

AGENDA

**ENGINEERING COMMITTEE MEETING
LEUCADIA WASTEWATER DISTRICT**

Wednesday, July 7, 2021 – 11:00 a.m.

Via Teleconference

Pursuant to the State of California Executive Order N-29-20, and in the interest of public health, the District is temporarily taking actions to mitigate the COVID-19 pandemic by holding meetings by teleconference. The general public may not attend this meeting at the District's office due to social distancing requirements.

Members of the public attending via teleconference will be provided with an opportunity to comment on each agenda item prior to Committee discussion.

To join this meeting via Teleconference, please dial: 1-669-900-6833

Meeting ID: 878 5125 4013

Password: 550082

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1. **Call to Order**
 2. **Roll Call**
 3. **Public Comment**
 4. **New Business**
 - A. Adopt Ordinance No. 143 – An Ordinance of the Board of Directors of the Leucadia Wastewater District (District) Establishing the District's Capacity Fee and Amending the EDU Factors Capacity Fee Schedule. (Pages 2 - 8)
 5. **Information Items**
 - A. Development Projects Summary (Page 9)
 - B. Leucadia Pump Station Rehabilitation Project Update (verbal)
 - C. FY21 Cured-In-Place Pipe Lining Project (verbal)
 6. **Directors' Comments**
 7. **General Manager's Comments**
 8. **Adjournment**

MEMORANDUM

Ref: 21-7675

DATE: July 1, 2021
TO: Engineering Committee
FROM: Paul J. Bushee, General Manager
SUBJECT: Proposed Ordinance No. 143 - Amend Equivalent Dwelling Unit (EDU) Factors Capacity Fee Schedule

Handwritten signature of Paul J. Bushee in blue ink.

RECOMMENDATION:

Staff requests that the Engineering Committee recommend that the Board of Directors:

- 1. Adopt Ordinance No. 143 – An Ordinance of the Board of Directors of the Leucadia Wastewater District (District) Establishing the District’s Capacity Fee and Amending the EDU Factors Capacity Fee Schedule.
2. Discuss and take other action as appropriate.

BACKGROUND:

Tactical Goal: Services / Update Capacity Fee Ordinance

The State of California has continued to pass major housing legislation in an effort to alleviate the state’s ongoing housing and housing affordability crisis. One tool the state is using to resolve this issue is the promotion of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs). These units are constructed by property owners on the same property as a single-family or multi-family residence.

An ADU is defined as an attached or detached residential dwelling unit with an individual kitchen and bathroom that is located on the same parcel as an existing single-family residence. These units can be a maximum of 1,200 square feet. An ADU constructed outside of an existing structure remains subject to sewer capacity fees. An attached or detached ADU that is constructed within an existing structure on the property (e.g. single-family residence or detached garage), is generally exempt from sewer capacity fees.

A JADU is defined as a unit created within the walls of a proposed or existing single-family residence that is 500 square feet or smaller. A JADU may share a kitchen and bathroom with the primary residence. A JADU can only be constructed within an existing structure, therefore, the JADU is generally exempt from sewer capacity fees. However, appropriate sewer service fees still apply to the JADU.

In May 2020, the Board adopted Ordinance No. 141 to clarify how capacity fees for an ADU or JADU are determined and to comply with the requirement that ADU capacity fees be proportionate to the burden placed on the public sewer system. Ordinance No. 141 continued to apply a square foot approach and adopted the following capacity fee schedule for ADUs/JADUs:

Table with 2 columns: WASTEWATER USE CATEGORY and Current. Rows include ADU & JADU, 500 square feet or smaller (0.25), 501-1,000 square feet (0.5), and 1,001 square feet or larger (1.0).

Using the current schedule, an ADU that is 1,001 square feet or larger (Large ADU) is charged the same capacity fee that is applied to a single-family residence. This is based upon staff's determination that the impacts of a Large ADU on the public sewer system is very similar to a single-family residence. For example, a Large ADU is likely to have two bathrooms and two to three bedrooms.

