

Frequently Asked Questions: 2017 Wastewater (Sewer) Collection Rate Increase

Q: Why are we seeing an increase in wastewater rates now?

The last increase to wastewater rates was in 2012. The City of Torrance provides wastewater (sewer) collection service to over 35,000 customer accounts within the City. In addition to providing for adequate revenues to meet operating and maintenance needs, the Public Works Department Sanitation Division requires funding for needed system infrastructure replacements, refurbishments and improvements to municipal sewer system. In addition, the rate adjustment enables the Sanitation Division to create adequate reserves for future emergencies and contingencies, while maintaining our position as having rates that are among the lowest in the area.

Because wastewater (sewer) collection rates are based on water sales billed to the customer, lingering drought conditions, and the need to reduce water consumption there has been major decline in wastewater revenue over the past several years. A Wastewater Rate Study was needed to establish revenue, develop an appropriate rate structure to meet cost of service requirements as mandated by Proposition 218, develop a financial plan to provide funding for infrastructure improvement needs and evaluate financial and rate requirements of the municipal wastewater utility over the next five year period of 2017 through 2021.

In addition, the State Water Resources Control Board (SWRCB) adopted Waste Discharge Requirements that requires cities to take a proactive approach to reduce sanitary sewer overflows (SSO). To prevent SSOs, the Sanitation Division requires additional funding to expand its effective regimen of cleaning sewer lines to remove obstructions which will significantly reduce SSOs.

Q: When will the new rates take effect?

With council approval, the rate increase will become effective beginning January 1, 2017. In the subsequent years of 2018 through 2021, the rate would go into effect on January 1st of each year.

Q: What are the major elements of the rate proposal?

This proposed series of annual increases to Torrance wastewater (sewer) collection service rates over the 5 year period of 2017 through 2021 will revise the current rate structure by charging single family residential (SFR) customers and senior/disabled low income customers a fixed plus variable rate charge. All other customers including commercial, multi-family residential (MFR), industrial and other non-residential customers will remain on a 100 percent variable rate structure based upon water usage. In 2017, the rate schedules for the single family customers and all other customers will be realigned to reflect appropriate cost of service requirements, with subsequent annual increases in 2018, 2019, 2020 and

2021 by the change in the Consumer Price Index (CPI) for the Los Angeles/Riverside/Orange County Area.

**Proposed Torrance Municipal Wastewater (Sewer) Collection Rate Schedule
Cost of Service Rate Schedule**

Proposed 2017 Rates (to be effective January 1, 2017)

(Volumetric Variable Charges in \$ per 100 cubic feet- ccf, also known as billing unit)

Monthly Variable Charge (\$/ccf water)	Current Rates	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Customer Class		Calculated	CPI	CPI	CPI	CPI
Single Family (SFR)	\$0.33	\$0.30	\$0.31	\$0.32	\$0.33	\$0.34
Senior/Disabled Low Income	\$0.12	\$0.11	\$0.12	\$0.13	\$0.14	\$0.15
All Other Accounts	\$0.33	\$0.82	\$0.85	\$0.88	\$0.91	\$0.94

Monthly Fixed Charge and Minimum Charges	Current Rates	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Customer Class		Calculated	CPI	CPI	CPI	CPI
Single Family (SFR)	#N/A	\$3.28	\$3.38	\$3.49	\$3.60	\$3.71
Senior/Disabled Low Income	#N/A	\$1.20	\$1.24	\$1.28	\$1.32	\$1.36
All Other Accounts (Fixed Charge)	#N/A	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
All Other Accounts (Minimum Charge)	#N/A	\$3.28	\$3.38	\$3.49	\$3.60	\$3.71

Q: How will my average bill change if the rate is approved?

(Volumetric Variable Charges in \$ per 100 cubic feet- ccf, also known as billing unit)

Average Rate Comparison (\$/ccf)	Current Rates	Proposed 2017 (COS)	\$ Change
Customer Class			
Average Single Family (12 ccf/mo.)	\$3.96	\$6.88	\$2.92
Average Senior Low Income (8 ccf/mo.)	\$0.96	\$2.08	\$1.12
Average All Other Accounts (34 ccf/mo.)	\$11.22	\$27.88	\$16.66

Q: Will the low income senior and disabled rate be continued?

The rate proposal maintains the low income senior and disabled rate schedule. For more information regarding eligibility, please contact the Revenue Division of the Finance Department at (310) 618-5830.

Q: I don't have water services with the City of Torrance. Will the rate increase affect me?

The rate proposal applies to those customers receiving wastewater (sewer) collection service from the City of Torrance. Customers with dedicated landscape irrigation meters will be exempt from this charge.

