

MOTION

On August 27, 2024, the Council will conduct a public hearing on the Bureau of Sanitation (BOS) proposed series of Sewer Service Charge (SSC) rate increases. The purpose of the public hearing is to satisfy Proposition 218 requirements prior to adoption of the ordinance effectuating the rate adjustments. The SSC, which supports the City’s wastewater system, consists of a series of rate adjustments totaling 72.5% over the course of the next 4 years.

The BOS proposal is in response to a Council action during the Fiscal Year 2023-24 Adopted Budget instructing the BOS to report on fee studies and recommendations related to actions necessary to preserve operations, meet contractual and regulatory obligations and moderate fee impacts on residents and constituents (CF 23-0600-S9).

The BOS conducted this review and determined that it needed a series of rate adjustments in order to meet its capital program needs, operation and maintenance expenses and debt service requirements. In addition, the BOS has reported that wastewater expenses have outpaced the Consumer Price Index totaling 18.1 percent from FY 2021-22. The BOS conducted this review with the assistance of an outside consulting firm.

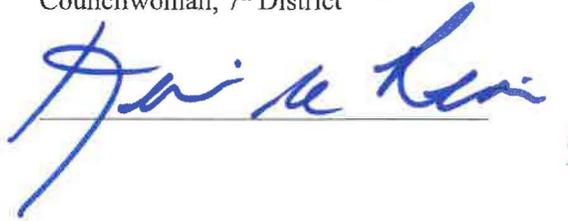
The series of SSC rate increases will impact both residential and business customers over the course of the next several years.

The BOS reports that it recently conducted two outreach events to educate the public about the adjustments. However, the City must review all options to understand the true nature of the obligations associated with the wastewater system. As we are mindful of resources necessary to meet the City’s financial obligations, we must be mindful of the impact of these adjustments on all strata of customers.

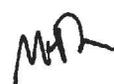
Given this, the BOS should be instructed to work with and provide funding to the City’s Ratepayer Advocate to conduct a supplementary review of the proposed SSC rate adjustments, and the components that comprise the matter. Through this process, the City may be able to determine alternative methods to address the wastewater system’s challenges, while meeting the City’s financial obligations and protecting the interests of the ratepayers.

I THEREFORE MOVE that Council instruct the Bureau of Sanitation (BOS), with the assistance of the Ratepayer Advocate (funded by BOS), to conduct a supplementary review of the proposed Sewer Service Charge rate adjustments and the components that comprise it - consisting of the capital program, operation and maintenance expenses and debt service requirements - in order to assess its viability and determine if there are alternative methods to address the wastewater system’s challenges; thereby protecting the interests of the ratepayers.

PRESENTED BY: 
MONICA RODRIGUEZ
Councilwoman, 7th District

SECONDED BY: 

ORIGINAL


AUG 27 2024