



# RODEO SANITARY DISTRICT

## PUBLIC HEARING ON PROPOSED INCREASE IN SEWER SERVICE CHARGES

(Please Share This Information with Tenants)

The Rodeo Sanitary District (“RSD” or “District”) provides sewer service to approximately 3,221 residential and commercial customers in the communities of Rodeo and Tormey, in Contra Costa County. The District, established in 1923, with a service area boundary of approximately 1.4 square miles, owns and operates more than 28 miles of main line sewers and 2 pumping stations. The District also owns and operates a complex Water Pollution Control Plant (WPCP) and a 3900-foot deepwater outfall to the San Pablo Bay.

The District conducted a detailed Sewer Service Charges Study (SSC) to review and address costs to provide reliable sewer service and to determine appropriate rate adjustments to continue to provide reliable service. The District has published this SSC and two other important documents to the website (<https://rodeosan.org/residents-businesses/rates-fees/#studies>); a Sewer Capacity Charge Study, and a 5-year Capital Improvements Program. The SSC was designed to ensure rates are fair and customers only pay for the costs of their service.

The SSC proposes rates based upon the revenues needed to meet projected operating expenses for the period from July 2024 to June 2029. These expenses include the costs of labor and equipment needed to provide service, the costs to maintain and replace infrastructure, and the costs to meet debt obligations and maintain financial reserves. Some major factors supporting the rate adjustments include:

- New and increasingly stringent state and federal environmental regulations.
- Major inflationary market.
- Higher utility costs to operate facilities.
- Capital projects to ensure compliance with the state and federal requirements.

The SSC also recommends nonresidential customer classes be aggregated into groups with the groups based on similar combined strengths of Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) (as measured in mg/L). The recommended sewer service charges incorporate the combined impact of 1) updated customer characteristics (for flow, BOD, and TSS); 2) reduced number of nonresidential customer classes and number of separate rates from nine to three; 3) replacement of the annual minimum charge with a monthly account charge; 4) increased annual revenue requirements; and 5) meeting all target reserve goals by FY29. The SSC proposes an overall revenue increase of 8%, 8%, 9%, 9%, and 9% over the next five fiscal years. Please note that these revenue increases are applicable to all customer classes. Please refer to the list of proposed sewer service charges for the actual dollar figure increase for each residential and nonresidential customer category.

The District's Water Pollution Control Plant (WPCP) was originally built in 1957 and upgraded in 1973. Most of the WPCP is over 50 years old and many process units and equipment are past the expected service life. The sewer lines in the collection system are even older, ranging from 70 to 100+ years, which is also beyond the expected service life.

State and federal environmental agencies continue to enhance and develop new and more stringent environmental requirements. These new/enhanced requirements increase the costs for operation of the District and increase the number of tasks District staff are required to perform. This places the burden of complying with these stringent requirements on the District's rate payers. As a result, RSD needs to continue to invest in the critical infrastructure and personnel to comply with the state and federal requirements to ensure the District's mission is realized. **The District's Mission:**

***“To safely provide the highest level of wastewater collection and treatment as economically as possible for the people of Rodeo while protecting the sensitive ecosystem of the San Pablo Bay and the overall environment.”***

Like all agencies in California, RSD has been struggling over the past few years to make ends meet. The Fiscal Year 2023-2024 rate increase of 13% was used to end several years of deficit operation and to balance RSDs budget. The proposed increases are designed to cover the continued struggles of this inflationary market, to address staffing issues for succession planning and to meet state and federal regulatory demands, and more importantly to invest in the aging infrastructure to ensure environmental and public health protection.

A survey of agencies in the state that are conducting the same process shows rate increases from 3% up to 30% for FY24. Small agencies do not enjoy the economy to scale. For example, if RSD raises the annual residential rate by \$100, that equates to approximately \$300,000 in revenue. If the Central Contra Costa Sanitary District raised its rates by \$100 annually, that equates to approximately \$25,000,000 in revenue. Current annual residential rates in the Bay Area range from \$300 to \$1,700.

Please note that the District is very much aware of the burden an increase in service charges has on the ratepayers. RSD has been very diligent in keeping costs down, maximizing your dollar. **For example, from July 1, 2012, to June 30, 2021, the District only increased its operating budget by 4.6% total over the 9-year period.** Increases to the Consumer Price Index for Urban Consumers (a measurement of the costs of goods and services) for the San Francisco Bay Area (CPI-U) was 28% for the same 9-year period. **RSD increased its operating income 7% over FY 2018 to FY 2023** (CPI-U was 17.8%). A comparison of other similar sized agencies shows at least a 20-58% increase in their operating revenue over the same period.

The District is required by State law and policy to collect revenue sufficient to cover the cost of operating the sewage collection and sewage treatment systems. These revenues allow the District to protect the public health and safety and reliably collect and treat the sewage generated by its customers. Costs that must be recovered through rate revenue include electricity, equipment and supplies, treatment chemicals, debt service, and salaries and benefits.