DISCUSSION:

Recently, the California Department of Housing and Community Development (HCD) has issued guidance clarifying how fees are assessed for larger ADUs. This came about when a District customer who is developing an ADU on their property that is over 1,000 square feet challenged the District's assessment of 1 EDU. The HCD guidance states that the capacity fee for an ADU shall be proportionate to the size of the primary residence.

General Counsel (GC) Brechtel has weighed in on this issue and believes that the HCD guidance misstates the law in regards to capacity charges for ADUs. Under existing California Code, ADUs can be charged capacity fees either by the number of fixtures or the square footage of the ADU. There is no reference to square footage based on the primary residence. If ADUs were assessed based on the size of the primary residence then the capacity fee for a 1,000 square foot ADU would be different for a 2,000 square foot home and 3,000 square foot home. GC Brechtel and staff do not believe that the fee would be fair or proportional to the burden on the District's system. The District's current practice of using square footage is in compliance with the law.

However, staff and GC Brechtel do believe that there is merit to having the capacity fee for an ADU be less than that of a single-family residence. As such, staff is recommending that the capacity fee assessment for ADU's of more than 1,000 square feet be reduced from 1 EDU to 0.75 EDU as displayed in the following table:

WASTEWATER USE CATEGORY	Current	Proposed
ADU & JADU		
500 square feet or smaller (Small)	0.25	0.25
501-1,000 square feet (Medium)	0.50	0.50
1,001 square feet or larger (Large)	1.0	0.75

Staff believes that adjusting the capacity fee for larger ADUs slightly downward would be more consistent with HCD's guidance, reduce the chances of time-consuming challenges, and have a minimal financial impact on the District.

Attached please find a copy of Ordinance No. 143 for your review. Staff will present a detailed overview of the changes at the upcoming meeting.

FISCAL IMPACT:

If approved, the fiscal impact of Ordinance No. 143 will be a *reduction* of approximately \$2,200 per year in sewer service revenues. This is not expected to significantly impact LWD's annual revenues or operations.

ier:PJB

Attachment

ORDINANCE NO. 143

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE LEUCADIA WASTEWATER DISTRICT
CONFIRMING THE DISTRICT'S CAPACITY FEE AND AMENDING THE
EQUIVALENT DWELLING UNIT FACTORS CAPACITY FEE SCHEDULE**

WHEREAS, the Leucadia Wastewater District (LWD) is a county water district that operates as a special district in accordance with Government Code Section 56036; and,

WHEREAS, the LWD Board of Directors has determined that a capacity fee is appropriate; and,

WHEREAS, LWD's Capacity Fee has been set and reaffirmed by Ordinances Nos. 137 and 141 at \$5,089 per Equivalent Dwelling Unit (EDU); and,

WHEREAS, the LWD Board of Directors has determined that the EDU Factors Capacity Fee Schedule should be amended to further clarify how an Accessory Dwelling Unit (ADU) is assessed;

WHEREAS, an existing category for ADUs (attached) 1,001 square feet or larger has been modified in the EDU Factors Capacity Schedule to show a reduction in capacity fees (when applicable) and sewer service fees by 25%; and

WHEREAS, a public hearing to consider a reduced capacity fee for ADUs was duly noticed and held in accordance with Government Code Section 66016 on the date hereof,

NOW, THEREFORE, BE IT ORDAINED:

1. That the existing Capacity Fee of \$5,089 per EDU is reconfirmed and shall remain unchanged.
2. That the capacity fee charges shall be assessed in accordance with the EDU Factors established by the District and incorporated herein as "Exhibit A".
3. That the revised capacity fee charges and sewer service fees resulting from the new EDU Factors set forth on Exhibit A shall be prospective only and take effect on July 1, 2021.
4. That the provisions of this ordinance shall be effective immediately after its adoption, and thereafter, Ordinance No. 141 shall be void and of no further force and effect.

