

Communication from Public

Name: Jack Humphreville
Date Submitted: 05/10/2024 02:50 PM
Council File No: 23-0600-S9
Comments for Public Posting: Sanitation Booty Call. After no outreach for 12 years, Sanitation is asking to double our rates that will cost \$700 million.

Sanitation's Booty Call

JACK HUMPHREVILLE

MAY 06 2024



LA WATCHDOG - In 2011, the City Council approved a 10 year, 77% increase in our Sewer Service Charge in a process that took over a year. At that time, the Bureau of Sanitation and the Board of Public Works indicated that they would reach out to Ratepayers and Neighborhood Councils with periodic updates. But this transparency and openness never happened.

Now, 13 years later, Sanitation is appearing on our doorstep and proposing a doubling of the Sewer Service Charge over the next four years, including a 22% increase on October 1. Sanitation is in a rush to implement this \$700 million rate increase since it has not had a rate increase since July of 2020. As such, it has scheduled a meeting with the Energy and Environment Committee for Friday, May 10th.

But not so fast. We need time. We are talking about a four-year, \$700 million rate increase (20% a year) by an opaque and unresponsive enterprise that must be thoroughly vetted without undue time pressures.

In Sanitation's defense, the enterprise has not had a rate increase in four years (2021-24), in large part because of Mayor Garcetti's willingness to kick the can down the road rather than risk political capital to support a customary rate review.

While Sanitation provided the Energy and Environment Committee with a [48-page report](#) on May 2nd, it is difficult to understand, especially the dense 33-page Wastewater Cost of Service Study prepared by Black & Veatch, a nationally recognized consulting firm.

We need information: audited financial statements for the past five years; multiyear projections; and a description of the Sewer and Maintenance Construction Fund and its efficiency, mission, and strategic plan. We also need to hear from the operating, financial, and engineering management teams.

The City Council and Ratepayers also need an independent opinion on the merits of this rate increase. And in the interest of openness and transparency, there should be City wide informational meetings before a decision is reached.

These are necessary because Angelenos have very little trust and confidence in City Hall given the "fiscal mess" caused by the budget busting labor contracts, the sorry condition of our infrastructure (streets, sidewalks, and parks), and the systematic corruption.

At a recent meeting of the Budget and Finance Committee, Sanitation used scare tactics, implying that Sanitation will be in default on its \$2.5 billion of debt if this rate increase is not approved in a timely manner. This is baloney.

An alternative is to approve a one-time 18% rate increase, equal to the four-year rate of inflation according to Sanitation. This will give the City Council and Ratepayers the opportunity and time to conduct a long overdue review of Sanitation, its Sewer and Construction and Maintenance Fund, and the proposed \$700 million rate increase.

<https://www.citywatchla.com/la-watchdog/28850-sanitations-booty-call>