

# IRVINE RANCH WATER DISTRICT

## 2018 Fats, Oils, and Grease Fees Study

Final Report / February 22, 2018







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February 22, 2018

Ms. Lyndy Lewis  
Regulatory Compliance Manager  
Irvine Ranch Water District  
PO Box 57000  
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**Subject: 2018 Fats, Oils, and Grease Program Fees Study**

Dear Ms. Lewis,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this comprehensive Fats, Oils, and Grease Program Fees Study Report (Report) for the Irvine Ranch Water District (IRWD or District) to provide the substantiation for the necessary fees the District must charge in order to recover the costs associated with various services provided by the program.

The major objectives of the study include the following:

- » Define and develop annual and one-time service fees to recover the costs of the Fats, Oils, and Grease (FOG) Program
- » Develop a FOG fee calculator that allows the District to update the fees according to any changes to the expenses associated with each fee
- » Conduct a survey to understand what fees other agencies assess for their FOG programs as well as their billing and collections methodologies

It has been a pleasure working with you, and we thank you and the City staff for the support provided during the course of this study.

Sincerely,

**RAFTELIS FINANCIAL CONSULTANTS, INC.**

A handwritten signature in black ink, appearing to read 'Khanh Phan'.

**Khanh Phan**  
Senior Consultant

A handwritten signature in black ink, appearing to read 'Corrine Schrall'.

**Corrine Schrall**  
Consultant

# TABLE OF CONTENTS

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<b>1.</b>	<b>INTRODUCTION .....</b>	<b>1</b>
<b>1.1</b>	<b>BACKGROUND .....</b>	<b>1</b>
<b>1.2</b>	<b>METHODOLOGY .....</b>	<b>2</b>
<b>1.2.1</b>	<b>Fee Framework.....</b>	<b>2</b>
<b>1.3</b>	<b>KEY ASSUMPTIONS AND INPUTS.....</b>	<b>3</b>
<b>2.</b>	<b>FEE CALCULATIONS.....</b>	<b>5</b>
<b>2.1</b>	<b>SPECIAL SERVICES (ONE-TIME) FEES .....</b>	<b>5</b>
<b>2.1.1</b>	<b>Initial Plan Check and One Revision Fee.....</b>	<b>5</b>
<b>2.1.2</b>	<b>Permit Issuance and Initial Inspection Fee.....</b>	<b>6</b>
<b>2.1.3</b>	<b>Subsequent Plan Checks (Up to Two) Fee .....</b>	<b>6</b>
<b>2.1.4</b>	<b>Compliance Follow-up Inspection Fee.....</b>	<b>7</b>
<b>2.1.5</b>	<b>Enforcement Fee.....</b>	<b>8</b>
<b>2.1.6</b>	<b>Special Study Fee .....</b>	<b>9</b>
<b>2.1.7</b>	<b>PLSD Responses .....</b>	<b>9</b>
<b>2.2</b>	<b>ANNUAL FEES.....</b>	<b>12</b>
<b>2.2.1</b>	<b>General and Administrative .....</b>	<b>12</b>
<b>2.2.2</b>	<b>Routine Inspection.....</b>	<b>14</b>
<b>2.2.3</b>	<b>Proposed Total Fees.....</b>	<b>15</b>
<b>2.3</b>	<b>PROPOSED FOG FEES SCHEDULE .....</b>	<b>15</b>
<b>3.</b>	<b>FOG FEES SURVEY .....</b>	<b>17</b>
<b>4.</b>	<b>BILLING SYSTEM RECOMMENDATIONS .....</b>	<b>18</b>