PASSED AND ADOPTED this 14th day of July 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Donald F. Omsted
President

ATTEST:

Paul J. Bushee
Board Secretary

EXHIBIT A
LEUCADIA WASTEWATER DISTRICT
EDU FACTORS CAPACITY FEE SCHEDULE

WASTEWATER USE CATEGORIES		
NO.	DESCRIPTION	EDU FACTORS
1	<u>Single-Family Residence</u>	1.0
2	<u>Accessory Dwelling Unit & Junior Accessory Dwelling Unit</u>	
a	500 square feet or smaller (small)	0.25
b	501-1,000 square feet (medium)	0.50
c	1,001 square feet or larger (large)	1.0 0.75
Capacity Fees do not apply to Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) that are exempt from such fees under State Law (generally new units contained within the existing space of a single-family residence or accessory structure). Sewer Service Fees still apply, and they are determined by the applicable EDU Factor for the ADU and JADU. Only JADUs with an individual kitchen and bathroom will be independently assessed an EDU factor. JADUs that do not have independent kitchen and bath facilities will be covered by the EDU already assessed to the primary property.		
3	<u>Multiple Dwelling</u> (apartments, duplexes, condominiums and townhouses) Each living unit	1.0
4	<u>Mobile Home or Trailer Park</u> Each mobile home or trailer space	1.0
5	<u>Motel or Hotel</u>	
a	Each unit without a kitchen	0.33
b	Each unit with a kitchen	0.55
6	<u>Medical Care or Elder Care</u> (hospitals, skilled nursing homes, convalescent homes, retirement homes, assisted living homes and similar facilities) Each plumbed facility must have a 1.0 EDU minimum. If the EDU calculation below is less than 1.0, the base minimum of 1.0 will apply	1.0 min.
a	Multiple dwellings without individual kitchen & with on-site community eating facilities, per individual bed	0.4
b	Multiple dwellings with individual kitchen and on-site community eating facilities, per living unit	0.8
c	Multiple dwellings with individual kitchen and no on-site community eating facility, per living unit	1.0
d	Single dwellings with individual kitchen regardless of community facilities, per living unit	1.0

7	<u>Churches, Theaters, and Auditoriums</u> Each unit of 115 persons or fraction thereof	1.0
8	<u>Schools</u>	
a	Each Elementary School per 60 pupils or fraction thereof	1.0
b	Each Junior High School per 50 pupils or fraction thereof	1.0
c	Each High School per 30 pupils or fraction thereof	1.0
d	Each Trade, Vocational, University or College per 30 pupils or fraction thereof	1.0
9	<u>Laundries - Self Service</u> Per each washer	0.75
10	<u>Food Services Establishments</u>	
a	<i>Limited Food Preparation Establishments.</i> Facilities that only engage in the reheating, hot-holding or assembly of ready to eat products and the incidental sale of beverages. See "Other Commercial or Industrial Users"	(See Category 15)
b	<i>Low Food Preparation Establishments.</i> Facilities that prepare food, but have equipment and/or uses deemed to have a low risk of FOG ¹ , BOD ² or TSS ³ discharge (microwave, toaster, toaster over, bread oven, combi-oven, steamers, freezers for serving frozen products, and other similar equipment) ⁴ . Includes facilities for which the preparation and sale of specialized beverages, such as coffees and smoothies, is an incidental part of the business. Minimum allows for up to 14 seats with multi-use utensils or up to 30 seats with single-use utensils	2.0 min.
1)	Additional for each unit of 7 seats or portion thereof with multi-use utensils that exceeds minimum seating	1.0
2)	Additional for each unit of 15 seats or portion thereof with single-use utensils that exceeds minimum seating	1.0
c	<i>High Food Preparation Establishments.</i> Facilities that prepare food and have equipment and/or uses deemed to have a high risk of FOG ¹ , BOD ² or TSS ³ discharge (char-broiler, griddle, grill, stove (range), oven (range), deep fryer, kettle, rotisserie, smoker, tilt skillet, pizza oven and other similar equipment) ⁴ . Includes facilities for which the preparation and sale of specialized beverages, such as coffees, is the primary focus of the business. Minimum allows for up to 21 seats with multi-use utensils or up to 45 seats with single-use utensils	3.0 min.
1)	Additional for each unit of 7 seats or portion thereof with multi-use utensils that exceeds minimum seating	1.0
2)	Additional for each unit of 15 seats or portion thereof with single-use utensils that exceeds minimum seating	1.0

1 Fats, Oils, and Grease

2 Biochemical Oxygen Demand, 5 day

3 Total Suspended Solids

4 The type of equipment alone is not dispositive. A final determination regarding a facility's classification is made after considering its specific equipment and use characteristics.

