45.97	7	\$321.79
010C	Single Family Residence -- Condominium	\$27.58	\$27.58	\$27.58	2,446	\$67,465.57
010E	Single Family Residence -- Condo Conversion	\$27.58	\$27.58	\$27.58	3,285	\$90,606.87
010F	Single Family Residence -- Cooperative	\$27.58	\$27.58	\$27.58	21	\$579.22
010V	Vacant Land -- Residential	\$22.99	\$22.99	\$22.99	25	\$574.63
0200	Double, Duplex or Two Units -- Residential	\$55.16	\$27.58	\$55.05	481	\$26,478.72
020V	Vacant Land -- Double, Duplex or Two Units -- Residential	\$22.99	\$22.99	\$22.99	3	\$68.96
0300	Three Units (Any Combination) -- Residential	\$82.75	\$55.16	\$82.59	181	\$14,949.44
030V	Vacant Land -- Three Units	\$22.99	\$22.99	\$22.99	2	\$45.97
0400	Four Units (Any Combination) -- Residential	\$137.91	\$110.33	\$110.48	176	\$19,445.31
040V	Vacant Land - Four Units	\$22.99	\$22.99	\$22.99	12	\$275.82
0500	Five or More Apartments	\$8,109.11	\$27.58	\$389.74	1,167	\$454,827.18
050V	Vacant Land -- 5 Units or More	\$22.99	\$22.99	\$22.99	7	\$160.90
0800	Rooming Houses	\$237.66	\$237.66	\$237.66	1	\$237.66
1000	Commercial Open	\$22.99	\$22.99	\$22.99	3	\$68.96
100V	Vacant Land -- Commercial	\$873.43	\$22.99	\$79.68	15	\$1,195.22
1010	Miscellaneous Commercial	\$242.98	\$131.10	\$187.04	2	\$374.08
1100	Stores Commercial	\$6,757.59	\$46.41	\$353.52	220	\$77,774.92
1200	Store & Office Combination	\$2,620.29	\$0.00	\$391.26	74	\$28,952.97
1210	Store & Residential Combo -- Commercial	\$12,554.41	\$27.58	\$696.18	98	\$68,226.02
1330	Department Store: Home Furnishings (Barker Bros., Etc.)	\$228.75	\$228.75	\$228.75	1	\$228.75
1400	Supermarket (12000+ SF)	\$5,060.02	\$233.39	\$2,681.86	8	\$21,454.87
1500	Shopping Centers (Neighborhood, Community)	\$2,291.25	\$261.68	\$899.85	16	\$14,397.67
1600	Shopping Centers (Regional)	\$8,872.21	\$8,872.21	\$8,872.21	1	\$8,872.21
1700	Office Building	\$13,561.15	\$33.10	\$838.42	108	\$90,549.66
1800	Hotels (Under 50 Rooms)	\$22.07	\$0.00	\$3.15	7	\$22.07

1810	Hotels (50+ Rooms)	\$6,711.62	\$0.00	\$3,229.65	18	\$58,133.66
1820	Motels (Under 50 Units)	\$485.44	\$198.59	\$342.02	4	\$1,368.07
1850	Motels/Hotels and Apartment Combinations (50+ Units)	\$2,868.53	\$1,700.89	\$2,280.72	3	\$6,842.17
1900	Professional Buildings	\$8,458.48	\$231.65	\$1,535.09	7	\$10,745.63

City of West Hollywood
Sewer District Assessments

February 2020

Examples of Assessments by Land Use

Fiscal Year: July 2020 - June 2021

Code	Land Use Description	High Asmt	Low Asmt	Avg. Asmt	No. of Parcels	Total Asmt
1910	Professional Building Medical/Dental	\$2,068.65	\$198.70	\$635.78	5	\$3,178.88
1920	Veterinary Hospitals, Clinics	\$303.35	\$230.84	\$264.95	3	\$794.84
2100	Restaurants, Cocktail Lounges & Taverns	\$2,637.69	\$78.08	\$467.31	71	\$33,178.76
2200	Wholesale & Manufacturing Outlets	\$26,524.69	\$15,905.62	\$21,215.16	2	\$42,430.31
2300	Banks, Savings & Loans	\$824.84	\$134.02	\$457.94	9	\$4,121.49
2400	Service Shops, Radio/TV Repair, Paint Shops, Laundries, etc.	\$517.16	\$221.98	\$296.34	7	\$2,074.40
2500	Service Stations (Full Service)	\$752.67	\$226.23	\$501.80	6	\$3,010.81
2600	Auto Service Shop (Body & Fender Commercial Garage)	\$1,519.22	\$125.36	\$408.16	26	\$10,612.04
2700	Commercial Parking Lots (Patron or Employees)	\$1,930.74	\$22.99	\$38.88	120	\$4,665.96
2900	Nurseries or Greenhouses	\$263.97	\$263.97	\$263.97	1	\$263.97
3020	Industrial -- Artist in Residence	\$110.43	\$110.43	\$110.43	1	\$110.43
3100	Light Mfg., Small Equip Mfg., Small Machine Shops, Printing	\$4,229.24	\$110.43	\$479.60	26	\$12,469.68
3200	Heavy Manufacturing	\$8,182.66	\$230.56	\$4,206.61	2	\$8,413.22
3300	Warehousing Distribution (<10,000 SF)	\$1,471.04	\$87.44	\$573.85	5	\$2,869.24
3600	Lumber Yards	\$560.07	\$560.07	\$560.07	1	\$560.07
3700	Mineral Processing	\$477.35	\$477.35	\$477.35	1	\$477.35
3800	Parking Lots (Industrial Use Properties)	\$22.99	\$22.99	\$22.99	1	\$22.99
6100	Theaters -- Movie -- Indoor	\$110.45	\$110.45	\$110.45	1	\$110.45
6400	Clubs, Lodge Halls, Fraternal Organizations	\$194.24	\$98.27	\$146.26	2	\$292.51
6530	Gymnasiums, Health Spas	\$5,998.91	\$346.36	\$2,321.30	3	\$6,963.91
7100	Churches	\$1,063.60	\$86.72	\$358.03	11	\$3,938.37
7200	Schools -- Private	\$976.58	\$56.91	\$309.11	12	\$3,709.27
7400	Hospitals	\$739.36	\$739.36	\$739.36	1	\$739.36
7500	Home for the Aged	\$1,434.26	\$0.00	\$301.56	6	\$1,809.38
8100	Utility, Commercial & Mutual, Pumping Plants, State Assessed	\$4,233.80	\$207.01	\$1,633.48	3	\$4,900.44
810V	Vacant Land -- Utility	\$22.99	\$22.99	\$22.99	2	\$45.97
8800	Government Use	\$14,682.11	\$22.99	\$822.36	32	\$26,315.54
880V	Vacant Land -- Government	\$22.99	\$22.99	\$22.99	8	\$183.88
					9,852	\$1,294,856.98