# LIST OF TABLES

---

Table 1-1: Total Establishments by Type.....	2
Table 1-2: FOG Fee Framework .....	2
Table 1-3: Identified FOG Fees .....	3
Table 1-4: IRWD Staff Fully Burdened Rates.....	4
Table 2-1: Initial Plan Check and One Revision Staff Labor Costs .....	5
Table 2-2: Initial Plan Check and One Revision Materials & Other Costs .....	5
Table 2-3: Initial Plan Check and One Revision Fee Calculation Summary .....	6
Table 2-4: Permit Issuance and Initial Inspection Materials & Other Costs .....	6
Table 2-5: Permit Issuance and Initial Inspection Fee Calculation Summary .....	6
Table 2-6: Subsequent Plan Checks Staff Labor Costs .....	7
Table 2-7: Subsequent Plan Checks Fee Calculation Summary .....	7
Table 2-8: Compliance Follow-up Inspection Materials & Other Costs .....	7
Table 2-9: Compliance Follow-up Inspection Fee Calculation Summary .....	7
Table 2-10: Enforcement Staff Labor Costs .....	8
Table 2-11: Enforcement Materials & Other Costs.....	8
Table 2-12: Enforcement Fee Calculation Summary .....	8
Table 2-13: Special Study Staff Labor Costs.....	9
Table 2-14: Special Study Fee Calculation Summary.....	9
Table 2-15: PLSD Response – First Hour Staff Labor Costs .....	10
Table 2-16: PLSD Response – First Hour Materials & Other Costs.....	10
Table 2-17: PLSD Response – First Hour Fee Calculation Summary .....	10
Table 2-18: PLSD Response – Hourly Rate Thereafter.....	11
Table 2-19: PLSD Response – First hour, Off-Hour Staff Labor Costs .....	11
Table 2-20: PLSD Response – First hour, Off-Hour Materials & Other Costs .....	12
Table 2-21: PLSD Response – First hour, Off-Hour Fee Calculation Summary .....	12
Table 2-22: PLSD Response – Hourly Rate Thereafter, Off-Hours .....	12
Table 2-23: General and Administrative Staff Labor Costs.....	13
Table 2-24: General & Administration Fee Materials and Other Costs .....	13
Table 2-25: General and Administrative Fee Calculation Summary.....	14
Table 2-26: Routine Inspection Materials & Other Costs .....	14
Table 2-27: Routine Inspection Fee Calculation Summary .....	14
Table 2-28: Proposed 2018 FOG Fee Schedule.....	15
Table 2-29: Proposed Annual FOG Fees.....	16
Table 3-1: FOG Fees Survey Results .....	17
Table 4-1: Fee Billing by Method .....	18

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# 1. INTRODUCTION

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## 1.1 BACKGROUND

The Irvine Ranch Water District (IRWD or District) was established in 1961 and provides central Orange County with potable water, recycled water, wastewater collection and treatment services, as well as urban runoff treatment. Within its wastewater service, the District manages a Fats, Oils, and Grease (FOG) Program to mitigate the delivery of these liquids through the sewer collection system. The District currently contracts out most of the work associated with the FOG Program to EEC Environmental (Contractor), with plan check and Program management addressed by internal staff.

For residential and most commercial customers, the Program primarily focuses on outreach and education. However, Food Service Establishments (FSE) generally are capable of contributing significant volumes of fats, oils, and grease to the system, and require more monitoring and restrictions. IRWD's Rules and Regulations for Water, Sewer, Recycled Water, and Natural Treatment System Service Programs defines a Food Service Establishment as:

**Food Service Establishment** shall mean a facility defined in California Uniform Retail Food Service Establishments Law (CURFFL), Health and Safety Code Section 113785, and any commercial entity within the boundaries of the District, operating in a permanently constructed structure such as a room, building, or place, or portion thereof, maintained, used, or operated for the purpose of storing, preparing, serving, or manufacturing, packaging, or otherwise handling food for sale to other entities, or for consumption by the public, its members or employees, and which has any process or device that uses or produces FOG, or grease vapors, steam, fumes, smoke or odors that are required to be removed by a Type I or Type II hood, as defined in CURFFL Section 113785. A limited food preparation establishment is not considered a Food Service Establishment when it is engaged only in reheating, hot holding or assembly of ready to eat food products and as a result, there is no wastewater discharge containing a significant amount of FOG. A limited food preparation establishment does not include any operation that changes the form, flavor, or consistency of food.

*Irvine Ranch Water District Rules and Regulations, Section 7.11.2 (10)*

The FOG program encompasses three different establishment types. Table 1-1 lists the three types with their corresponding total FSE. Individual & Shared Interceptors constitutes the total FSE with interceptors. Conditional Waiver FSE do not currently need interceptors per their approved plans as these establishments do not contribute significant amounts of FOG to the system based on their operations. These FSE may require interceptors at a later date should their operations change, resulting in an increase in the FOG contributed to the system. This would also require a new permit. Finally, Limited Food Preparation (LFP) establishments, as described above, are not considered Food Service Establishments under the District's Rules & Regulations. Thus, they are not responsible for the District's FOG Program costs. Currently, the District does not directly charge FSE for the costs of the FOG Program.

**Table 1-1: Total Establishments by Type**

Establishment Type	Total Establishments
Individual & Shared Interceptors	1,232
Conditional Waiver	272
<b>Total FSE</b>	<b>1,504</b>
Limited Food Prep (LFP)	450
<b>Total Establishments</b>	<b>1,954</b>

In 2017, the District engaged Raftelis Financial Consultants (Raftelis) to develop the FOG Program’s fees. The District’s objectives for the study are:

1. Develop fees that fully recover the costs of the FOG Program
2. Conduct a survey that informs the District on neighboring or similar cities’ FOG program fees and billing methods
3. Determine a billing approach that efficiently addresses:
  - a. Billing the appropriate party
  - b. Ensuring collection of fees

The following report provides the results and recommendations of the study, including the basis of each fee calculation.

