



NOTICE OF PUBLIC HEARING – PROPOSED CHANGES AND INCREASES TO SEWER SERVICE CHARGES AND RATES

Union Sanitary District (USD) provides wastewater collection, treatment, disposal, and sewer services to Fremont, Newark, and Union City, a total population of over 342,000. The District operates a 33-acre wastewater treatment facility in Union City and maintains 839 miles of pipelines. State law requires USD to follow the process described in this notice to set rates sufficient to cover the costs of operating and maintaining the facilities needed to provide these services. Some of the major factors that contribute to an increase in service rates include new and/or increasingly stringent state and federal

environmental regulations, capital expenditures, and higher chemical and power costs.

The public hearing will be held on Monday, January 27, 2025, beginning at 4:00 p.m., in Union Sanitary District’s Boardroom, 5072 Benson Road, Union City, California. USD staff will present the proposed rate changes, and the public will have an opportunity to comment or protest. The USD Board will consider all information presented regarding the proposed rate changes, including any timely written objections and protests, prior to making a decision.

AMOUNT OF PROPOSED RATES

A Rate Study was prepared pursuant to governing law in “Prop 218” (California Constitution Article XIII(D), Section 6) identifying each parcel to be charged, the amount of the rates, the basis upon which the rate was calculated, and the reason for the change in rates. A copy of the Rate Study is available at unionsanitary.ca.gov/ssc. A table of proposed rates is included in this notice. If approved by the Board, rates will adjust each year on July 1 beginning in 2025.

HOW TO SUBMIT AN OBJECTION OR A PROTEST

Any objection **OR** protest must: (1) be in writing identifying the name of the property owner, and the street address or other clear identification of the property subject to the rates; (2) be signed by the property owner unless sent by the property owner via email; and (3) comply with the relevant requirements for a written objection or written protest (as outlined below). The main differences between an objection and a protest: a) the deadline for timely submission; b) the additional information required for each; and c) a timely written objection is required to subsequently bring a legal challenge to the proposed rates.

ADDITIONAL REQUIREMENTS: TIMELY WRITTEN OBJECTION

A timely written objection must specify the **grounds for alleging that the**

proposed rates do not comply with Prop 218. USD’s written basis for the proposed rates, in compliance with Prop 218, is posted at unionsanitary.ca.gov/ssc. The **deadline** for written objections is January 10, 2025, at 5 p.m. To be considered timely, such objection must be received by USD at the “SUBMITTAL LOCATION” listed below, prior to the deadline.

Failure to submit a timely written objection bars any right to challenge the proposed rates through a legal proceeding. (Gov. Code section 53759.1(c).)

ADDITIONAL REQUIREMENTS: TIMELY WRITTEN PROTEST

A written protest must clearly **state that the property owner opposes the rate increases.** To be considered timely, a written protest must be received by USD at the “SUBMITTAL LOCATION” listed below, **prior to the**

close of the public testimony portion of the January 27, 2025, 4:00 p.m. public hearing. Any timely written objection submitted (see above) will also be considered to be a timely written protest. Only one protest will be counted per parcel. Owners of multiple parcels may file one protest for each parcel owned within USD’s service area. If timely written protests are received from owners of a majority of parcels within the USD service area, the proposed rate increases will not be implemented.

SUBMITTAL LOCATION:

Mail: Union Sanitary District – Rate Protest FY 26–30; 5072 Benson Road Union City, CA 94587

