

**COMMITTEE MEMBERS**

Laura M. Hoffmeister, Chair  
Carol S. Obringer, Member

Civic Center  
1950 Parkside Drive  
Concord, CA 94519  
www.cityofconcord.org



**Special Meeting of the  
Infrastructure and  
Franchise Committee**

Wednesday,  
June 29, 2022

6:30 p.m.

Garden Conference  
Room  
1950 Parkside Drive  
Concord, CA

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**This meeting is being held in person only.**

Information for the public on participation at Committee meetings can be found on the back of the Speaker Identification Card. Should you have any questions after consulting the Speaker Identification Card, please contact staff prior to the Committee meeting.

AGENDIZED ITEMS – The public is entitled to address the Committee on items appearing on the agenda before or during the Committee’s consideration of that item. Each speaker will be limited to approximately three minutes.

**1. ROLL CALL**

**2. REPORTS**

The public is entitled to address the Committee on items appearing on the agenda before or during the Committee’s consideration of that item. Each speaker will be limited to approximately three minutes. **Please see “How to Submit Public Comments” above.**

- a. **Considering** – information on the comprehensive review of sewer fees and charges. **Report by Craig Blythe, Administrative Services Manager.**

**3. ADJOURNMENT**

### **NOTICE TO THE PUBLIC**

*There is a 90-day limit for the filing of a challenge in the Superior Court to certain City administrative decisions and orders which require a hearing by law, the receipt of evidence, and the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure §1094.6). Further, if you challenge an action taken by the City Council in court, you may be limited by California law to raising only those issues you or someone else raised in the hearing or in a written correspondence delivered to the City Council prior to or at the hearing.*

*In accordance with the Americans with Disabilities Act and California Law, it is the policy of the City of Concord to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require a copy of a public hearing notice, or an agenda and/or agenda packet in an appropriate alternative format; or if you require other accommodation, please contact the ADA Coordinator Tianjun Cao at (925) 671-3243 or [Tianjun.cao@cityofconcord.org](mailto:Tianjun.cao@cityofconcord.org), at least 24 hours in advance of the meeting. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility.*

Distribution: City Council  
Valerie Barone, City Manager  
Susanne Brown, City Attorney  
Justin Ezell, Assistant City Manager  
Joelle Fockler, City Clerk



## **Staff Report**

**Date:** June 29, 2022

**To:** Council Committee on Infrastructure & Franchise

**From:** Justin Ezell, Assistant City Manager

**Prepared by:** Craig Blythe, Administrative Services Manager  
[Craig.blythe@cityofconcord.org](mailto:Craig.blythe@cityofconcord.org)  
(925) 671-3141

**Subject:** **Considering information on the comprehensive review of sewer fees and charges.**

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### **Report in Brief**

The City last studied its sewer fees and charges in 2019. The study resulted in the adoption of a four-year rate schedule that expires at the end of the 2022-23 Fiscal Year. During the 2019 process, the City Council and community expressed a desire to see a more equitable rate structure, especially as it relates to multi-family properties. Public Works is kicking off a comprehensive review of its sewer fees and charges with the goal of adopting a new fee schedule in spring 2023. The Committee will receive an overview of the sewer enterprise background, sewer fees and charges study process, objectives, key issues, and schedule.

### **Recommended Action**

Hear the report, consider public comments, and provide feedback to staff.

### **Background**

The City administers a Sewer Enterprise to provide for maintenance, repair and operation of the sanitary sewer collection systems in the cities of Concord and Clayton, and some unincorporated county properties. The Sewer Enterprise contracts with the Central Contra Costa Sanitary District (CCCSD) to provide wastewater treatment and disposal of both cities' sewage at CCCSD's treatment plant by paying a proportionate share of the maintenance, operation, and capital improvement costs at the treatment plant, and at the Household Hazardous Waste Facility.

The City utilizes a decades-old structure of fees and charges to ensure enough revenue for the operational and capital costs of managing Concord and Clayton's sewer

systems. During the 2019 update of these fees and charges, the City Council directed staff to consider, during the next review cycle, public comments regarding the perceived disproportionate cost of service imposed on multi-family properties. Staff recently engaged the services of Bartle Wells Associates (BWA), a consulting firm that specializes in this type of work. BWA will conduct a full evaluation of the City's sewer fees and charges and make recommendations for consideration by this Committee and the full City Council.

### **Analysis**

BWA will focus on three main areas during the fees and charges evaluation:

#### Mixed-Use Commercial Properties with Single Water Meters

Mixed-use commercial properties present a challenge for the calculation of sewer fees and charges when a single water meter serves a variety of business types (i.e., a restaurant, barber, and clothing store). Sewer fees and charges for businesses are calculated based on the amount of water they use. A single meter serving multiple businesses presents a challenge because these customers are also charged based on their commercial category due to wastewater streams having varying degrees of operational expense. For example, a restaurant that has heavy grease loads results in much higher treatment and maintenance costs than that of a barbershop. When a single meter serves multiple businesses, sewer fees and charges must be divided equally among the different businesses. There is no way of knowing how much water was used by the restaurant or how much was used the barbershop, etc. BWA's study will explore various options to better align sewer fees and charges with actual costs.

#### Multifamily Residential Properties

For the residential sewer rates, BWA will explore various rate options for multifamily and mobile home units. Sewer fees and charges for residential units, regardless of size, currently receive the same flat fee (currently \$717 per unit per year). For example, an 800 sf apartment is levied the same \$717 fee as a 2,500 sf home.

#### Capacity Fees

The City charges fees for new sewer connections to recover the capital and interest costs of sewer-related infrastructure. BWA will evaluate options to charge for new connections using methods that are better aligned with industry standards.

Major objectives of the fees and charges evaluation will also include:

#### Legal Compliance (Prop. 218)

- Review existing rate and connection fee structures and propose updates.

### Financial Sufficiency

- Rates must be designed to meet the City’s annual operating and capital expenditures, address deferred maintenance, and ensure long-term financial stability.
- Sewer connection fees need to be updated based on most recent sewer collection system capital cost data to ensure adequate cost recovery.

### Rates Aligned with City Objectives

- Utilize conservative planning assumptions and carefully vet financial planning assumptions with the City.
- Present rate and fee structure alternatives and receive feedback from City.

### Customer Focus

- Develop rate alternatives with multi-year implementation schedule options to mitigate impacts on customers.

Preliminary schedule for completion of the fees and charges evaluation:

June 29 <sup>th</sup>	Infrastructure and Franchise Committee <ul style="list-style-type: none"><li>• Sewer rates 101 presentation</li></ul>
Nov/Dec	Infrastructure and Franchise Committee <ul style="list-style-type: none"><li>• Review findings and recommendations</li><li>• Seek direction to move forward with the rate adoption process</li><li>• Set date for Public Hearing</li></ul>
January 2023	Mail notices of proposed fees and charges <ul style="list-style-type: none"><li>• Notices must be mailed at least 45 days prior to the date of the Public Hearing</li></ul>
March 2023	Council Meetings <ul style="list-style-type: none"><li>• Hold Public Hearings to consider adoption of fees and charges in both Concord and Clayton</li></ul>
July 1, 2023	Updated fees and charges become effective

### **Financial Impact**

The City’s Sewer Enterprise is self-supporting, and fees and charges must recover the costs of service. The City’s latest fees and charges update went into effect July 1, 2022. If fees and charges are not updated again in 2023, revenues will not continue keeping pace with expenses.

**Public Contact**

The Agenda was posted.