## 1.2 METHODOLOGY

### 1.2.1 Fee Framework

Raftelis and the District developed the fee framework shown in Table 1-2. The framework shows the different establishments defined in Table 1-1 (in addition to the category “Special Services”) in the first column. The remaining columns list the six different FOG services or costs. Establishments that benefit from each service are marked with an “X” accordingly. Establishments benefit from special services on an as needed basis.

**Table 1-2: FOG Fee Framework**

Establishment Type	Plan Checks (Initial, Additional)	Gen & Admin (Database and Monitoring, Billing)	Inspections	Enforcement	Permits	Special Costs
Individual & Shared Interceptors	X	X	X – initial and recurring		X	
Conditional Waiver	X	X	X – initial		X	
Limited Food Prep.	X					
Special Services				X		X



### 1.3 KEY ASSUMPTIONS AND INPUTS

After establishing the fee framework, Raftelis worked with the District to first identify the fees required to meet the revenue requirements of the program. Both annual and one-time fees were defined and are listed in Table 1-3.

**Table 1-3: Identified FOG Fees**

#	Services
<b>Special Services (One-Time Fees)</b>	
1	Initial Plan Check and (1) Revision
2	Permit Issuance and Initial Inspection
3	Subsequent Plan Checks (Up to 2)
4	Compliance Follow-up Inspection
5	Enforcement (NOV Issuance and NOV Compliance)
6	Special Study
7	PLSD Response (First Hour)
8	PLSD Response (Off-hour, First Hour)
9	PLSD Response (Each Additional Hour)
10	PLSD Response (Off-hour, Each Additional Hour)
<b>Annual Fees Components</b>	
11	General & Administrative
12	Routine FSE Inspection (includes FOG Interceptor Inspection)

Next, Raftelis worked with the District to identify District staff involved in FOG program operations. These positions, including their minimum, maximum, and average fully burdened hourly rates are provided below in Table 1-4. Fully burdened hourly rates include staff salary & benefits as well as a share of overhead general & administrative costs.

**Table 1-4: IRWD Staff Fully Burdened Rates**

Fully Burdened Rates			
IRWD Staff	Min	Max	Average
<b>Customer Service Specialist II</b>	\$63.23	<b>\$87.41</b>	\$75.32
<b>Engineering Technician I</b>	\$67.85	<b>\$95.00</b>	\$81.42
<b>Lab Services</b>	\$95.28	<b>\$135.61</b>	\$115.44
<b>FOG Program Staff</b>			
Regulatory Compliance Manager	\$125.89	<b>\$176.85</b>	\$151.37
Senior Scientist	\$95.28	<b>\$135.61</b>	\$115.44
Scientist	\$84.79	<b>\$120.70</b>	\$102.75
<b>PLSD Response Staff</b>			
Collection Systems Supervisor	\$90.14	<b>\$128.13</b>	\$109.13
Collection Systems Technician I	\$60.48	<b>\$82.98</b>	\$71.73
Collection Systems Technician II	\$67.85	<b>\$95.00</b>	\$81.42

District staff determined that the maximum rates for each staff member best represents the actual hourly cost per staff hour and will be used in the calculations. The first component of each fee will consist of the maximum fully burdened hourly rates multiplied by the total hours each staff member spends on the tasks associated with each fee. The second component of each fee consists of materials and other costs incurred while performing the tasks. This includes the cost of scanning documents, contractor fees, and billing system costs. District staff determined that travel and general overhead factors will not be included in the fees.

## 2. FEE CALCULATIONS

This section provides the calculations of each of the fees listed in Table 1-3 as well as details and reasoning behind the fee components. Based on discussions with District staff, Raftelis developed one-time fees for costs incurred for special services and annual fees that pay for the costs associated with administering the program.

### 2.1 SPECIAL SERVICES (ONE-TIME) FEES

#### 2.1.1 Initial Plan Check and One Revision Fee

This fee includes the costs associated with the FOG program conducting one plan check and one plan revision. Per the calculations in Table 2-1, the total staff labor costs for this task is \$347.52.

