

**SPECIAL STORM AND SURFACE WATER  
DRAINAGE UTILITY REGULATIONS**

RULE AND REGULATION 25

**A. GENERAL**

For the purpose of City of Palo Alto Rate Schedule D-1 and this Rule and Regulation, the following words and terms are defined as follows, unless the context in which they are used clearly indicates otherwise. The definitions of words and terms set forth in Titles 12 and 13 of the Palo Alto Municipal Code also apply to the extent that they are not inconsistent with the terms defined in this section A:

1. “Developed Parcel” means any lot or parcel of land altered from its natural state by the construction, creation, renovation, or addition of impervious area, except public streets and highways.
2. “Impervious Area” means any part of any developed parcel of land that has been modified by the action of Persons to reduce the land’s natural ability to absorb and hold rainfall. This includes any hard surface area which prevents or retards the entry of water into the soil mantle as it entered under natural conditions pre-existent to development, and/or a hard surface area which causes water to run off the surface in greater quantities or at an increased rate of flow from the flow present under natural conditions pre-existent to development.

By way of example, common impervious areas include, but are not limited to, roof tops, walkways, patios, driveways, parking lots or storage areas, concrete or asphalt paving, gravel roads, or any cleared, graded, paved, graveled, or compacted surface or packed earthen materials, or areas covered with structures or other surfaces which similarly impede the natural infiltration of surface water into the soil mantle.

4. “Non-Single-Family Residential Property” includes all developed parcels zoned or used for multi-family, commercial, industrial, retail, governmental, or other non-single family Residential purposes and includes all developed parcels in the City of Palo Alto not defined as single-family Residential property herein.
5. “Parcel” means the smallest separately segregated lot, unit or plot of land having an identified owner, boundaries, and surface area which is documented for property tax purposes and given a Tax lot number by the Santa Clara County Assessor.
6. “Primary CPAU Account” means the CPAU Account, as determined below, that will be assessed the stormwater management fee for a given developed parcel:



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- a. If there is only one CPAU Account associated with a developed parcel, then that Account is the Primary CPAU Account.
  - b. If there is more than one CPAU Account associated with a developed parcel, then the Primary CPAU Account will be the Account listed below, in order of preference:
    - i. The CPAU Account designated as the “house Account” or, if none or more than one, then;
    - ii. The CPAU Account in the name of the owner of the parcel, or if none, then;
    - iii. The CPAU Account(s) in the name of the occupier(s) of the parcel.
    - iv. If more than one Account, then the CPAU Account that includes the most CPAU Services.
7. “Single-Family Residential Property” includes all developed parcels with either one or two single-family detached housing units or one two-unit attached dwelling structure commonly known as a “duplex.”
8. “Storm and Surface Water Control Facilities” means all man-made structures or natural water course facility improvements, developments, properties or interest therein, made, constructed or acquired for the conveyance of Storm or Surface Water Runoff for the purpose of improving the quality of, controlling, or protecting life or property from any storm, flood, or surplus waters.
9. “Storm Drainage Facilities” means the storm and surface water drainage systems comprised of storm and surface water control facilities and any other natural features which store, control, treat and/or convey storm and surface water. Storm Drainage Facilities include all natural and man-made elements used to convey storm water from the first point of impact with the surface of the earth to the suitable receiving body of water or location internal or external to the boundaries of the City of Palo Alto. Such facilities include all pipes, appurtenant features, culverts, streets, curbs, gutters, pumping stations, channels, streams, ditches, wetlands, detention/retention basins, ponds, and other storm water conveyance and treatment facilities whether public or private. See CPAU Rule and Regulation No. 8 “Access to Premises.”



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10. “Storm and Surface Water” means water occurring on the surface of the land, from natural causes such as rainfall, whether falling or flowing onto the land in question.
11. “Undeveloped Parcel” means any parcel which has not been altered from its natural state by the construction, creation, or addition of impervious area.

**B. STORMWATER MANAGEMENT FEES**

1. There is hereby imposed on each and every developed parcel of land within the City of Palo Alto, and the owners and occupiers thereof, jointly and severally, a Stormwater Management fee. This fee is deemed reasonable and is necessary to pay for:
  - a. Improving the quality of storm and surface water;
  - b. The operation, maintenance, improvement and replacement of the existing City storm drainage facilities; and
  - c. The operation, maintenance, and replacement of future such facilities.

It is the intent of the City of Palo Alto, and the City has calculated the stormwater management fee in such a manner, that the amount of the fee imposed upon any parcel will not exceed the proportional cost of the service attributable to the parcel. It is the further intent of the City that revenues derived from the fee will not exceed the funds required to provide the property-related Services described in this Rule and Regulation 25, and that revenues derived from the fee will not be used for any purpose other than those described in this Rule and Regulation 25.

2. All of the proceeds of these fees are deemed to be in payment for use of City storm drainage facilities by the developed parcel on, and with respect to, which the fee is imposed, and the owners and/or occupiers thereof.
3. The stormwater management fee will be payable monthly as billed by CPAU. For each and every developed parcel in the City, the fee is the responsibility of the parcel owner or occupier responsible for the Primary CPAU Account for other CPAU Services for the subject parcel, unless otherwise agreed in writing by CPAU.



