

City of Emeryville

Sewer Rate Study



September 20, 2016

BARTLE WELLS ASSOCIATES
Independent Public Finance Advisors

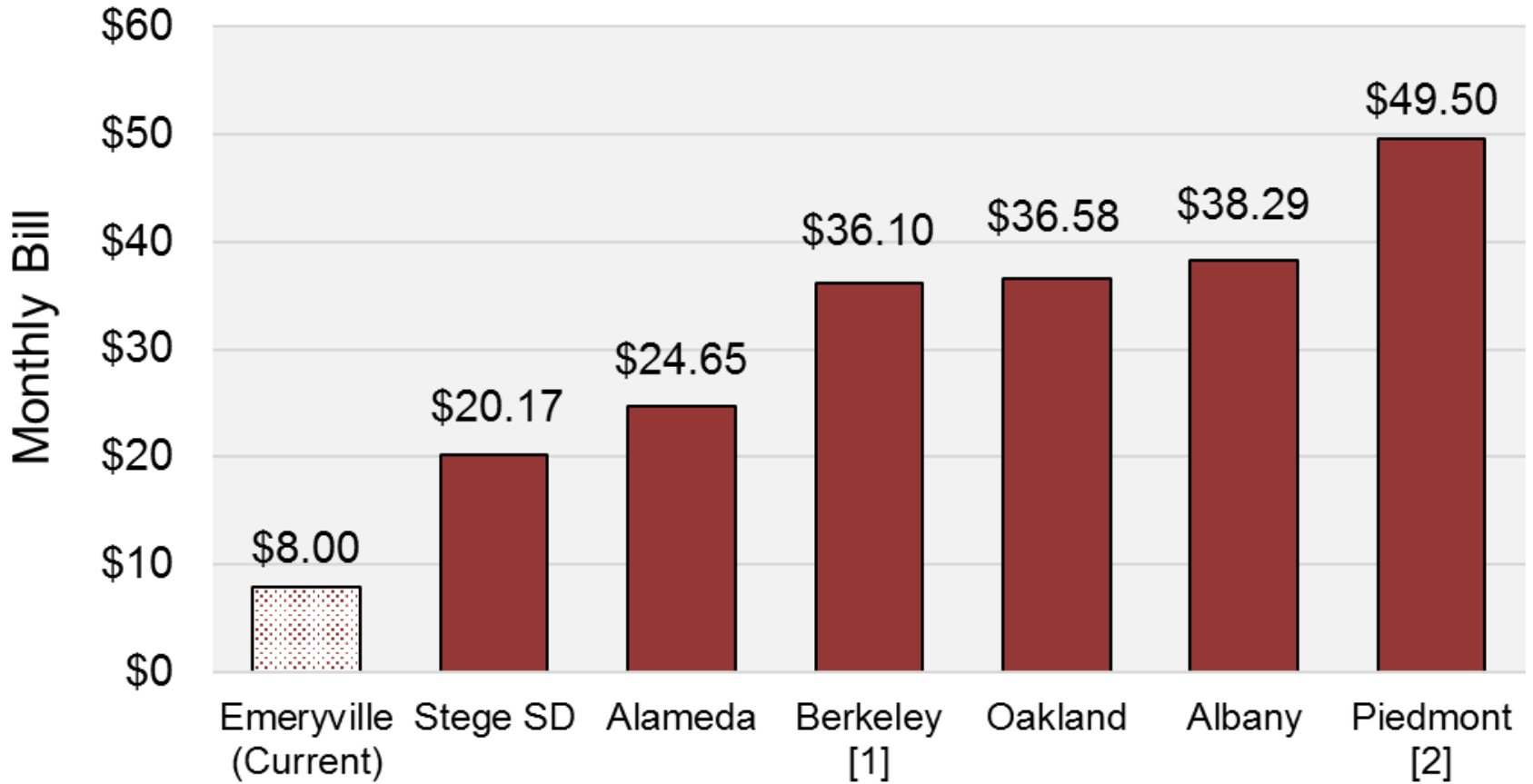
Alison Lechowicz
Vice President



Sewer Rate Overview

- Customers pay two wastewater service charges
 - City of Emeryville sewer collection system charge
 - East Bay Municipal Utility District (EBMUD) wastewater treatment charge
- EBMUD bills customers for both charges and remits the collection charge revenue to the City
- The City has not raised its sewer rates since January 1995
- The City's rates are the lowest of the EBMUD satellite collection agencies