**Table 2-1: Initial Plan Check and One Revision Staff Labor Costs**

IRWD Staff	Max Fully Burdened Rates	Hours Effort (hours)	Total Labor Cost
	A	B	C = A x B
<b>Customer Service Specialist II</b>	\$87.41	0.50	\$43.70
<b>Engineering Technician I</b>	\$95.00	0.50	\$47.50
<b>FOG Program Staff</b>			
Senior Scientist	\$135.61	1.00	\$135.61
Scientist	\$120.70	1.00	\$120.70
<b>Total</b>		<b>3.00</b>	<b>\$347.52</b>

Per District staff, the only remaining cost is scanning approximately four pages in the initial plan check at a cost of \$0.65 per page, totaling \$2.60.

**Table 2-2: Initial Plan Check and One Revision Materials & Other Costs**

Services	Total Costs
<b>Scanning (~4 pages)</b>	\$2.60
<b>Total Materials &amp; Other Costs</b>	<b>\$2.60</b>

Combining the total costs in Table 2-1 and Table 2-2 results in the total Initial Plan Check and One Revision Fee of \$350.12.

**Table 2-3: Initial Plan Check and One Revision Fee Calculation Summary**

Fee Component	Cost
IRWD Staff Service (A)	\$347.52
Materials & Other Costs (B)	\$2.60
<b>Total Fee (C = A + B) per Incident</b>	<b>\$350.12</b>

### 2.1.2 Permit Issuance and Initial Inspection Fee

The Contractor addresses permit issuance and initial inspections entirely. Thus, there are no associated District staff labor costs. The Contractor’s total cost is based on one hour allocated each to field inspection and inspection planning & coordination. Hourly rates for the Contractor were included in Contractor invoices provided by District staff. These rates are fully burdened for the associated tasks. Therefore, the Permit Issuance and Initial Inspection Fee consists entirely of the Contractor costs and totals \$255.00.

**Table 2-4: Permit Issuance and Initial Inspection Materials & Other Costs**

Services	Total Costs
<b>Contractor Field Inspection</b>	\$105.00
<b>Contractor Inspection Planning and Coordination</b>	\$150.00
<b>Total Materials &amp; Other Costs</b>	<b>\$255.00</b>

**Table 2-5: Permit Issuance and Initial Inspection Fee Calculation Summary**

Fee Component	Cost
IRWD Staff Service (A)	\$0.00
Materials & Other Costs (B)	\$255.00
<b>Total Fee (C = A + B) per Incident</b>	<b>\$255.00</b>

### 2.1.3 Subsequent Plan Checks (Up to Two) Fee

Customers may find that they need additional plan checks after the one additional check included with the Initial Plan Check and One Revision Fee. The Subsequent Plan Checks Fee includes two additional plan checks (alternatively, Plan Checks 3 and 4). These subsequent checks include the same allocation of FOG Program staff time, but incur only .25 hours each of Customer Service Specialist II and Engineering Technician I time. All scanning costs are included in the Initial Plan Check and One Revision Fee. There are no other costs. Therefore, the total Subsequent Plan Checks Fee totals \$301.92.

**Table 2-6: Subsequent Plan Checks Staff Labor Costs**

IRWD Staff	Max Fully Burdened Rates	Hours Effort (hours)	Total Labor Cost
	A	B	C = A x B
<b>Customer Service Specialist II</b>	\$87.41	0.25	\$21.85
<b>Engineering Technician I</b>	\$95.00	0.25	\$23.75
<b>FOG Program Staff</b>			
Senior Scientist	\$135.61	1.00	\$135.61
Scientist	\$120.70	1.00	\$120.70
<b>Total</b>		<b>2.50</b>	<b>\$301.92</b>

**Table 2-7: Subsequent Plan Checks Fee Calculation Summary**

Fee Component	Cost
IRWD Staff Service (A)	\$301.92
Materials & Other Costs (B)	\$0.00
<b>Total Fee (C = A + B) per Incident</b>	<b>\$301.92</b>

### 2.1.4 Compliance Follow-up Inspection Fee

As with Permit Issuance and Initial Inspection, Compliance Follow-up Inspections are conducted entirely by the Contractor. Therefore, there are no District staff labor costs. The Contractor costs include all materials and overhead expenses and are based on Contractor invoices, making the total Compliance Follow-up Inspection Fee \$115.

**Table 2-8: Compliance Follow-up Inspection Materials & Other Costs**

Services	Total Costs
Contractor	\$115
<b>Total Materials &amp; Other Costs</b>	<b>\$115</b>

**Table 2-9: Compliance Follow-up Inspection Fee Calculation Summary**

Fee Component	Cost
IRWD Staff Service (A)	\$0.00
Materials & Other Costs (B)	\$115.00
<b>Total Fee (C = A + B) per Incident</b>	<b>\$115.00</b>

## 2.1.5 Enforcement Fee

The Enforcement Fee includes issuing the Notice of Violation (NOV) and the District’s effort in ensuring the FSE’s compliance. This requires labor from both District staff and the Contractor. The Contractor requires one hour of labor for this task.

