

Rules for Billing Sewer Service Charges Attributable to Stormwater Runoff for Unmetered Properties

Section 1. Introduction

These rules establish procedures for the calculation and application of sewer service charges attributable to stormwater runoff for property owners who do not have water and wastewater accounts with the San Francisco Public Utilities Commission (SFPUC).

A portion of the SFPUC's wastewater expenses are attributable to management of stormwater flows in the combined sewer system. All existing customers with water and wastewater accounts pay for their proportionate share of this expense through their wastewater charges. To ensure that the costs of managing these flows are fairly allocated to customers, property owners who do not have active water and wastewater accounts will have an account opened and will be assessed a monthly flat charge that will be updated annually.

Section 2. Charge Calculation

The calculation basis for the sewer service charges attributable to stormwater runoff is the average monthly charge wastewater customers pay to manage stormwater runoff. Specifically, the average monthly charge paid by existing customers is calculated as:

$$\frac{(\text{Annual Wastewater Revenue Requirement} \times \text{Stormwater Cost Allocation})}{\text{Number of Standard Wastewater Accounts}} / 12 \text{ Months}$$

The annual wastewater revenue requirement and the stormwater cost allocation are calculated in the independent rate consultant's wastewater cost of service study supporting adopted sewer service charge rates.

To account for differences in the size and landscape of unmetered properties which affect the quantity of runoff from that property, three tiers of charges are calculated relative to the average charge. A parcel is classified into one of the three tiers based on its *Effective Impermeable Area (EIA)*. The EIA of each parcel is a measure of the quantity of runoff generated from the property, and therefore indicates the relative cost imposed by that property on the SFPUC's sewer system. The EIA is defined as:

$$\text{Effective Impermeable Area} = \text{Impermeable Area} + (10\% \times \text{Permeable Area})$$

All land area in the city is classified as either permeable or impermeable using aerial imagery. Impermeable surfaces are those which do not allow rainwater to infiltrate, and include asphalt, concrete, roofs, and other hardscape surfaces. Permeable surfaces include vegetation, grass, and unpacked dirt. Upon request, the SFPUC can provide the data used to calculate a parcel's EIA.

Based on analysis of aerial imagery, the mean San Francisco parcel, excluding large outliers, has an EIA of approximately 1,850 square feet, with a standard deviation of approximately 550 square feet. Parcels with an EIA at least one standard deviation below the mean EIA are classified as having low runoff. Those with an EIA more than 2.5 standard deviations below the mean are classified as having minimal runoff. After setting these tier breakpoints, we calculated the median parcel size within each tier (including the outliers) to approximate the relative runoff contributed by parcels within that tier. The following table summarizes the tiers and the median EIA for all properties within the City and County of San Francisco.

Table 1. Tier Classification of Parcels

(A) Tier	(B) Effective Impermeable Area (sf)	(C) Median EIA within Tier	(D) Percent of Entire City Median EIA
Minimal Runoff	<500	250	13.5%
Low Runoff	500-1,300	1,171	63.0%
Standard Runoff	>1,300	1,919	103.3%
Entire City		1,858	100.0%

Properties in the Minimal Runoff tier will not be assessed a charge, as their runoff is *de minimis*. Properties within the Low Runoff and Standard Runoff tiers will be assessed a charge calculated as the average stormwater portion of the existing customers' sewer charge (see formula on prior page), multiplied by column D above.

Applying this methodology to the adopted sewer service charges for the Fiscal Year Ending 2019 through FYE 2022 results in the following monthly charge amounts for parcels within each tier.

