



**Sewer Rate Increase
Fiscal Years 2018/19 to 2022/2023
Proposition 218 Notice**

City Council January 2, 2018

Goals of current rate setting process:

- Rate Structure
 - *Add a fixed fee component*
- Multi-year rate increases
 - *Set maximum rates for five year period*
- Outcomes
 - *Improve revenue certainty*
 - *Improve opportunity to secure funding*

Timeline and Community Outreach

Oct 16: City Council Study Session

Nov 29: Community Meeting

Nov 30: Community Meeting

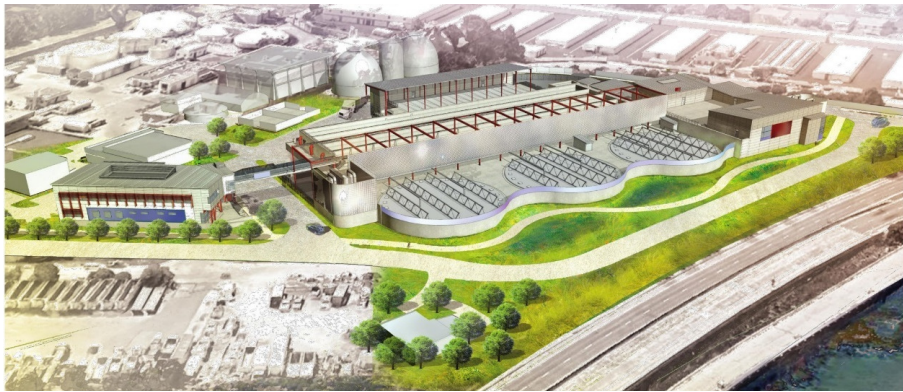
2017 October November December

- Community Feedback
 - *Affordability for fixed income ratepayers*
 - *Commercial versus Residential rate structure*
 - *Impacts to low users versus high users*

Proposed Sewer Rates

Proposed Sewer Rates	Effective Date					
	Current Rate	July 1 2018	July 1 2019	July 1 2020	July 1 2021	July 1 2022
Residential						
Fixed Monthly Charge (<i>Charge per dwelling unit</i>)						
	n/a	\$36.59	\$41.80	\$47.34	\$53.59	\$60.14
Sewer Usage Charge (<i>Rate per hundred cubic feet (\$/CCF) of annualized average monthly winter water use</i>)						
Class A Residential	\$12.31	\$7.15	\$8.18	\$9.27	\$10.51	\$11.80
Commercial						
Sewer Usage Charge (<i>Rate per hundred cubic feet (\$/CCF) of annualized average monthly winter water use</i>)						
Class B Standard Strength	\$12.31	\$14.19	\$16.26	\$18.47	\$20.97	\$23.60
Class C Moderate Strength	\$18.20	\$20.48	\$22.92	\$25.43	\$28.20	\$31.00
Class D High Strength	\$27.57	\$30.35	\$33.22	\$36.04	\$39.09	\$42.04
Class E	A limited number of accounts are billed on a case-by-case basis based on sewer rates in effect.					
Minimum Monthly Charge (<i>Commercial bills are subject to the minimum monthly charge</i>)						
	\$30.77	\$36.59	\$41.80	\$47.34	\$53.59	\$60.14

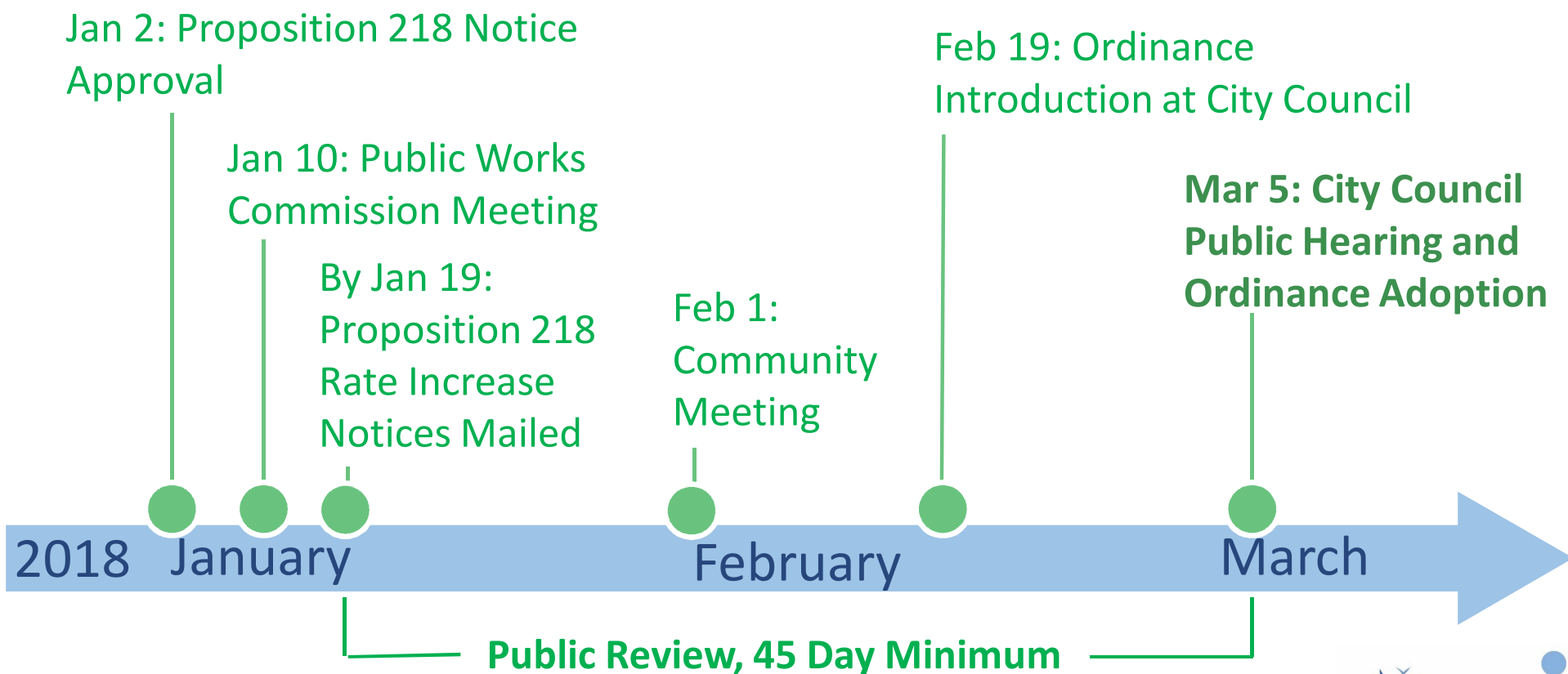
Necessity for Sewer Rate Increases



- Rebuild the City's aging wastewater treatment plant
- Construct critical improvements to the City's sewer collection system to meet regulatory requirements, prevent sanitary sewer overflows, and rehabilitate aging facilities
- Keep rates aligned with the cost of providing service



Next Steps for Rate Setting Process



Staff Recommendation

- **Approve Notice of Proposed Sewer Rates,**
- **Authorize mailing of the notice, and**
- Schedule a **Public Hearing** of the proposed sewer rate increase to be held on **March 5, 2018**

in compliance with Section 6 of Article XIID of the Constitution of the State of California.

Questions?



www.cleanwaterprogramsanteo.org