**Table 2-10: Enforcement Staff Labor Costs**

IRWD Staff	Max Fully Burdened Rates	Hours Effort (hours)	Total Labor Cost
	A	B	C = A x B
<b>Customer Service Specialist II</b>	\$87.41	0.25	\$21.85
<b>Lab Services</b>	\$135.61	1.00	\$135.61
<b>FOG Program Staff</b>			
Regulatory Compliance Manager	\$176.85	2.00	\$353.70
Senior Scientist	\$135.61	2.00	\$271.22
Scientist	\$120.70	2.00	\$241.40
<b>Total</b>		<b>7.25</b>	<b>\$1,023.79</b>

**Table 2-11: Enforcement Materials & Other Costs**

Services	Total Costs
<b>Contractor</b>	\$180.00
<b>Total Materials &amp; Other Costs</b>	<b>\$180.00</b>

Combining the totals from Table 2-10 and Table 2-11 results in the total Enforcement Fee of \$1,203.79 per enforcement incident.

**Table 2-12: Enforcement Fee Calculation Summary**

Fee Component	Cost
IRWD Staff Service (A)	\$1,023.79
Materials & Other Costs (B)	\$180.00
<b>Total Fee (C = A + B) per Incident</b>	<b>\$1,203.79</b>

## 2.1.6 Special Study Fee

The Special Study Fee is for conducting special studies at the request of the FSE, such as a performance study of bio-additives to a grease interceptor. Studies like this require time for FOG Program staff to review and accept initial study plans, review results and issue an authorization or denial. This only requires District staff labor, resulting in a Special Study Fee of \$610.02, as detailed in Table 2-13.

**Table 2-13: Special Study Staff Labor Costs**

IRWD Staff	Max Fully Burdened Rates	Hours Effort (hours)	Total Labor Cost
	A	B	C = A x B
<b>Lab Services</b>	\$135.61	0.00	\$0.00
<b>FOG Program Staff</b>			
Regulatory Compliance Manager	\$176.85	2.00	\$353.70
Senior Scientist	\$135.61	1.00	\$135.61
Scientist	\$120.70	1.00	\$120.70
<b>Total</b>		<b>4.00</b>	<b>\$610.02</b>

**Table 2-14: Special Study Fee Calculation Summary**

Fee Component	Cost
IRWD Staff Service (A)	\$610.02
Materials & Other Costs (B)	\$0.00
<b>Total Fee (C = A + B) per Special Study</b>	<b>\$610.02</b>

## 2.1.7 PLSD Responses

Private Lateral Sewer Discharge (PLSD) occurs when an interceptor or private sewer lateral pipeline is blocked. In the interest of watershed protection and system management, the District responds to these emergencies. These incidents can occur during normal business hours or off-hours, the latter of which incurs additional costs due to overtime labor. Two separate charges will be applied to all PLSD responses. The first charge covers the first hour of response and includes Contractor administrative costs and IRWD Customer Service Specialist II labor. These costs occur only once per response, regardless of the length of the time required to respond. Therefore, each subsequent hour excludes these costs. Customers are charged for all hours of time required for each response.

### 2.1.7.1 PLSD Response – First Hour

The First Hour rate for a PLSD response occurring during business hours consists of District staff labor, Contractor costs, and equipment costs from vactor use.

**Table 2-15: PLSD Response – First Hour Staff Labor Costs**

IRWD Staff	Max Fully Burdened Rates	Hours Effort (hours)	Total Labor Cost
	A	B	C = A x B
<b>Customer Service Specialist II</b>	\$87.41	0.25	\$21.85
<b>PLSD Response Staff</b>			
Collection Systems Supervisor	\$128.13	1.00	\$128.13
Collection Systems Technician I	\$82.98	1.00	\$82.98
Collection Systems Technician II	\$95.00	1.00	\$95.00
<b>Total</b>		<b>0.25</b>	<b>\$327.97</b>

The Contractor cost is the hourly rate for an emergency response by the Contractor. This cost is provided by Contractor invoices. The Vactor Use cost was calculated based on the current replacement cost of \$536,000. The last three vactors were used for 10,000 hours before being retired. This results in the hourly cost of \$53.60. Note that this cost does not include fuel. Administrative Costs (estimated by District staff) include report review, revision, and certification by administration. It is a flat rate assumption based on 0.5 hours of work to complete reporting and notification tasks by the Regulatory Compliance Analyst, Collections Manager, Director of Recycling Operations and Executive Director of Operations.