Table 2. Proposed Monthly Sewer Service Charge Attributable to Stormwater Runoff for Unmetered Properties

Tier	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Low Runoff	\$19.83	\$20.47	\$21.31	\$22.16
Standard Runoff	\$32.49	\$33.56	\$34.93	\$36.31

Section 3. Determination of Applicability

A parcel (represented by a block/lot or Assessor's Parcel Number (APN) in the San Francisco Assessor's Office records) is subject to the sewer service charge under these rules if there is no active water or wastewater service on that property. SFPUC's customer billing system contains records of the parcel for all existing "premises" (a premise is a location at which the SFPUC provides water or wastewater service). All parcels that do not have a recorded premise with a connected, in-service meter are subject to the sewer service charge under these rules unless they fall into one of the following exceptions:

1. The parcel is served by water or wastewater service recorded on a different parcel: The customer billing system can only record a single parcel associated with a premise, but that premise may serve multiple parcels. For example, a condominium building with multiple stories will have separate parcels for each condominium, but could have a single meter serving the entire building. In other cases, one or more buildings may cross multiple parcels but be served by the same meter; again, because these buildings all have active service, they are paying their fair share of costs and should not be subject to this sewer service charge. Finally, this category also includes adjacent parcels being used for the same purpose, even if there is not a building on both parcels. For example, a side yard used by a single family home or a parking lot adjacent to a commercial business are excluded from the charge if the two parcels are owned and/or leased by the same entity and used for the same purpose, and if there is an active premise on at least one of the parcels.
2. The parcel is served by water or wastewater service that is only temporarily inactive: Parcels that do not have an active account holder for a period of time are not subject to this sewer service charge. If there is a connected, in-service meter on the parcel, regardless of whether there is a current account-holder, the parcel is excluded from the charge. Parcels where the meter has been disconnected from the system, removed, or demolished are subject to the charge.
3. The parcel is a “paper lot” that is not actually used as a parcel: Examples include parcels that are used as publicly-accessible streets or parcels completely over the Bay or Ocean. As these areas of land would normally not be subject to the charge, the mere fact of their having a parcel boundary should not change this standard.
4. The parcel’s area does not drain to the SFPUC’s sewer system: Parcels that drain to a separate sewer system that is permitted and owned by a non-SFPUC entity do not contribute to SFPUC’s stormwater management costs and are not subject to the charge.

In addition to the above exceptions, parcels will no longer be subject to the sewer service charge under these rules if a water or sewer account is placed in service on their parcel. SFPUC will verify whether any new requests for service are on a parcel subject to billing under these rules; such billing will cease at the time that new service installation is completed.

Section 4. Appeals Process

Any customer subject to sewer service billing under these rules who believes that their parcel receives water or wastewater service, or otherwise falls into one of the exceptions noted in Section 3, must submit a request in writing to the SFPUC with sufficient documentation to support the appeal. A customer may also appeal the tier under which they are charged by providing a site map indicating the areas and land cover for the entire parcel and calculating the EIA according to the formula in Section 1.

Each request must list the parcel numbers(s) which the customer wishes to appeal. Appeals of the applicability of the charge must include documentation demonstrating why no sewer service charge is applicable to the customer or parcel. Appeals of the tier determination must include a site map indicating the square footage of all land cover types (asphalt, roof, landscaping, etc.).

Classification of land areas as permeable and impermeable will follow the guidelines established under the Stormwater Management Requirements, which are:

- **Permeable Cover:** Grass/Lawn, Landscaping, Planters, Permeable Pavement, Bioretention
- **Impermeable Cover:** Pavement, Roof, Gravel

Use of land category covers other than those listed above must include an explanation of the type of cover used and the reason for its inclusion. Appeals may be subject to a site visit by an SFPUC staff to verify the claim.

SFPUC staff will review the request and make a determination within 90 days, unless the customer agrees to an extension of time beyond the 90 days. The decision transmittal shall include reasons for the decision and copies of supporting documentation. The Department shall be the sole judge in determining if a parcel is exempt from sewer service charges under this rule.

Section 5. Amendments

These rules may be amended by a majority vote of the Public Utilities Commission at a duly noticed public meeting, or by the General Manager in accordance with the authority provided by the City Charter.

Adopted by Resolution 18-0125 on July 24, 2018.