

**NEW RATE HEARING DATE**

**NOTICE OF PROPOSED RATE INCREASES AND PUBLIC HEARING AT 1:30 P.M. ON JUNE 21, 2023**

**WHAT YOU NEED TO KNOW**

- 1** We will continue to maintain and upgrade our treatment plant, pump stations, pipelines, and other critical infrastructure essential to moving and cleaning wastewater.
- 2** We will continue to implement an extensive neighborhood sewer pipe replacement program, which will maintain and improve reliable service levels in the community.
- 3** We stay committed to protecting public health and the environment and will continue to offer services such as the Household Hazardous Waste Collection Facility and Residential and Commercial Recycled Water Fill Stations.
- 4** We will continue to prudently manage costs and maintain the financial stability and sustainability of Central San.
- 5** We will continue to provide our customers exceptional service at responsible rates.



# CENTRAL SAN

## NOTICE OF PROPOSED RATE INCREASES

Central Contra Costa Sanitary District (Central San) is your local sewer service provider protecting public health and the environment for almost 77 years. Our team of dedicated professionals work around the clock to collect and clean wastewater for nearly 500,000 residents and over 3,000 businesses in central Contra Costa County. Every time you wash your dishes or clothes, flush your toilets, or use your sinks, bathtubs, and showers, Central San collects and cleans all that dirty water. It is not easy, but we take our job seriously. We maintain over 1,500 miles of underground pipe and 18 pump stations to transport wastewater from our customers to our regional treatment plant, where we clean about 13 billion gallons of wastewater every year.



**DOING MORE TO PROTECT OUR ENVIRONMENT**

- 1. HOUSEHOLD HAZARDOUS WASTE COLLECTION (HHW):** For 25 years, we have operated one of the most successful HHW facilities in the nation. We have collected over 47 million pounds of paint, cleaners, pesticides, batteries, fluorescent lamps, and much more, keeping those hazardous products out of sewers, storm drains, and landfills by reusing or recycling nearly 90% of what we collect.
- 2. RECYCLED WATER:** Always on the forefront of local water resiliency, we've distributed more than 4.5 billion gallons of recycled water to customers, saving precious drinking water supplies.

**PARTNERING WITH OUR CUSTOMERS**

We have not done this alone. You, our customers, have provided us with the funds necessary to do all this work and fulfill our mission of protecting public health and our local environment. We are thankful for the trust you have placed in us, and we remain committed to providing you exceptional service at reasonable rates. At Central San, we continually strive to control costs and do everything we can to keep rates low. Through proactive maintenance, we've extended the lifespan of our facilities and equipment to make every dollar work harder for our customers. When necessary, we also have continuously invested in our pipes, pumps, and treatment plant to ensure safe, efficient, and reliable service.

**FINANCIAL ACTIONS**

- Held operation and maintenance costs flat for the past 8 years
- Secured low-cost state financing to save \$20 million in interest costs on large-scale projects
- Paid off pension liabilities, projected to save nearly \$15 million in interest payments
- Maintained AAA (S&P) and Aa1 (Moody's) credit ratings to keep borrowing costs low
- Benchmark performance annually to ensure efficient, cost-effective operations

**YOUR DOLLARS AT WORK**

Despite the challenges of the pandemic, over the past four years we've worked hard to complete several significant infrastructure improvement projects.

- 1. RECYCLED WATER:** We completed construction of new storage facilities that will hold 6 million gallons of recycled water ready for distribution to make the most of our precious water resources.
- 2. PIPES AND PUMP STATIONS:** We replaced over 19 miles of aging neighborhood sewer pipes throughout our service area and completed major renovations to three large pump stations serving Orinda and Moraga.
- 3. INFLOW AND OUTFALL:** We rehabilitated the mechanical equipment and concrete structures where wastewater enters our treatment plant and the cleaning process begins. We also completed critical inspections and improvements to our 3.5-mile outfall pipeline, which carries cleaned water from our treatment plant to Suisun Bay to be safely returned to the environment.
- 4. STEAM AND AERATION BLOWER SYSTEMS:** We completed comprehensive condition assessments of our aging steam and aeration blower systems and began design and construction of critical seismic and other upgrades.



**PREPARING FOR THE FUTURE**

As we begin our 77th year of service to the community, our key priorities include replacing aging infrastructure, meeting emerging regulatory requirements, preparing for the future, and ensuring environmental stewardship and sustainability in everything we do. As parts of our system reach the end of their useful lives, prudent capital investments are necessary to guarantee the reliable service you have come to expect from us. Our long-term planning has identified many upgrade and replacement projects for the collection system pipes, pump stations, and treatment plant to ensure they continue to function properly now and into the future. The proposed rate increases will continue to provide the necessary funding for these critical projects currently scheduled for the next two years.

- 1. COLLECTION SYSTEM:** We will replace about 14 miles of aging neighborhood sewer pipes to ensure reliable service for decades to come.
- 2. PUMP STATIONS:** We will continue phased renovations of our pump stations, focusing on three large pump stations that are essential for continuous delivery of wastewater from the Martinez area to our treatment plant.
- 3. LARGE SEWER INSPECTIONS:** We will continue inspection and condition assessments of large sewers, called interceptors, to plan for future repairs. Measuring up to 8.5 feet in diameter, these pipes convey wastewater from neighborhoods throughout our service area; nearly half are over 50 years old.
- 4. SOLIDS HANDLING:** We will launch a large-scale, multi-year rehabilitation of our solids handling facilities, starting with replacing aging equipment including burners, centrifuges, pumps, and air pollution control equipment to ensure reliable ongoing processing of wastewater solids and compliance with strict air quality regulations.
- 5. STEAM AND AERATION BLOWER SYSTEMS:** We will repair or replace critical components of our aging steam generation equipment to address vulnerabilities identified through our recent condition assessments.
- 6. AERATION BASINS:** We will begin the phased repair or replacement of mechanical equipment and concrete structures in our aeration basins to improve seismic reliability, enhance the efficiency of our biological treatment processes, better protect the environment, and prolong the lifespan of these critical facilities.
- 7. RECYCLED WATER:** We will complete the first phase of renovations to our recycled water plant, originally constructed in the 1970s. Along with our recently completed recycled water storage, these improvements will ensure continued reliability of our recycled water system and support expanded capacity for the future.