**Table 2-16: PLSD Response – First Hour Materials & Other Costs**

Services	Total Costs
Contractor (One-hour, Emergency/Immediate Response)	\$125.00
Vactor Use	\$53.60
Administrative Costs	\$426.00
<b>Total Materials &amp; Other Costs</b>	<b>\$604.60</b>

**Table 2-17: PLSD Response – First Hour Fee Calculation Summary**

Fee Component	Cost
IRWD Staff Service (A)	\$327.97
Materials & Other Costs (B)	\$604.60
<b>Total First Hour Fee (C = A + B)</b>	<b>\$932.57</b>



### 2.1.7.2 *PLSD Response – Hourly Rate Thereafter*

As discussed above, after the first hour, administrative costs do not increase proportionately with the additional hours of work required during the response. Therefore, the subsequent hours' rate is the PLSD Response – First Hour Fee calculated in Table 2-17 less all administrative costs, shown below in Table 2-18.

**Table 2-18: PLSD Response – Hourly Rate Thereafter**

Fee Component	Cost
PLSD Response – First Hour Fee	\$932.57
Customer Service Specialist Cost (-)	\$21.85
Administrative Costs (-)	\$426.00
<b>PLSD Response – Hourly Rate Thereafter</b>	<b>\$484.72</b>

### 2.1.7.3 *PLSD Response – First Hour, Off-Hours*

Responding to PLSD incidents during off-hours results in overtime costs for some District staff and the Contractor. Table 2-19 shows the District staff costs identified in Table 2-15. Note that all administrative efforts (Customer Service Specialist II and Administrative Costs) will always occur during business hours. PLSD Responses will require the same level of administrative effort regardless of the time of the incident, and will not require additional time should the event occur in off-hours.

**Table 2-19: PLSD Response – First hour, Off-Hour Staff Labor Costs**

IRWD Staff	Max Fully Burdened Rates	Hours Effort (hours)	Business Hours Labor Cost	Overtime Premium	Off-Hour Labor Cost
	A	B	C = A x B	D	E = C x D
<b>Customer Service Specialist II</b>	\$87.41	0.25	\$21.85	1.00	\$21.85
<b>PLSD Response Staff</b>					
Collection Systems Supervisor	\$128.13	1.00	\$128.13	1.50	\$192.20
Collection Systems Technician I	\$82.98	1.00	\$82.98	1.50	\$124.47
Collection Systems Technician II	\$95.00	1.00	\$95.00	1.50	\$142.50
<b>Total</b>		<b>3.25</b>	<b>\$327.97</b>		<b>\$481.02</b>

As with the District's response team labor costs, the Contractor's cost increases in off-hours. The remaining Materials and Other Costs for PLSD Responses remain the same.

**Table 2-20: PLSD Response – First hour, Off-Hour Materials & Other Costs**

Services	Total Costs
Contractor (One-Hour, Emergency/Immediate Response)	\$200.00
Vactor Use	\$53.60
Administrative Costs	\$426.00
<b>Total Materials &amp; Other Costs</b>	<b>\$679.60</b>

**Table 2-21: PLSD Response – First hour, Off-Hour Fee Calculation Summary**

Fee Component	Cost
IRWD Staff Service (A)	\$481.02
Materials & Other Costs (B)	\$679.60
<b>Total First Hour Fee (C = A + B)</b>	<b>\$1,160.62</b>

#### ***2.1.7.4 PLSD Response – Hourly Rate Thereafter, Off-Hours***

As with responses occurring during business hours, the administrative costs do not increase with each additional hour of an off-hour response. Thus, these costs are subtracted from the PLSD Response - First Hour, Off-Hours Fee as is done for the PLSD Response – First Hour Fee in Table 2-18.

**Table 2-22: PLSD Response – Hourly Rate Thereafter, Off-Hours**

Fee Component	Cost
PLSD Response – First Hour Fee	\$1,160.62
Customer Service Specialist Cost (-)	\$21.85
Administrative Costs (-)	\$426.00
<b>PLSD Response – Hourly Rate Thereafter</b>	<b>\$712.77</b>

## **2.2 ANNUAL FEES**

Annual fees cover the cost to administer the routine activities necessary to run the FOG Program. These fees will be assessed on FSE in accordance with their share of these costs.

### **2.2.1 General and Administrative**

The General and Administrative costs are collective costs that are born by the 1,504 Individual & Shared Interceptors and Conditional Waiver FSE. As Limited Food Preparation establishments are exempt from the FOG Program, they are not required to pay any annual fees.