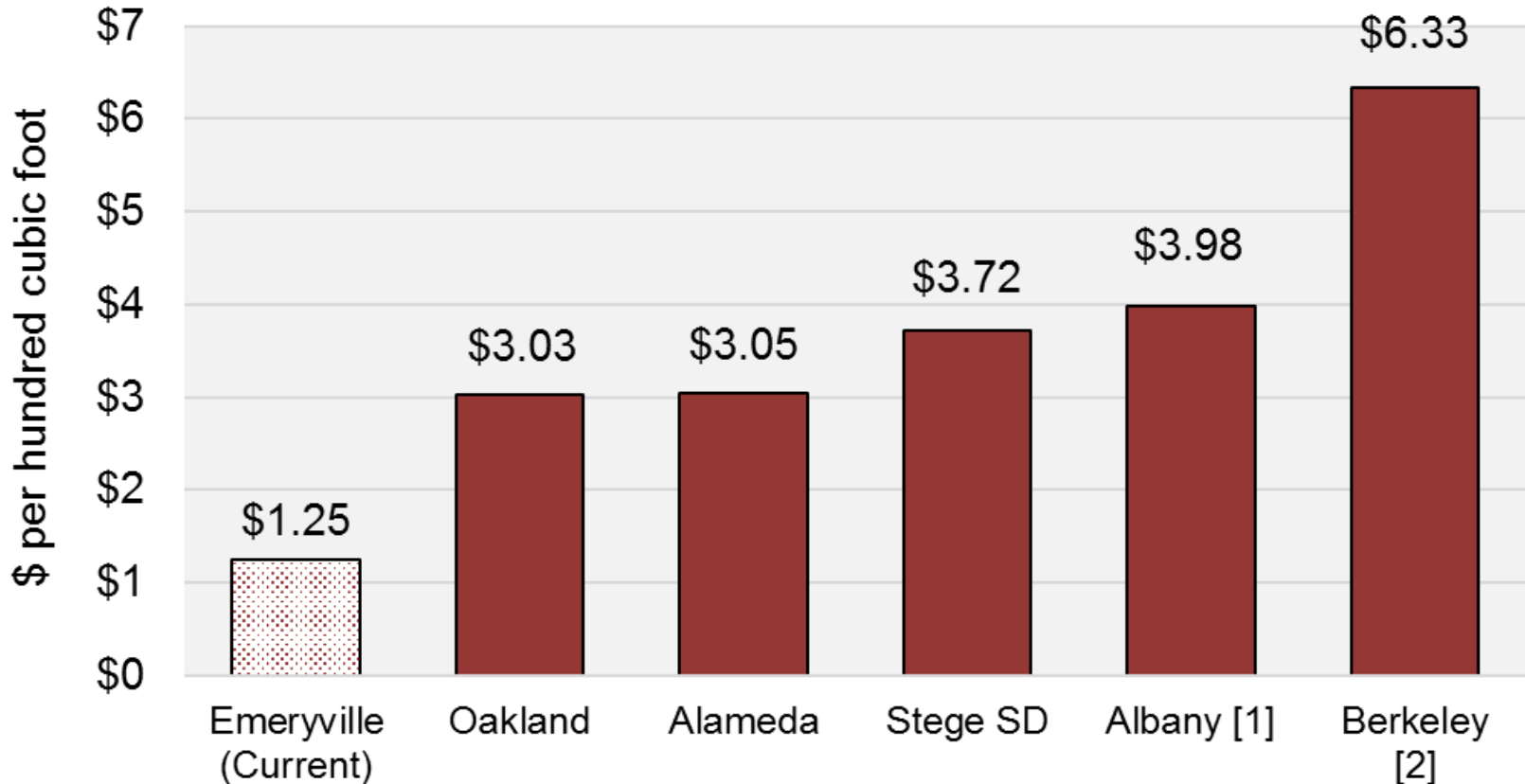
EBMUD Satellite Sanitation Agencies Single Family Residential Sewer Collection Bill Comparison



