



WHY ARE MY SEWER FEES SO HIGH?

Brief explanation regarding the Sewer Facility Fee
and the Inland Empire Utility Agency Fee.

This is a question we often hear at the counter when issuing Tenant Improvement permits for Commercial Businesses, especially restaurants. The City wants to make sure that new business owners know ahead of time what their sewer fees are likely to be. If you have any additional questions after reviewing this handout please feel free to discuss your questions with the City's Building Official.

The City collects two separate sewer fees. One sewer fee is the Sewer Facility Fee (SFF) and the other is the Inland Empire Utility Agency (IEUA). Although the method used to calculate the two fees is very similar, there are some important differences. Below is a brief explanation of the two fees:

Sewer Facility Fee

The SFF fee is a City of Chino Hills sewer impact fee. The fee is collected to fund future improvements necessitated by new demands placed on the City's sewer infrastructure by the increased volume of sewage generated by new construction. When any new plumbing fixture is installed and connected to the City's sewer system there is an increase in the amount of sewage that is generated. The amount of the new increase is based on the number and type of plumbing fixture installed. The type of use is also an important factor in determining the new impact.

Inland Empire Utility Agency Fee (IEUA)

The IEUA fee is a pass through fee that the City collects and then passes on to the Inland Empire Utility Agency. The IEUA is the agency that is responsible for treating the City's sewage. The IEUA operates several sewage treatment facilities. There are six other cities in the County that send their sewage to an IEUA facility for treatment. The IEUA fee collected by the City is used to fund future improvements at the IEUA's treatment plants. These future improvements are needed due to the increase volume of sewage that needs to be treated due to new construction. Just like the City's SFF, the IEUA fee is based on the number and type of plumbing fixtures installed. The type of use is also an important factor in determining the new impact.

How are the Fees Calculated?

All the new proposed fixtures are assigned a fixture unit conversion factor (FCF). The number of each type of fixture is multiplied by its FCU. The result is the total number of fixture units (FU). The total number of FU's is then multiplied by the sewage factor (SF) for the type of use being proposed. Different uses have different sewage factors. Sewage factors are derived by the degree of difficulty the sewage treatment is for the type of use. The FU x SF gives you the EDU. The EDU is then multiplied by the fee per EDU set by each agency.

Differences Between the IEUA Fee and the SFF Fee

The SFF and the IEUA have exactly the same fixture unit conversion factor so the total FU's for both fees will be the same. The sewage factor for the SFF and the IEUA are slightly different. This is due to the fact that the City and the IEUA are two different agencies; however, the differences in SF's are not enough to affect the EDU very much. The big difference in the two fees is the cost per EDU that has been set by the agency. Currently the cost per EDU for the City's SFF is \$519.57. The current IEUA fee is \$6,955.00 per EDU.

Please remember, the IEUA fee is a pass through fee. The city does not retain any of the IEUA fee.

Things that can Increase/Decrease your Sewer Fees

As you have read, sewer fees are based on the number and type of plumbing fixtures installed and the type of use the new business is. There is very little you can do to change the type of use that your business is categorized as. However, there are some types of uses that fall into different categories based on how they operate. For example, a market with a butcher shop is a higher category than a market without one. A fast food restaurant is a lower category than a full service restaurant. Remember, your category has a lot to do with your fee calculation.

A new business may be able to control the number and type of fixtures that are being proposed. Do you really need the floor drains? Can you get by with less hand sinks? Remember, the number and type of fixtures has a lot to do with your fee calculation as well.

Were there any existing plumbing fixtures in your suite when you took occupancy? This is a big one a lot of new businesses miss. You can get credit for any existing connections. If you are proposing a new bathroom, but demolishing an existing bathroom as part of your Tenant Improvement, you can get credit for the connections as long as they are documented by the City prior to the demo. The same holds true for any existing kitchen fixtures. Just make sure the City can document them before the fixture is removed.

As a new business owner, you may want to talk to your landlord and/or leasing agent about your sewer fees. Sewer fees are collected by the City and IEUA are assigned to the property and have a value. If you move out, any sewer fees you paid will remain as a credit to that property. If a new tenant moves in after you leave, their sewer fees will be much lower as they will be able to take credit for the connections you already paid for. This value can be worth a considerable amount of money.