Over the years, the District has implemented numerous cost-saving measures, including streamlining operations and the advanced use of technology. District staff constantly shop for our goods and services to find the lowest cost options available. The use of advanced technology has allowed the District to significantly reduce the use of natural gas and electricity which has a secondary benefit of reducing the carbon footprint of the District's WPCP.

### **RESIDENTIAL FLAT RATE**

The District Board of Directors proposes a five-year rate plan for residential rates. Proposed annual rates are as follow:

Current Rate	Proposed 2024 – 2025 Rate	Proposed 2025 – 2026 Rate	Proposed 2026 – 2027 Rate	Proposed 2027 – 2028 Rate	Proposed 2028 – 2029 Rate
\$1,165.62	\$1,272.00	\$1,368.00	\$1,488.00	\$1,620.00	\$1,776.00

**NON-RESIDENTIAL/COMMERCIAL RATES**

The non-residential commercial rates will also receive a five-year rate plan. Proposed annual rates are as follow:

Category	Current Rate (per hcf)	Proposed FY 24-25 Rate (per hcf)	Proposed FY 25-26 Rate (per hcf)	Proposed FY 26-27 Rate (per hcf)	Proposed FY 27-28 Rate (per hcf)	Proposed FY 28-29 Rate (per hcf)
Group 1 - Churches	\$7.24	\$8.65	\$9.35	\$10.19	\$11.10	\$12.10
Group 1 – Schools/Day Care/Rec	\$7.70	\$8.65	\$9.35	\$10.19	\$11.10	\$12.10
Group 2 - Laundromat	\$9.34	\$11.47	\$12.38	\$13.50	\$14.71	\$16.04
Group 2 – Commercial Professional	\$10.44	\$11.47	\$12.38	\$13.50	\$14.71	\$16.04
Group 2 – Hospitals/Clinics	\$11.14	\$11.47	\$12.38	\$13.50	\$14.71	\$16.04
Group 2 – Bars w/o dining	\$11.24	\$11.47	\$12.38	\$13.50	\$14.71	\$16.04
Group 2 – Gas/Service/Wrecking	\$11.80	\$11.47	\$12.38	\$13.50	\$14.71	\$16.04
Group 3 – Commercial Laundries	\$19.57	\$21.88	\$23.63	\$25.76	\$28.08	\$30.60
Group 3 – Restaurants/Food Service	\$20.54	\$21.88	\$23.63	\$25.76	\$28.08	\$30.60
Group 3 – Food Markets w/Deli or bakery	\$20.54	\$21.88	\$23.63	\$25.76	\$28.08	\$30.60
Group 3 – Bakeries	\$20.54	\$21.88	\$23.63	\$25.76	\$28.08	\$30.60
Account per unit per month	n/a	\$44.40	\$48.00	\$51.60	\$56.40	\$62.40
Unit Costs						
Flow (per 1,000 gallons)	n/a	\$4.869	\$5.258	\$5.731	\$6.247	\$6.809
BOD (per 1,000 lbs.)	n/a	\$1.614	\$1.744	\$1.901	\$2.072	\$2.258
TSS (per 1,000 lbs.)	n/a	\$1.838	\$1.985	\$2.163	\$2.358	\$2.570
Account per unit per month	n/a	\$44.40	\$48.00	\$51.60	\$56.40	\$62.40
<p><i>Please note that hcf stands for hundred cubic feet of water. The District will continue to use information supplied by the water supplier concerning non-residential annual water usage. For example, if a Laundromat (Group 2) discharges 250 units of water per year, then for the rate proposed to become effective on July 1, 2024, for FY 24-25, the annual bill would be: (\$11.47 per hcf) x (250 hcf per year) = \$2,867.50 plus (\$44.40 per month x 12 months) = \$532.80 for a total of \$3,400.30</i></p>						

**Notice is given that the Board of Directors of the Rodeo Sanitary District will conduct a Public Hearing on Tuesday, June 11, 2024, at 1:30 p.m.**

The location of the meeting is:

**John Swett Unified School District Board Room  
400 Parker Avenue  
Rodeo, California 94572**



**RODEO SANITARY DISTRICT**  
PUBLIC HEARING ON PROPOSED INCREASE IN SEWER SERVICE CHARGES

At the Public Hearing, the District’s Board will accept oral and written testimony, as well as written protests, regarding the proposed Sewer Service Charges increase. Written protests will be accepted at the Public Hearing or may be mailed or delivered to RSD at 800 San Pablo Avenue, Rodeo, CA 94572. Protests which are mailed or delivered to the District must be received prior to the hearing in order to be considered by the Board. Written protests must be signed by the property owner or ratepayer and provide the location of the identified parcel (by assessor’s parcel number and/or street address). Only one written protest per identified parcel or property will be counted for purposes of determining whether there is a majority protest. If written protests are presented by a majority of the property owners, the District will not adopt the Sewer Service Charges increase.



Rodeo Sanitary District  
800 San Pablo Ave  
Rodeo, Ca. 94572

**Important Information**  
**Notice of Public Hearing**  
**Tuesday, June 11, 2024, at 1:30 p.m.**