



# Sewer Rate Increase Frequently Asked Questions

## Why is a sewer rate increase necessary?

The proposed rate increase is based on anticipated expenditures for the operation, maintenance, repair, debt service and management of the entire wastewater system as well as the construction of capital projects and estimated Consumer Price Index (inflation) over the next five years. As part of the capital project construction work, the City needs to increase repair of old sewer system piping due to problems with stormwater/groundwater entering into the sewer piping through age related cracks, breaks and corrosion. Additionally, the amount of Wastewater Treatment Plant (Plant) equipment repair and replacement will be increased as the Plant is now over 20 years old.

## What specific improvements are necessary?

The City's wastewater collection system is aging and is subject to infiltration and inflow (I/I) of groundwater and storm water into the sewer pipe collection system, resulting in high wet weather flows during storm events that are hard on the Plant and the pump stations. These high flows can also cause environmentally hazardous Sanitary Sewer Overflows (SSOs) and bypass events such as those that occurred during the large rainstorm in October of 2021. Repairs to the collection system is proposed to increase by 2x over the next ten-years to address the problem of I/I from storm events.

The City recently completed an assessment of the pump stations and updated the City's Collection System Master Plan (Master Plan). Based on this information and the recent storm events that have highlighted the impact of infiltration/inflow (I/I) into the City's Collection System, a more robust rehabilitation program is recommended for the upcoming years related to the City pump stations. In addition, the Master Plan, which was approved by Council in October 2021, noted that the critical Beach Boulevard gravity sewer main line and Sharp Park pump station are vulnerable assets from sea level rise/climate change without protection. The Master Plan stated that the City's Wastewater Division should assist the City-led protection efforts for this area discussed in the Beach Boulevard Infrastructure Resiliency Project's (BBIRP) Multi-Hazard Risk Assessment (MHRA) and noted supporting the BBIRP would be a cost-effective way to protect the sewer infrastructure in this area of Sharp Park. The proposed capital program supports these protection efforts.

The Plant is an aged but well-maintained facility. Most of its major equipment has been around since the Plant began operating. Maintaining the Plant has been an on-going process of repairing and replacing pumps, blowers, valves, motors and other mechanical and electrical equipment. Because of the age of the Plant, many of the existing systems have now reached the end of their life cycle and major upgrades or replacements are needed. Some of the proposed upgrades are the Ultraviolet Disinfection System, Supervisory Control and Data Acquisition (SCADA) and Programmable Logic Controller (PLC), Photovoltaic System, Autothermal Thermophilic Aerobic Digestion System, and Headworks System. Replacement of Plant equipment is proposed to increase by 4x over the next ten years.

## How much do these projects cost?

The City is proposing doubling the capital project work from the previously approved 5-year Wastewater capital program that was approved in June of 2021 to approximately \$60.5 million of capital projects over the next 5 years. The projects include those noted above.

## What happens if we do not raise the rates and do not complete these improvements?

The City needs to raise rates to meet the demands of inflation, maintenance, operation and construction of capital improvements. If the City does not raise wastewater rates, it will be unable to complete the proposed capital improvement construction, which includes projects to fix aging infrastructure and meets obligatory permit requirements from the State Water Resources Control Board (Water Board) and other permitting agencies and prevent SSO's. Overall, sewer infrastructure will continue to deteriorate without funding to maintain it. The sewer collection system may face system failures such as Sanitary System Overflows onto the streets and pollutants into the Pacific Ocean. At the same time, the Plant may fail to treat the incoming wastewater accordingly because of non-functioning critical equipment. All these problems will further increase costs for all users, be environmentally hazardous and subject the City to large fines from permitting agencies such as the Water Board.

## What is the City doing to minimize the burden on ratepayers?

The City's Wastewater Capital Improvement Program is geared towards reducing operation and maintenance costs at the Plant and Collection System. For example, additional repairs to the City's Collection System to reduce infiltration and inflow into the system can prevent the Plant from treating unnecessary sewer flow. Averaging low rain and high rain years, it is estimated that the City treats 100 million gallons of unnecessary flow from stormwater mixed with sewage each year. The cost of treating this level of extra flow is estimated to be \$700,000 per year or more. The proposed CIP projects targeting reduction of I/I will help to minimize this cost. The Plant also has capital projects planned to lower costs. The Plant started a project in 2021 to repair and upgrade its existing photovoltaic system with a better system that allows for more energy savings. It is anticipated the cost saving following completion of the photovoltaic project upgrade will be approximately \$200,000 per year. Another Plant project that will help save money is the replacement of the aging ultraviolet disinfection system. The new system is anticipated to use about 70% less energy. This, in addition to the realized savings from the new system efficiencies, will allow cost savings in the range of \$400,000 per year once the project is complete.

