

**Purpose:**

The City recovers the cost of providing sewer conveyance and treatment services via a sewer service charge. The purpose of this policy is to establish a fair and equitable means of assessing the sewer service charge on new single-family residential accounts.

**Background:**

The City's sewer service charge consists of fixed charges (base charge and sewer facility replacement charges) as well as variable commodity charges based on assumed sewer flows. The fixed charge varies by meter size, while the variable charges vary by customer class. For commercial, industrial, and multi-family residential customers, the variable charge is based on actual water consumption. For single-family residential customers, the variable charge is calculated based on a two-month winter average of the previous year's water consumption (see Finance Department Policy 900-01). When new accounts are created there is no prior-year winter water consumption data available, requiring application of a default new single-family residential account rate.

**Policy:**

It is necessary to establish a default rate for new single-family residential sewer accounts.

A 2014 analysis of single-family residential usage identified mean water consumption of 7.36 hundred cubic feet (HCF) per month and median water consumption of 6.75 HCFs per month. The mean value represents the mathematical average of all consumption data, while the median value reflects the middle value of the data set and is less sensitive to extreme outlier values. In consideration of the mean and median consumption values, the City has established a default rate for new single-family residential sewer accounts of 7 HCFs.

Assuming a 90% rate of return (the amount of water usage entering the sewer system and subject to volume charges), this equates to median single-family sewer usage of 6.3 HCF per month.

All new single-family residential accounts will be established with a default rate of 6.3 HCFs. This rate will remain in effect until sufficient data has been collected to transition the account to the standard two-month winter average basis (see Finance Department Policy 900-01).

In order to transition from the default new account rate of 6.3 HCFs to a winter-average rate based on usage, the account must have two full months of actual water consumption between November 1<sup>st</sup> and April 30<sup>th</sup>; partial month data is not acceptable.

**Procedures:**

An analysis of single-family residential water consumption data shall be conducted in conjunction with each five-year rate study. Implementation of any resultant changes to the default rate for new

single-family residential sewer accounts shall coincide with implementation of the new rate schedule.

**Forms:**

Not applicable.

**Government Code References:**

1. [Chula Vista Master Fee Schedule](#) Fee Bulletin 12-200: Sewer Service Charges

**Policy History:**

1. Issued 07/01/2014