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**Frequently Asked Questions
about
Proposed Sewer Service Charges for Fiscal Years 2026 – 2030**

1. If they are approved, when will the new rates take effect?

If approved during the January 27, 2025 USD Board meeting, the rates will be adjusted July 1, 2025. Ratepayers will see the increase on their property tax statements beginning in November 2025 and continuing through the five-year period.

USD includes its annual charges on property tax statements to save the substantial additional administrative cost of mailing monthly bills. The charges appear on the statement as a single line item and are listed as “Union Sewer Svc”.

2. Does USD offer a Senior Citizen discount, or other discounts?

The District recognizes that rate increases are a cause for worry for customers on fixed incomes. The manner in which agencies such as USD set rates is highly regulated by voter- approved Proposition 218 as well as numerous State laws. These regulations dictate that all customers must pay their proportional share of the cost to provide service, which is determined by the most recent cost of service analysis. Providing discounts to one segment of the customer base is currently not allowed as one customer group would be subsidizing another. Given these legal constraints, USD is unable to charge some customers more than their equitable share determined by the analysis in order to provide lower rates for others. The District’s Board of Directors has made it a top priority for staff to actively search for funding opportunities that would enable the District to provide a ratepayer assistance program.

3. Can the District make cuts to staffing levels to keep rates lower?

Compared to agencies providing comparable services, the District currently maintains minimal necessary staffing levels. If the District cut staff, it would lead to reduction in maintenance and operational activities that could put USD at risk of violating its state and federal permits for discharge to the San Francisco Bay. These are in place for protection of public health and the environment. The District makes every effort to minimize operating costs while continuing to provide responsible, reliable service.

It takes power, people and chemicals to run a treatment plant. Some examples of how the District minimizes costs is to generate approximately 75% of its own power needs through solar and biogas; purchasing chemicals through a Bay Area cooperative ensuring the lowest possible price and utilizing new techniques in pipeline rehabilitation and other service delivery methods to take advantage of any efficiency improvements to the operations and maintenance. It takes a highly trained workforce ranging from licensed operators, electricians, mechanics, engineers, chemists and professional finance and administrative staff to provide USD's services.

4. Why does Union Sanitary District charge a flat rate for single-family and multiple-family residences, instead of basing charges on flow from each household?

Costs to administer any other type of rate program would be substantial and would more than likely exceed any savings. Determining the amount of wastewater received from each individual residential parcel accurately would require many additional staff members, and most wastewater agencies in California have concluded that the increased costs of charging each residence based on individual wastewater flows would lead to higher rates for customers.

The magnitude of the difference in cost between a small household and an average household is not as great as one might expect. The cost of serving the small family is not that much less than the long-term average because 85% or more of a typical wastewater system's costs are fixed and do not vary with flow.

Wastewater flows for residential customers cannot be metered accurately because the flow is typically not pressurized and contains solids and other constituents that would quickly clog meters. If the District were to base residential wastewater rates on flow, it would have to use potable water meter readings, which do not translate directly to actual wastewater quantities because potable water use includes water that is used for irrigation and other uses that do not drain to sewers.

5. Why are the proposed increases higher than the rate of inflation?

USD's infrastructure needs, the costs of construction, and regulatory requirements all factor into the proposed increases. The District's 10-year Capital Improvement Program (CIP) budget is \$787,795,000 and 20-year CIP budget is over \$1.65 billion. These budgets include projects that address current critical needs while preparing for the future.

The District will continue to seek cost savings and other measures to keep the increases as low as possible over the five-year period. Examples of costs savings measures the District is aggressively pursuing are low interest State and Federal infrastructure loans and other infrastructure financing options.

The improvements funded by the increase must be completed to ensure uninterrupted service and to meet permit requirements. Simply stated, they are mandatory and not discretionary costs. The bulk of the proposed rate increase is needed to fund the District's Capital Improvement Program.