11	<u>Commercial Facilities With Food Preparation</u>	
a	For Food Preparation Area, See "Food Services Establishments"	(See Category 10)
b	For Commercial Area, See "Other Commercial or Industrial Users"	(See Category 15)
12	<u>Ballrooms, Banquet Facilities and Convention Facilities</u> Per block of 40 seats	1.0
13	<u>Automobile Service Stations</u>	
a	Not more than four (4) gasoline pumps	2.0
b	More than four (4) gasoline pumps	3.0
c	Additional for each washing rack, pit or floor drain (Drains subject to collecting toxic, hazardous, or potentially explosive waste are not allowed to be connected to sewer)	2.0
d	Car washes shall be individually evaluated by LWD District Engineer based on peak net discharge rate of specific equipment to be used with internal water recycling required	(Per Review)
14	<u>Banks and Savings and Loan Associations</u> Each 3,000 square feet or portion thereof	1.0
15	<u>Other Commercial or Industrial Users</u>	
a	Up to 1,000 square feet	1.0
b	Plus for each additional 1,000 square feet or portion thereof up to 5,000 square feet	0.6
c	Plus for each additional 1,000 square feet or portion thereof over 5,000 square feet	0.4
d	The Capacity Fees for establishments with unusual sewer characteristics or for any commercial use not described in the categories above shall be fixed by the Board of Directors by motion, resolution, or ordinance when each specific application is submitted	(Per Case)
<p>At any time the District may review the current standards of practice of any commercial or industrial customer with regard to sewer use during the previous year. If such use is not within the limits of the previous classification, the service may be reclassified accordingly and any additional capacity charges shall become due and payable immediately on request.</p>		

New projects this week: 1
 Total active projects: 18

LEUCADIA WASTEWATER DISTRICT			
Development Services Greater than 5 EDUs, Public Projects, or Sewer Improvements			
Jun-2021			
District Location Code	Project Name	Project Description	Status
3252-0929	CASCADA VERDE	Development with Sewer Connection	In-Review. Waiting on final plan submittal.
3252-0943	LEUCADIA STREETScape	Streetscape Plan Check	Phase 1 approved and under inspection. Further phases in review.
3252-0996	ENCINITAS BEACH HOTEL	Development with Sewer Connection	Lateral connections complete. Coordinating inspection closeout.
3252-1006	Jason Street Storm Drain	Utility Conflict	Waiting on mylars. Project on hold pending funding.
3252-1015	Orpheus Avenue Drainage Improvements	Utility Conflict	In Review. Provided PC1 and now waiting on City of Encinitas.
3252-1032	Weston Annexation	Annexation/Subdivision with Sewer Connection	In Review. Waiting on plan submittal.
3252-1033	1528 N. Coast Highway	Development with Sewer Connection	Plans approved. Inspection ongoing.
3252-1058	El Camino Real Building	Development with Sewer Connection	Plans approved. Construction start (lateral inspection) pending.
3252-1074	City of Encinitas-Morning Sun & Woodside Lane	City CIP Project	Plans signed. Construction/inspection pending.
3252-1079	City of Encinitas - Leucadia Blvd & Hygeia Roundabout	Public Street Improvement	In-Review
3252-1108	Segovia Way Pavement Project	City CIP Project	In-review.
3252-1109	Lagasse Annexation - 395 Sunset Drive	Annexation with Public Sewer Improvement	Plans signed. Inspection pending.
3252-1111	Marea Village 1900 & 1950 N Coast Hwy 101	Development with Sewer Connection.	Preliminary sewer study approved. Waiting on plan submittal.
3252-1114	1143 Eolus Avenue Public Sewer Improvement Plan	Public Sewer Improvement	In-review.
3252-1115	555 & 571 North Vulcan	Public Sewer Improvement	In-review.
3252-1118	Salon World	Tennant Improvement	In-review.
3252-1121	MRKT Space 774 & 782 N. Coast Highway 101	Tennant Improvement	Plans signed. Project Complete.
3252-1124	The Kebab Shop	Tennant Improvement	In-review.