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The method of billing described in this Rule and Regulation 25 has been designed for administrative efficiency. However, because the stormwater management fee is a "property-related fee" as defined by Article XIID, Section 6 of the California Constitution, a property owner may in writing request that the stormwater management fee for a parcel owned by the property owner be billed directly to the owner, notwithstanding the typical method of billing. Because the stormwater management fee is a "property-related fee," the parcel owner will be responsible to pay all unpaid or delinquent stormwater management fees.

For administrative efficiency, the stormwater management fee for condominium and townhouse-style developments is typically billed to the CPAU Account of the Homeowners' Association.

4. If a developed parcel does not have a CPAU Account on the effective date of this Rule and Regulation, a new Account will be established for that parcel and billed to the owner as shown on the latest Santa Clara County Assessor's property Tax rolls until such time as a Primary CPAU Account is established for other CPAU Services.
5. When an undeveloped parcel is developed, a new Account will be established and billed to the owner of that parcel as shown on the latest Santa Clara County Assessor's property Tax rolls until such time as a Primary CPAU Account is established for other CPAU Services.
6. **BASIS FOR CALCULATION**
  - a. The stormwater management fee will be based on the relative contribution of Storm and Surface Water from a given developed parcel to City storm drainage facilities.
  - b. The relative contribution of Storm and Surface Water from each developed parcel will be based on the amount of impervious area on that parcel and will determine that parcel's stormwater management fee.
  - c. For administrative efficiency, the impervious area of condominium and townhouse-style developments is typically calculated for the entire development rather than on a per-parcel basis.



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- d. The extent of impervious area will be established to the nearest square foot by any of the following methods:
  - i. Computation of the impervious area using on-site measurements, made by CPAU or on its behalf, of the apparent outside boundaries of the impervious area in or on such developed parcels; or
  - ii. Computation of the impervious area using the dimensions of the impervious area in or on the developed parcels which are set forth and contained in the records of the office of the Santa Clara County Assessor.
  - iii. Estimation, calculation and computation of the impervious area using aerial photography or photogrammetry, or using the information and data from on-site measurements of like or similar property or features or as contained in City or County records.
  - iv. Computation of the impervious area using information submitted by building permit Applicants on forms provided by the City, subject to review and correction by the City.

**7. CALCULATION OF MONTHLY FEE**

Monthly fees for all developed parcels will be computed in accordance with the following formula:

Number of Equivalent Residential Units (ERU) x Rate per ERU as set forth in CPAU Rate Schedule D-1.

**8. APPLICATION**

- a. Developed Parcels: Stormwater management fees will apply to all developed parcels within the City, including those classified as non-profit or tax-exempt for ad valorem Tax purposes. The fees will apply to all government properties, to the full extent permitted by the constitutions of the United States and the State of California, including developed parcels of the City of Palo Alto, City-owned buildings and parks, but excluding public streets and highways.



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- b. Undeveloped Parcels: Stormwater management fees will not be levied against undeveloped parcels that have not been altered from their natural state as defined herein under “Impervious Areas.”
- c. Parcels That Do Not Use The City’s Storm Drainage Facilities: Developed parcels that (i) have their own maintained storm drainage facility or facilities, and which do not utilize City Storm Drainage Facilities or (ii) which make no substantial contribution of Storm or Surface Water to the City’s Storm Drainage Facilities will be exempt from the fee. Developed parcels that have a portion of their impervious area within City of Palo Alto will be charged only for that portion of impervious area which is in the City of Palo Alto. Developed parcels that drain partially into an area outside the City of Palo Alto will be charged only for that portion of impervious area that drains into the City of Palo Alto or City Storm Drainage Facilities.

The City of Palo Alto has calculated the stormwater management fee for each parcel based on information available to the Public Works Department as to the amount of impervious area for the parcel, as well as other relevant information regarding the parcel. However, it is the intent of the City of Palo Alto that no fee will exceed the proportional cost of Services attributable to the parcel. Therefore, a parcel owner has the right, through the Administrative Review process following, to request a proportional reduction in the stormwater management fee if the owner believes that the parcel contributes less water to the City's Storm Drainage Facilities or uses fewer storm or surface water treatment Services, notwithstanding the amount of the parcel's impervious area.

### 9. ADMINISTRATIVE REVIEW

- a. Any Person who owns or pays the stormwater management fee for a developed parcel and who disputes the amount of any stormwater management fee for the parcel, or who requests a deferred payment schedule therefor may request a revision or modification of such fee from the City Engineer or his/her designee.
- b. The Person seeking Administrative Review must make such request in writing. The request for Administrative Review must be signed by the property owner. The City Engineer or his/her designee will conduct the review.



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- c. The City Engineer or his/her designee will review the request and all data and documentation deemed by the City Engineer or his/her designee to be relevant to the request, and make a final written determination as to whether the fee for the parcel exceeds or is lower than the proportional cost of the service attributable to the parcel, or whether the fee is proportional to the cost of service and no adjustment is required. If the City Engineer or his/her designee determines that the fee exceeds or is lower than the proportional cost of service, the City Engineer or his/her designee will include the amount of the adjusted fee in his/her final written determination. The correction will be reflected on the bill in a subsequent Billing Period.

*(END)*