**CURRENT & PROPOSED ANNUAL SEWER SERVICE CHARGE RATES**

USER GROUP		CURRENT RATE	PROPOSED RATE EFFECTIVE JULY 1, 2023	PROPOSED RATE EFFECTIVE JULY 1, 2024
<b>RESIDENTIAL CUSTOMERS (RATE PER LIVING UNIT)</b>				
Single Family Homes		\$690.00	\$697.00	\$725.00
Apartments, Condominiums, Duplexes, Mobile Homes		\$654.00	\$622.00	\$647.00
Accessory Dwelling Units (ADUs)*		—*	\$339.00	\$353.00
<b>COMMERCIAL &amp; OTHER NON-RESIDENTIAL CUSTOMERS (PER HUNDRED CUBIC FEET - HCF)</b>				
STRENGTH CATEGORY†	DESCRIPTION			
LOW	Retail, Office, Churches, Daycare, Preschools, Universities, Rest Homes, and Automotive	\$7.20	\$7.63	\$7.94
LOW-MEDIUM	Delis, Ice Cream and Yogurt Shops, Coffee Shops, Bars, and Shared meters with 50% or less food service	\$8.83	\$9.32	\$9.69
MEDIUM	Shared meters with 50% or more food service	\$11.07	\$10.99	\$11.43
MEDIUM-HIGH	Hotels, Motels, Restaurants, Supermarkets, Shared meters with Bakeries or other High Strength Food Services	\$12.35	\$12.04	\$12.52
HIGH	Bakeries, Breweries, Restaurants with Grinders or Emulsifiers, and Mortuaries	\$16.37	\$14.48	\$15.06
SCHOOLS	Elementary (per student)	\$8.58	\$8.94	\$9.30
	Intermediate / High (per student)	\$16.95	\$17.89	\$18.61
<b>MINIMUM ANNUAL CHARGE</b>		<b>\$654.00</b>	<b>\$622.00</b>	<b>\$647.00</b>

**\*NEW RATE CATEGORY:** Central San is proposing to implement a new, lower rate for Accessory Dwelling Units (ADUs), which are currently billed at the same rate as an apartment unit or condo. ADUs may include in-law units, backyard cottages, and other smaller independent residential units located on the same property as a single-family home. To ensure fair rates, Central San completed a study to assess the costs of providing sewer service to all of our customer classes, including ADUs. The proposed rates are based on this analysis. **The cost of service report is available at [centralsan.org/notice](https://centralsan.org/notice).**

**†STRENGTH CATEGORY:** Some types of businesses produce more concentrated sewer waste that requires additional energy and effort to treat. Central San has developed five categories – low, low-medium, medium, medium-high, and high – to fairly charge those customers for their proportionate cost of providing wastewater treatment services.

A nonresidential customer's annual Sewer Service Charge is determined by multiplying the appropriate strength category rate times the annual wastewater discharge volume measured in HCF (Hundred Cubic Feet). For example, a bakery discharging 250 HCF per year would pay an annual sewer service charge at the July 1, 2023 proposed rate calculated as follows:  
 $(\$14.48 \text{ per HCF}) \times (250 \text{ HCF per year}) = \$3,620.00$

If you have questions regarding your Sewer Service Charge, or would like us to calculate a property-specific estimate of your Sewer Service Charge for the upcoming rate years, please send an e-mail request including your name, Assessor's Parcel Number(s), address, and phone number to [rates@centralsan.org](mailto:rates@centralsan.org), or call Central San's Community Information Line at (925) 335-7702. Additional information is available at [centralsan.org/notice](https://centralsan.org/notice).



**RATE HEARING PROCESS / HOW TO PROTEST**

Central San's annual Sewer Service Charge funds round-the-clock operations, maintenance, and construction of critical infrastructure. Proposition 218 requires that wastewater agencies like Central San must base their charges on the cost of providing those services. Central San's Board of Directors will consider proposed rate increases for the next two years for property owners of single family homes, multifamily dwellings, Accessory Dwelling Units (ADUs), and commercial, industrial, and institutional properties at a public hearing on the rescheduled date of **JUNE 21, 2023, AT 1:30 P.M.**, Central Contra Costa Sanitary District Board Room, **5019 IMHOFF PLACE, MARTINEZ, CA 94553**. Public comments and written protests will be accepted at the public hearing. Written protests may be mailed or hand-delivered to Central San prior to the public hearing to the Secretary of the District at the address listed above. Written protests must include the property's address or Assessor's Parcel Number(s) and must be signed by the property owner or tenant (only one protest per parcel counted). Scanned copies of signed protest letters may also be submitted by fax (925) 372-0192 or email to [KYOUNG@CENTRALSAN.ORG](mailto:KYOUNG@CENTRALSAN.ORG). All written protests must be received prior to the close of the public hearing. **PREVIOUSLY SUBMITTED PROTESTS ARE STILL VALID.** As required by law, the rate increases will not be imposed if valid written protests are received from a majority of property owners. More information about filing a protest can be found at [centralsan.org/notice](https://centralsan.org/notice) or by calling (925) 335-7702. Any suit to set aside the proposed rate increases must be filed within 120 days of July 6, 2023, the effective date.

