TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: UTILITIES
ATTENTION: FINANCE COMMITTEE
DATE: MAY 18, 2004 CMR:275:04
SUBJECT: APPROVAL OF A RESOLUTION REVISING RATE SCHEDULE S-2 TO CREATE NEW OPTIONS FOR BUSINESSES NEEDING INDUSTRIAL WASTEWATER DISCHARGE PERMITS.

RECOMMENDATION
Staff recommends that the City Council approve the attached resolution revising Rate Schedule S-2 effective July 1, 2004 to create new payment levels for businesses requiring Industrial Discharge Permits.

BACKGROUND
Utility Rate Schedule S-2 currently includes a single fee ($750) for businesses required to obtain and operate under an Industrial Wastewater Discharge Permit. A different, lower amount ($250) is charged for a one-time (batch) discharge.

DISCUSSION
Palo Alto has approximately 50 permitted industries, with each permit issued for a 3-year period, and between 15 and 20 issued in any one year. To more closely reflect the true administrative costs of processing the discharge permits and accurately categorize businesses, staff is proposing to establish additional fee options to those businesses discharging to the Regional Water Quality Control Plant (RWQCP).

The proposed fees would increase for large dischargers and decrease for small and medium dischargers. Large dischargers would now be charged $1,250, mid-sized dischargers (without high-strength wastewater) would be charged $750, and small
dischargers (such as small research facilities and laboratories) would be charged $250. One-time batch discharges would continue to be charged $250.

**RESOURCE IMPACT**
It is anticipated that the changes to Rate Schedule S-2 will not affect the budget of the RWQCP (net effect will be close to zero).

**POLICY IMPLICATION**
This recommendation does not represent a change in current City policies.

**TIMELINE**
The effective date of the recommendation is July 1, 2004.

**ENVIRONMENTAL REVIEW**
The adoption of the resolution does not constitute a project under the California Environmental Air Quality Act; therefore, no environmental assessment is required.

**ATTACHMENTS**
A: Resolution
B: Utility Rate Schedule S-2

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