

Public Hearing to Consider Introduction of Ordinance Revising the City's Sewer Service Charges



Agenda

- Proposition 218 process
- City and regional sewer systems
- Consent Decree progress and ongoing requirements
- Proposed Rate Increase
- Protest tabulation
- Council vote



Sewer Rate Study/Prop 218

- On April 1st, City Council:
 - Approved a Sewer Rate Study
 - Declared intent to revise the sewer service charge
 - Set a Public Hearing for this evening
 - Established procedures for accepting protests, per Prop 218.
- On April 14th, 19,243 properties were mailed written notice (in 3 languages), announcing proposed sewer service charge increase, the date of this Public Hearing, and protest procedures.





City Sewer System

- City sewer system is separate from storm water system
- Many of the City's sewers were installed in the early to mid-20th century
- Storm water that should enter the storm system instead enters the sewer system through cracks and other defects in sewer pipes.
- Excessive sanitary flows during wet weather events can exceed conveyance and treatment capacity.
- EBMUD constructed three wet weather facilities (WWFs) with regulatory approval in the 1980s; facilities no longer meet standards



Consent Decree

- EPA filed suit against EBMUD in 2009 for the continued use of the WWFs.
- EPA filed separate suits against each satellite collection system discharging to the EBMUD system, including Alameda.
- Negotiations took several years ending in 2014 with a 23-year term Consent Decree with EPA, Department of Justice, State and Regional Water Boards
- Consent Decree has operational and capital work requirements for each agency with emphasis on pipeline replacement to reduce wet weather flows and ultimately, the use of the WWFs
- Consent Decree requirements on top of other statewide regulatory requirements for the safe and effective operation of sewer collection systems



Progress and Ongoing Requirements

- City has replaced 34 miles of sewer pipe- nearly 25% of system
 - 2.6 miles ongoing annual requirement
- 34 pump stations renovated for reliability
- Overflows minimized and impacts mitigated (cleaning, condition assessment, spot repairs, fats, oils, grease and root control)
- Continued participation in Regional Private Sewer Lateral program
- In 2022, confirmed work is reducing wet weather flows and use of WWF; another review to occur in 2030



Proposed Rate Increase

- The Sewer Rate Study assessed funding needs and revenue sources and recommended an annual 3% revenue increase over the next five years. Analysis based on rates being adequate to:
 - Cash fund sewer pipeline replacements and other capital improvements
 - Maintain reasonable and adequate operating and capital reserves
 - Meet or exceed debt coverage requirements
 - Mitigate impacts on the ratepayers



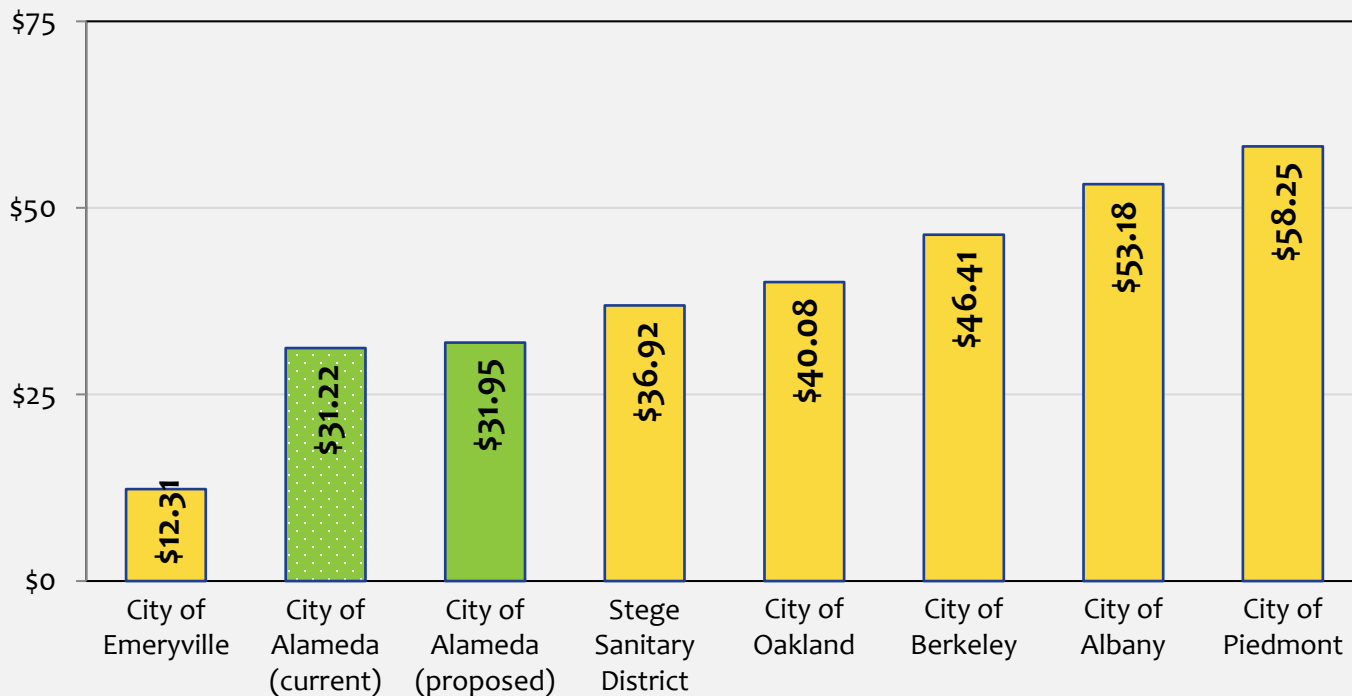
Proposed Rate Increase

Customer Class	Current FY 2024/25	Proposed Monthly Sewer Rates				
		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
% Increase in Rate Revenue		3.00%	3.00%	3.00%	3.00%	3.00%
Single Family (\$/month)	\$31.22	\$31.95	\$32.91	\$33.90	\$34.92	\$35.97
Multi-Family (\$/month)	\$28.13	\$27.77	\$28.61	\$29.47	\$30.35	\$31.26
Commercial						
Fixed Rate (\$/month) includes first 730 cubic feet	\$28.13	\$29.50	\$30.39	\$31.30	\$32.24	\$33.21
Flow Based Rate (\$ per HCF)	\$3.86	\$4.01	\$4.13	\$4.25	\$4.38	\$4.51



Rate Comparison to Region

Monthly Sewer Bill Comparison - Single Family



Protest Tabulation/Staff Recommendation

If there is no majority protest, staff recommends Council adopt the resolution revising the City's sewer service charges