1 – Based on sewer flow of 160 gallons per day (6.4 hundred cubic feet)

2 – Based on 5,000 to 9,999 square foot lot size

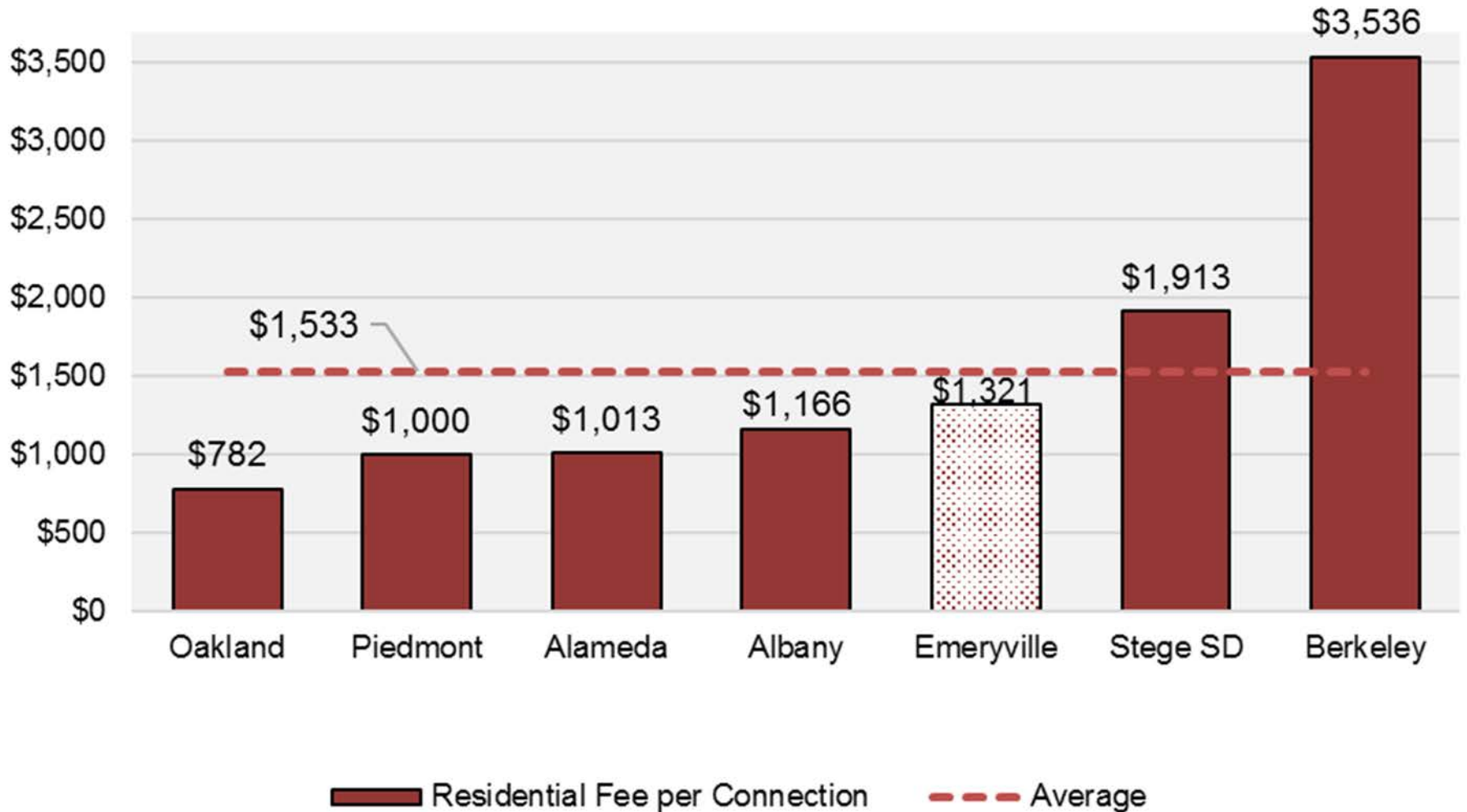
EBMUD Satellite Sanitation Agencies Commercial Sewer Collection Rate Comparison