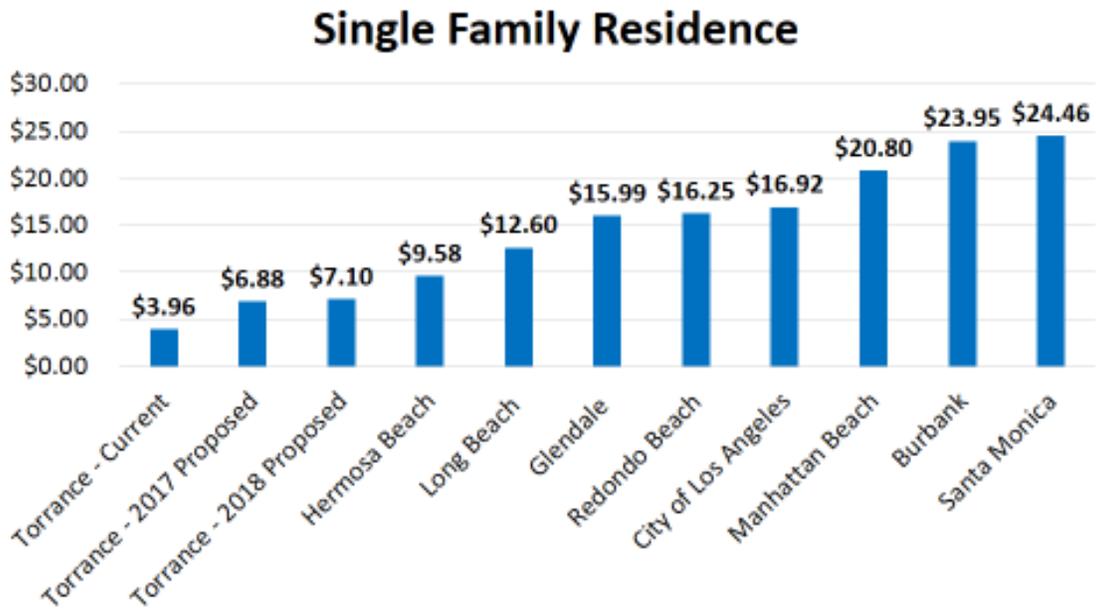
Q: When was the last wastewater service charge increase?

The last increase to wastewater rates was in 2012.

Q: How do the Proposed Wastewater Rates Compare to Neighboring Cities?

Torrance Municipal wastewater rates are considerably lower than neighboring agencies and likely to remain below these agencies even with the proposed adjustments into the future. In 2016, the average monthly wastewater bill for neighboring agencies ranges from about \$9.60 to over \$20 for the single family customer. With the proposed rate increase, Torrance rates will continue to be amongst the lowest in the region.

**TYPICAL MONTHLY BILL COMPARISON
OTHER LOCAL AGENCIES - Scenario 1**



Q: What is Proposition 218 and how does it affect these rates?

All customers of record are being mailed a wastewater (sewer) rate increase notification.

Wastewater rates must be established in accordance with modified Proposition 218 requirements, processes and procedures. Proposition 218 requires that these utility rates meet certain cost of service (COS) criteria, adhere to specified public noticing requirements and meet other tests and conditions. Under Proposition 218, utility rates can be established for a maximum five-year period.

Proposition 218 requires that retail water rates and charges provided by public agency follow public notice, public hearing and majority protest procedures as follows:

- Provide written notice by mail to each billing party of record. The notice must include the amount of the fee/rate and the date, time and location of the public hearing on the proposed fee/rate.
- Conduct a public hearing not less than 45 days after the mailing of the notice.
- At a public hearing, consider all protests against the fee/rate.
- The City Clerk will announce the tabulation of the protest votes to determine if the majority threshold is met. If written protests against the proposed fee/rate are presented by a majority of the billing party of record, the City may not impose the fee/rate. If written protests by a majority of the billing party of record are less than the majority, the City may impose the fee/rate.

Q: How can I lower my wastewater bill or reduce the impact of the rate increase?

Because wastewater (sewer) collection charges are based on water-use, the best way to minimize the impact of the proposed rate increase is to reduce your water consumption. Water is discharged to the sewer system via sinks, showers, and toilets. Our rate plan takes into account reduced consumption, and we encourage all customers to continue to conserve. Please refer to www.bewaterwise.com for easy and effective ways to conserve and save on your bill.

Q: How do I find out more & stay informed?

Questions or comments regarding the proposal content or other related information may be directed to the Public Works Department at (310) 781-6900 or <mailto:Publicworkinfo@TorranceCA.Gov>. Please visit www.TorranceCA.Gov/PublicWorks for additional information.