



City Council

Item #7. Public Hearing: Action on Resolutions Approving the Sanitary Sewer Master Plan Update 2025 Report, Sanitary Sewer Conveyance Fee Nexus Study, and Amending the FY 2025/26 Municipal Fee Schedule to Update the Sanitary Sewer Outlet Charge – Conveyance Fee Rates

December 9, 2025

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Background

Sanitary Sewer Conveyance Fee

- Established in 2007 to fund sanitary sewer conveyance capacity improvements based on land use intensification anticipated in the City’s General Plan
- Impact Fee subject to requirements of State Law - Assembly Bill (AB) 1600
- Fee revenue cannot be used for maintenance purposes

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Background

Sanitary Sewer System Capacity Assessments and Master Plans

- 2007 Capacity Assessment
 - Developed hydraulic model of trunk sewer system
 - Identified capacity deficiencies and required capital improvements (basis of 2007 Conveyance Fee)

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Background

Sanitary Sewer System Capacity Assessments and Master Plans

- 2009 Capacity Assessment Update
- 2016 Sanitary Sewer Master Plan
- 2022 Addendum to 2016 Master Plan
- 2025 Sanitary Sewer Master Plan Update

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2025 Sanitary Sewer Master Plan Update

Components

- Expansion of the system hydraulic model to increase the pipelines modeled
- Calibration of the model with updated dry and wet weather flows based on sewer flow monitoring results

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2025 Sanitary Sewer Master Plan Update

Components

- Update of the model with latest water use/land use changes
- Re-validation and/or correction of prior model attributes
- Fulfills regulatory requirement for a system evaluation and capacity assurance plan

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2025 Sanitary Sewer Master Plan Update

Recommended Program of Capital Projects

- Projects needed for General Plan Horizon
- Total estimated sanitary sewer improvement costs:
 - \$149.15 million (with escalation)

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Conveyance Fee Nexus Study

Objectives

- Analyze cost of recommended capital program
- Incorporate existing fund balance, interest earnings, escalation of project costs, and timing of proposed projects into cash flow analysis
- Recommend revised Conveyance Fee rates
- Support AB 1600 findings

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Conveyance Fee Nexus Study

Findings

- Change fee for residential uses to a “per square foot (sf)” rate from a “per dwelling unit (DU)” rate to comply with AB 602
- Update conveyance fee rates:
 - Residential rate - **\$1.14 per square foot (sf)**
 - Non-residential rate - **\$6.34 per gallon per day (gpd)**

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Conveyance Fee Nexus Study

Comparison of Proposed vs. Existing Rates

Type	Existing Rates	Proposed Rates	Difference
Non-Residential	\$8.60 per GPD	\$6.34 per GPD	26.2% decrease
Residential			
Single Family	\$4,218 per DU	\$1.14 per SF (2,650 SF <u>avg</u>) = \$3,021	28.4% decrease
Condo/Townhouse	\$4,218 per DU	\$1.14 per SF (1,660 SF <u>avg</u>) = \$1,892.40	55.1% decrease
High Density	\$4,218 per DU	\$1.14 per SF (800 SF <u>avg</u>) = \$912	78.4% decrease

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Public Outreach

- Notification of Public Outreach Meeting – 9/23/25
- Public Outreach Meeting – 10/9/25
- Website Posting of Reports and Meeting Materials – 10/9/25
- Published Public Notices (Newspaper) – 11/5/25 and 11/12/25

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Alternatives

1. Adopt a Resolution Approving the Sanitary Sewer Master Plan Update 2025 Report as presented
2. Do not adopt a Resolution Approving the Sanitary Sewer Master Plan Update 2025 Report
3. Adopt a Resolution Approving the Sanitary Sewer Conveyance Fee Nexus Study (Nexus Study) and Amending the FY 2025/26 Municipal Fee Schedule to Update the Sanitary Sewer Outlet Charge - Conveyance Fee Rates Consistent with the Findings Contained in the Nexus Study

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Alternatives

4. Do not adopt a Resolution Approving the Sanitary Sewer Conveyance Fee Nexus Study and Setting New Sanitary Sewer Outlet Charge - Conveyance Fee Rates
5. Provide additional direction to staff

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Recommendation

- Alternatives 1 and 3
- 1. Adopt a Resolution Approving the Sanitary Sewer Master Plan Update 2025 Report as presented
- 3. Adopt a Resolution Approving the Sanitary Sewer Conveyance Fee Nexus Study (Nexus Study) and Amending the FY 2025/26 Municipal Fee Schedule to Update the Sanitary Sewer Outlet Charge - Conveyance Fee Rates Consistent with the Findings Contained in the Nexus Study

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The seal of the City of Santa Clara, California, is circular. It features a central illustration of a mission-style building with a bell tower, set against a green landscape with a palm tree. The year "1852" is prominently displayed below the building. The outer ring of the seal contains the text "CITY OF SANTA CLARA CALIFORNIA" at the top and "THE MISSION CITY" at the bottom, separated by a dotted line.

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