Table 2-23 lists the District staff labor costs, exclusively consisting of FOG Program staff. This estimates approximately one hour per week of the Regulatory Compliance Manager’s time and an hour per week shared between the staff scientists.

**Table 2-23: General and Administrative Staff Labor Costs**

IRWD Staff	Max Fully Burdened Rates	Hours Effort (hours)	Total Labor Cost
	A	B	C = A x B
<b>FOG Program Staff</b>			
Regulatory Compliance Manager	\$176.85	52	\$9,196
Senior Scientist	\$135.61	26	\$3,526
Scientist	\$120.70	26	\$3,138
<b>Total</b>		<b>104</b>	<b>\$15,860</b>

The FOG Program also incurs Contractor costs as part of the general program management. Contractor database management and GIS work are based on a rate of \$135/hour, per the Contractor’s invoices. The contractor spent approximately 30 hours per year on this activity. Next, Contractor General and Administrative (G&A) costs were calculated using a rate of \$150/hour, also per the invoices, and nine hours of Contractor time per month, or 108 hours per year. The Analytics annual cost is based on a \$180/hour rate identified in the invoices and eight hours of work per month, or 96 hours a year. Finally, the District will also incur costs associated with incorporating the FOG Program fees into the billing system. Based on the IRWD staff’s current estimate, a modification of the CC&B system will cost \$100,000 to be capitalized and depreciated over ten years, resulting in the annual cost of \$10,000.<sup>1</sup>

**Table 2-24: General & Administration Fee Materials and Other Costs**

Services	Total Costs
Contractor (Database/GIS)	\$4,050
Contractor (G&A)	\$16,200
Contractor (Analytics)	\$17,280
CC&B Programming for Billing	\$10,000*
<b>Total Materials &amp; Other Costs</b>	<b>\$47,530</b>

*\*Subject to change*

<sup>1</sup> This valuation is an estimation and is subject to change once further information is available

**Table 2-25: General and Administrative Fee Calculation Summary**

Fee Component	Cost
IRWD Staff Service (A)	\$15,860
Materials & Other Costs (B)	\$47,530
<b>Total Costs (C = A + B)</b>	<b>\$63,390</b>
<b>Unit of Service (D =FSE)</b>	<b>1,504</b>
<b>Unit Fee (C/D)</b>	<b>\$42.15</b>

## 2.2.2 Routine Inspection

Each FSE with an interceptor must undergo a biannual routine inspection. The Routine Inspection Fee will be charged annually, however, with FSE paying half the cost each year. Routine inspections are conducted entirely by the Contractor and there are no other costs to the District. Per the Contractor invoices, a routine inspection requires one hour of Contractor time at a rate of \$105.00. Since the inspections occur once every two years, the annual cost is \$52.50.

**Table 2-26: Routine Inspection Materials & Other Costs**

Services	Total Costs
Contractor	\$52.50
<b>Total Materials &amp; Other Costs</b>	<b>\$52.50</b>

**Table 2-27: Routine Inspection Fee Calculation Summary**

Fee Component	Cost
IRWD Staff Service (A)	\$0.00
Materials & Other Costs (B)	\$52.50
<b>Unit Fee (C = A + B) per Year</b>	<b>\$52.50</b>

## 2.2.3 Proposed Total Fees

### 2.3 PROPOSED FOG FEES SCHEDULE

The complete fee schedule for one-time special services and annual fees is shown below in Table 2-28. Table 2-29 shows the Annual FOG Fees for each establishment type. Both tables also include the annual fees converted to monthly fees to facilitate billing (See Section 4). Note that only Individual and Shared Interceptor FSE require routine inspections. Additionally, as mentioned above, Limited Food Preparation establishments are exempt from the FOG Program.

**Table 2-28: Proposed 2018 FOG Fee Schedule**

#	Services	Fees	Unit
<b>Special Services</b>			
1	Initial Plan Check and (1) Revision	\$350.12	\$/FSE
2	Permit Issuance and Initial Inspection	\$255.00	\$/Permit
3	Subsequent Plan Checks (Up to 2)	\$301.92	\$/FSE
4	Compliance Follow-up Inspection	\$115.00	\$/FSE
5	Enforcement (NOV Issuance and NOV Compliance)	\$1,203.79	\$/Incident
6	Special Study	\$610.02	\$/Test
7	PLSD Response (First Hour)	\$932.57	\$/Hour
8	PLSD Response (Off-Hour, First Hour)	\$1,160.62	\$/Hour
9	PLSD Response (Each Additional Hour)	\$484.72	\$/Hour
10	PLSD Response (Off-Hour, Each Additional Hour)	\$712.77	\$/Hour
<b>Annual/Monthly Fees</b>			
11	General & Administrative	\$42.15 \$3.51	\$/Yr/FSE \$/Mo/FSE
12	Routine FSE Inspection (includes FOG Interceptor Inspection)	\$52.50 \$4.38	\$/Yr/FSE \$/Mo/FSE