## How are Sewer bills calculated?

The City's residential sewer bills are based on 90% of their total annual water use from March 1 of the previous year to February 28 of the current year.

Commercial users are billed by total annual water use from March 1 of the previous year to February 28 of the current year multiplied by a strength factor which corresponds to the estimated flow for their customer class.

Any billed usage below 48 units of water (the median residential use in Pacifica) is billed the minimum charge. Any use above this amount is billed at a \$/unit cost. One unit of water use is equivalent to 100 cubic feet of water consumption (CFOWC) which is also equal to 748 gallons.

**EXAMPLE (Current Sewer Rates):**

Wastewater Yearly Charge (Property Tax Bill): 2021/22  
 Type: Residential  
 Annual Period: March 1, 2021 to February 28, 2022  
 Annual Use by Resident: 56 Units (or 5,600 CFOWC)  
 Unit Cost: \$18.81373 per Unit (current rate)  
 Total Cost: 56 Units x 0.90 x \$18.81373 per Unit = \$948.21  
 SEWER BILL \$948.21\*  
 \*Minimum charge is \$903.06

What will the sewer rate be increased to?

The City’s current and future proposed rates are listed below:

	Current	Maximum Proposed Rate				
		2022-23	2023-24	2024-25	2025-26	2026-27
Percent Increase		3.5%	3.5%	3.5%	3.5%	3.5%
Rate*	\$18.81373	\$19.47221	\$20.15374	\$20.85912	\$21.58919	\$22.34481
Minimum Annual Rate	\$903.06	\$934.67	\$967.38	\$1,001.24	\$1,036.28	\$1,072.55

\* Rate per 100 cubic feet of estimated water consumption (CFOWC). One unit of water use is equivalent to 100 CFOWC. Minimum Annual Rate is based on 48 Units.

What will the new charge be for a “typical” household?

All residential users will receive a minimum annual charge according to the above chart. The current minimum annual rate is \$903.06 and the proposed minimum annual rate for FY 2022-23 is \$934.67. The current cost per unit is \$18.81373 and the proposed cost for FY 2022-23 is \$19.47221. This is a \$0.65848 increase per water unit. Using the example of a residential usage of 56 units, the new rate would be as follows:

**EXAMPLE (Proposed Sewer Rates):**

Proposed Wastewater Yearly Fee (Property Tax Bill): 2022/23  
 Type: Residential  
 Annual Period: March 1, 2022, to February 28, 2023  
 Annual Use by Resident: 56 Units (or 5,600 CFOWC)  
 Unit Cost: \$19.47221 per Unit (proposed 2022-23 rate)  
 Total Cost: 56 Units x 0.90 x \$19.47221 per Unit = \$981.40  
 SEWER BILL \$981.40\*  
 \*Minimum charge is \$934.67

This is a proposed increase of \$33.19/year for residential usage of 56 water units in 2022-23 from current rates.