Email: rates@unionsanitary.ca.gov

Fax: (510) 477-7501

In Person: 5072 Benson Road Union City, CA

Questions? Call (510) 477-7500

FISCAL PLANNING

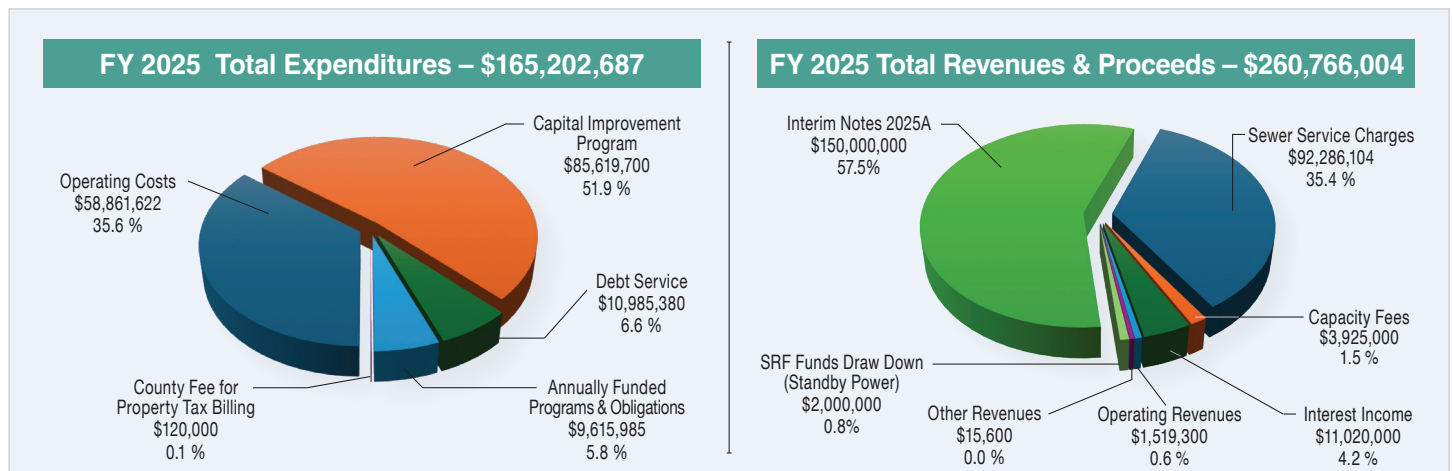
USD's operational and capital costs have increased significantly over the last several years. For example, power costs increased by 10.9% in just the past year and chemical cost increases have ranged between 58% to 391% over the past few years. Power and chemical costs account for 15.8% of USD's total operating budget.

USD maintains high service levels and manages a robust capital program with a very lean staff (140 full-time

employees). Approximately 63% of the District's FY25 Operating Budget is attributable to personnel expenses, which is customary for a service-based organization that relies on staff expertise. All USD employees pay approximately 40% of their pension costs and a portion of their health care costs. In addition, the District has implemented a 12-year plan to pay off unfunded pension liabilities.

The Board of Directors takes steps to ensure safe and reliable service to customers while keeping rates as low as possible. The Board's philosophy of adopting incremental rate increases helps keep rates relatively stable over time, thus protecting ratepayers from large increases that often occur in a service delivery business.

FY 2025 BUDGET (July 1, 2024 through June 30, 2025)



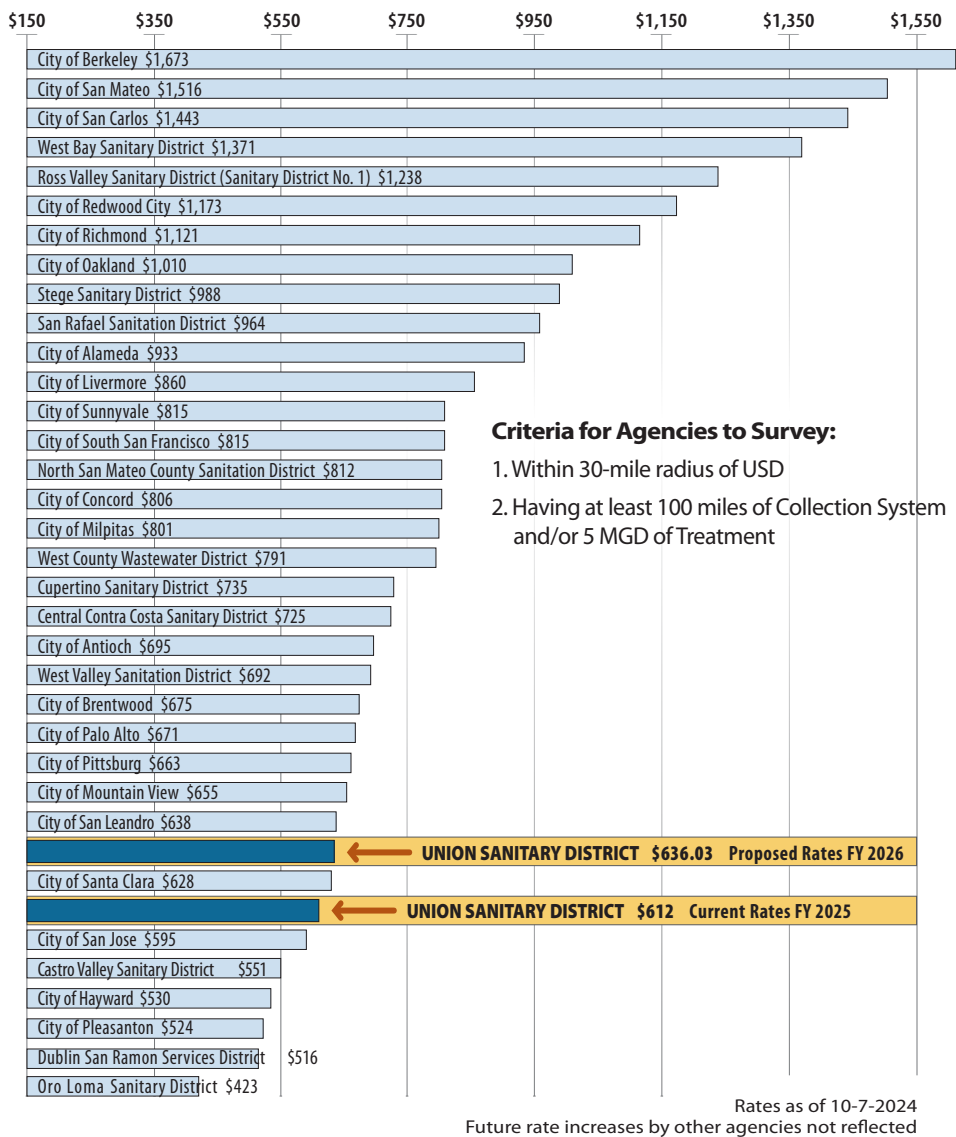
- Annually Funded Programs and Obligations include other post employee benefits, 115 pension trust expense, special studies, and equipment replacement
- Employee Costs (\$37,441,794) represent 23% of USD's total FY 2025 budget and 63% of Operating Costs
- Sewer Service Charges include residential, commercial, and industrial customers
- Operating Costs include employee, utilities, chemicals, maintenance, and administrative costs
- Capital Improvement Program includes project construction and related costs
- FY 2025 revenues include \$150 million of projected bond proceeds to be applied to capital improvement projects over several years