**Table 2-29: Proposed Annual FOG Fees**

<b>FSE Type</b>	<b>General &amp; Administrative</b>	<b>Routine FSE Inspection</b>	<b>Total Annual Fee</b>	<b>Total Monthly Fee</b>
	<b>A</b>	<b>B</b>	<b>C = A + B</b>	<b>C/12</b>
Individual & Shared Interceptor	\$42.15	\$52.50	<b>\$94.65</b>	<b>\$7.89</b>
Conditional Waiver	\$42.15	\$0.00	<b>\$42.15</b>	<b>\$3.51</b>
Limited Food Prep.	\$0.00	\$0.00	<b>\$0.00</b>	<b>\$0.00</b>

### 3. FOG FEES SURVEY

The District requested that Raftelis conduct a survey of FOG fees and billing methods. Raftelis surveyed districts that were either geographically near the District or similar in size. As shown in Table 3-1, most surveyed districts do not charge annual FOG fees. These costs are often incorporated into the activities of other services, such as Long Beach’s Health Department or El Toro Water District’s Sewer charges. Agencies utilized different approaches in ensuring payment in addition to recovering costs through other services. For example, Central Contra Costa Sanitary District and East Bay Municipal Utility District only charge one-time special service fees, which customers pay at the time of service. In Yorba Linda, FSE must pay the annual permit renewal fee in order to maintain a current permit.

**Table 3-1: FOG Fees Survey Results**

Agency	# of FSE	Annual FOG Fees	Special Services Fees	Billing Method
Central Contra Costa Sanitary District	1,465	None	FOG wrapped into Environmental Compliance Fees	At time of service
East Bay Municipal Utility District	3,300	None	Plan Review & Project Coordination \$1,750 Construction Inspection \$2,300	At time of service
East Orange County Water District	133	\$212/biannual inspection (\$106/year)	None	Invoice sent to FSE at inspection
El Toro Water District	N/A			Included in Sewer charges
Long Beach Water Department	N/A			Water Department pays Health Department to perform FOG inspections
Moulton Niguel	N/A			Does not charge, but considering adding to sewer bill or property tax bill
Yorba Linda Water District	97	\$145	None	Mails annual permit renewal invoice to the FSE.

## 4. BILLING SYSTEM RECOMMENDATIONS

The District currently does not charge FSE FOG Program fees. A significant contributing factor is the management of billing and collections. The District identified two challenges in collecting annual and one-time special service fees. The first is determining the appropriate recipient of the bill, either the tenant on a property or the parcel owner. The second challenge is enforcing fee collection. Currently, there is no recourse if the recipient does not pay the billed fees. The FOG Program must perform its services to the FSE regardless of payment as these services are required to maintain the system and watershed quality. This differs from water service, for example, where a water utility may shut off service to a specific customer since it only affects that customer.

Raftelis presented two options for the annual fees. The first is to include the annual fees on the parcel owner’s property tax bill. This option would build in collections enforcement by means of the property tax lien. However, the FOG Program would only receive payment twice a year. The Second option is to convert the annual fee into a monthly charge included on the property’s water or sewer bill. Adding the fee to the water bill would also build in a collections recourse through water shut-off. However, this option presents its own challenges. The primary obstacle is that the FSE do not tie precisely to meters. The District would have to create and maintain a database that identifies the meters/accounts associated with each FSE.

The District chose to convert the annual fees to monthly fees to be included with the sewer bill. The fees would appear as an additional line item on the bill. It will include the number of FSEs (Individual & Shared Interceptors, Conditional Waiver) on the account. This will allow the billpayer to allocate these fees as appropriate in addition to giving collections recourse. The District will also include any one-time special fees requiring on-site responses on the sewer bill as special service charges. The remaining fees will be directly charged to the customers. They can be collected at the time of service by District staff as the customer must come to the District for these services.

**Table 4-1: Fee Billing by Method**

Sewer Bill Line Item	Customer Direct Billing
<b>Monthly Fees</b>	<b>Special Services</b>
General & Administrative	Initial Plan Check and (1) Revision
Routine FSE Inspection	Permit Issuance and Initial Inspection
	Subsequent Plan Checks (Up to 2)
<b>Special Services</b>	Special Study
Compliance Follow-up Inspection	
Enforcement	
PLSD Responses	