1 – City of Albany charges fixed fees for different types of commercial customers. The equivalent volume rate is provided.

2 – City of Berkeley FY2017 commercial charges range from \$3.80 to \$6.33 per hundred cubic foot. \$6.33/ccf is the most common commercial rate.

EBMUD Satellite Sanitation Agencies Residential Sewer Collection System Connection Fee



Financial Overview

- The Sewer Fund is an enterprise fund
 - The cost of provided sewer services is funded from sewer rates
 - No tax revenues or General Fund revenues are used for sewer functions
- Rate increases are needed to
 - Keep up with inflationary cost increases
 - Fund maintenance activities including major cleaning
 - Fund EPA Consent Decree required work

Financial Overview Continued

- Rates are also needed to develop and maintain reserves for
 - Operating reserves (approx. \$0.6M)
 - Project delivery (\$0.1M)
 - Catastrophic events (\$2.5M)
 - Major rehabilitation projects (\$2.5M)
- Absent a rate increase, the City would not have funding available to respond adequately to an emergency



Sanitary sewer overflow (left)

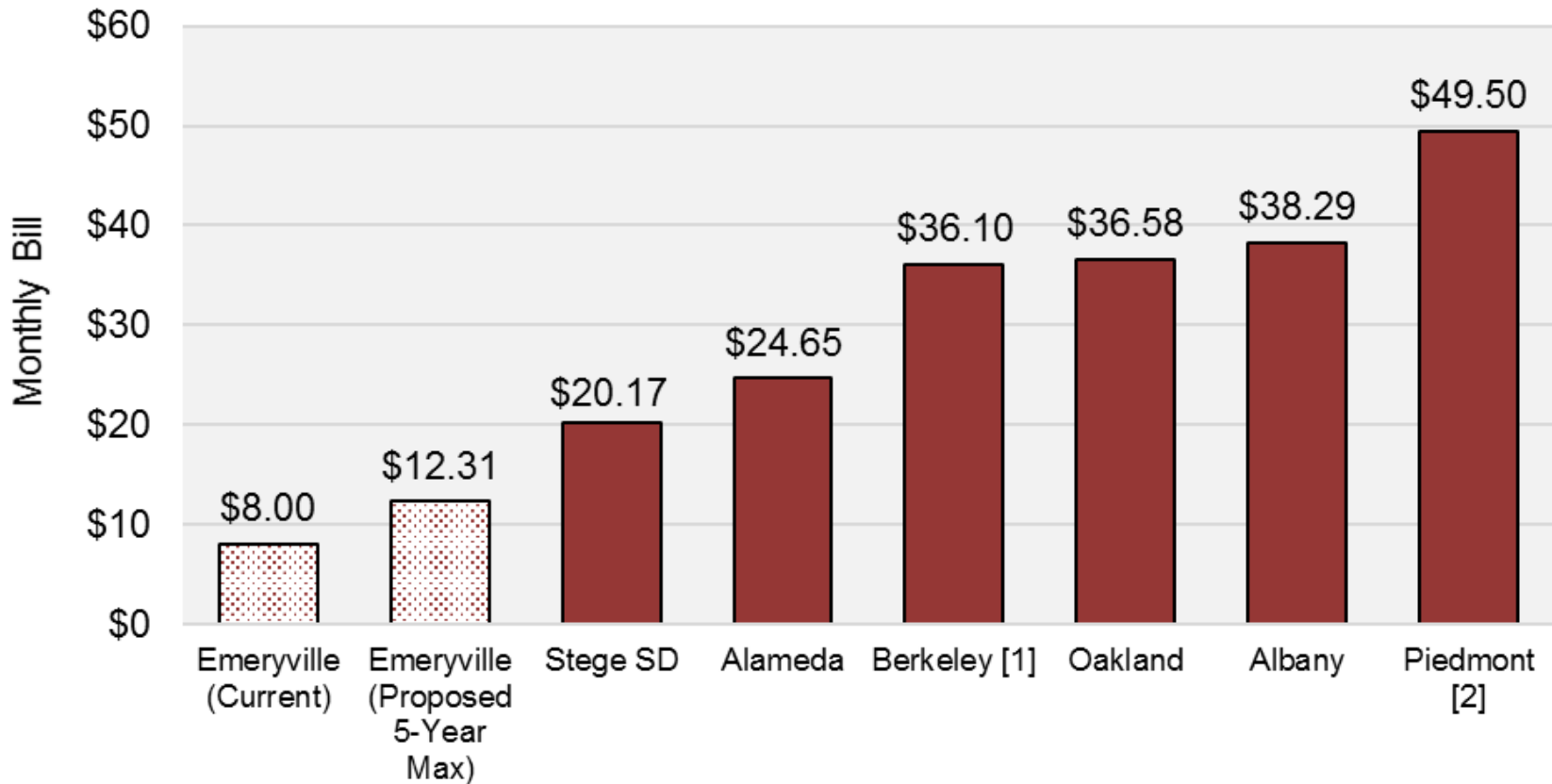


Aftermath of the Napa Earthquake (right, from CNN)

Proposed Rates

	Current \$/month	Jan 1, 2017 Proposed \$/month	Jan 1, 2018 Proposed \$/month	Jan 1, 2019 Proposed \$/month	Jan 1, 2020 Proposed \$/month	Jan 1, 2021 Proposed \$/month
% Increase		9%	9%	9%	9%	9%