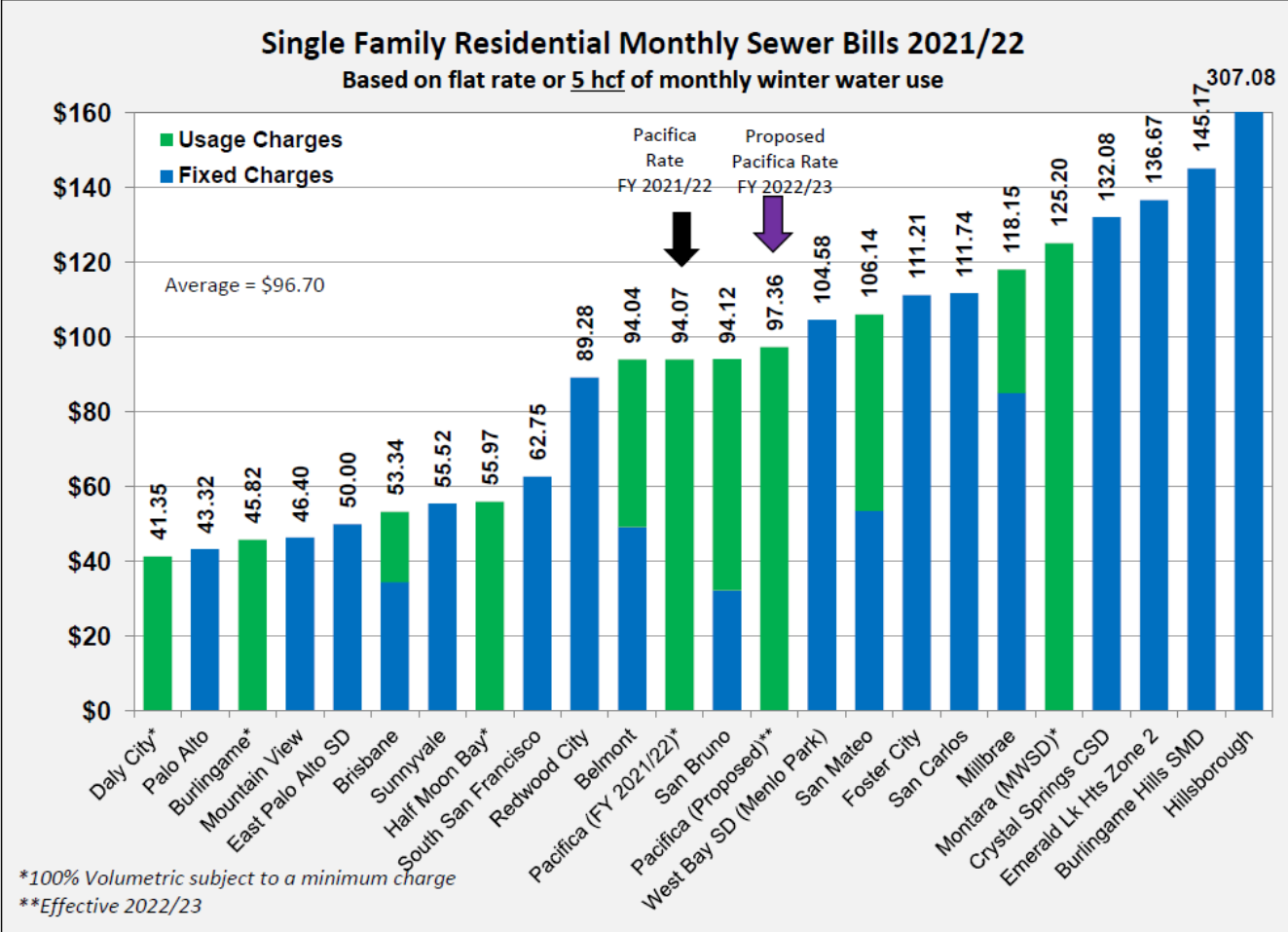
When were rates last raised? What was the percent increase?

From 2017-18 through 2019-20, sewer rates were increased to 8.0% each year (total of 3 years), and from 2020-21 to 2021-22, sewer rates increased to 7.0% each year (total of 2 years). As is true of the current proposed rates, each rate increase reflects the change in cost of service for wastewater users in that year.

### How do the City's sewer rates compare to other agencies?

Below shows a regional sewer rate survey for FY 2021/22. The surveyed average monthly sewer bill for a single family home using 5 units per month is \$96.70. The City's sewer rates compare favorably with regional agencies and are in the average range at \$94.07 with a proposed increase to \$97.36. Cities on the lower end of the scale may not have recently assessed needs of their capital construction program, which would increase their rates.

This information can also be found in the wastewater rate study on Pacifica's website. ([https://www.cityofpacific.org/depts/pw/wwt/wastewater\\_rate\\_study.asp](https://www.cityofpacific.org/depts/pw/wwt/wastewater_rate_study.asp))



### What is the process for implementing these rates?

In compliance with California law, the City will hold a public hearing on May 9, 2022 to consider the proposed rates. If a majority of property owners submit written protests against the new sewer rate at or before this hearing, the City will not implement the new rate. Otherwise, the new rate will be considered by the City Council and, if approved, placed on the property tax bills issued later in 2022.

## What if I don't agree with the proposed rates?

Property owners who do not agree with the proposed rates can submit a written protest to the City at or prior to the May 9<sup>th</sup> hearing on the rate increase. The written protest should be mailed or delivered to the following:

540 Crespi Drive  
Pacifica, California 94044  
Attention: City Clerk

## Can renters vote at the public hearing?

Only property owners can submit a valid protest to the proposed rate increase. Therefore, if a renter does submit a protest vote, it will not be counted as part of the majority needed to block the proposed rate increase. However, everyone is invited to present oral or written testimony to the City Council at the public hearing.

## Where can I find more information on the proposed rate and cost justification?

The full sewer rate study conducted by Bartle Wells Associates and other related documents can be found on the City's website at [https://www.cityofpacifica.org/depts/pw/wwt/wastewater\\_rate\\_study.asp](https://www.cityofpacifica.org/depts/pw/wwt/wastewater_rate_study.asp).

If you have any questions about the proposed rates, feel free to contact Maria Aguilar, Plant Manager, at (650) 738-4660.