Single Family Residential	\$8.00	\$8.72	\$9.50	\$10.36	\$11.29	\$12.31
\$ Increase per Month		\$0.72	\$0.78	\$0.86	\$0.93	\$1.02
Volumetric Rate (\$/ccf)	\$1.25	\$1.36	\$1.49	\$1.62	\$1.76	\$1.92
\$ Increase per ccf		\$0.11	\$0.13	\$0.13	\$0.14	\$0.16
Daily(\$/day)	\$0.2667	\$0.2907	\$0.3168	\$0.3453	\$0.3764	\$0.4103

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Sewer Rate Adoption Process

- Majority protest process (not an election) subject to Proposition 218
- City Council adopts resolution declaring intention to increase rates and to establish procedures for accepting protests
- Mail out a notice minimum 45 days in advance of a public hearing on the proposed rate increase (translations on City website)
- Property owners or tenants may submit written protests
- Hold the public hearing and count all protests received before close of the public hearing
- If more than 50% of parcels (2,582) protest, then the City cannot increase the rates
- Absent a majority protest, City Council can adopt the 5-year rate plan

Sewer Rate Adoption Schedule

- September 20th** **City Council Meeting to discuss sewer rate study.
Request City Council approval to initiate Proposition 218
process.**
- September 23rd** **Print and mail sewer rate notices to property owners and
tenants (minimum 45 days before public hearing)**
- November 15th** **Proposition 218 hearing**
- January 1st** **New Rates effective**

Questions and Comments