PROPOSED ANNUAL SEWER SERVICE RATES JULY 2025 – JUNE 2030

	Current Rates FY 2025	Proposed Rates FY 2026	Difference from previous year (\$)	Proposed Rates FY 2027	Difference from previous year (\$)	Proposed Rates FY 2028	Difference from previous year (\$)	Proposed Rates FY 2029	Difference from previous year (\$)	Proposed Rates FY 2030	Difference from previous year (\$)
Residential (\$/ Dwelling Unit)											
Single Family Residences	\$611.58	\$636.03	\$24.45	\$661.15	\$25.12	\$686.27	\$25.12	\$712.35	\$26.08	\$739.42	\$27.07
Multiple Family Residences*	\$538.95	\$559.55	\$20.60	\$581.65	\$22.10	\$603.75	\$22.10	\$626.69	\$22.94	\$650.50	\$23.81
Commercial (\$/1,000 gals)											
Strong	\$16.85	\$15.26	(\$1.59)	\$15.86	\$0.60	\$16.46	\$0.60	\$17.09	\$0.63	\$17.74	\$0.65
Moderate	\$8.15	\$9.45	\$1.30	\$9.82	\$0.37	\$10.19	\$0.37	\$10.58	\$0.39	\$10.98	\$0.40
Weak	\$6.83	\$6.93	\$0.10	\$7.20	\$0.27	\$7.47	\$0.27	\$7.75	\$0.28	\$8.04	\$0.29
Fast-food Restaurant	\$16.98	\$15.46	(\$1.52)	\$16.07	\$0.61	\$16.68	\$0.61	\$17.31	\$0.63	\$17.97	\$0.66
Full-Service Restaurant	\$17.01	\$18.77	\$1.76	\$19.51	\$0.74	\$20.25	\$0.74	\$21.02	\$0.77	\$21.82	\$0.80
Industrial											
Volume (\$/1,000 gals)	\$4.02	\$4.44	\$0.42	\$4.62	\$0.18	\$4.80	\$0.18	\$4.98	\$0.18	\$5.17	\$0.19
COD (\$/1,000 lbs)	\$455.92	\$477.37	\$21.45	\$496.23	\$18.86	\$515.09	\$18.86	\$534.66	\$19.57	\$554.98	\$20.32
Suspended Solids (\$/1,000 lbs)	\$1,224.19	\$1,154.33	(\$69.86)	\$1,199.93	\$45.60	\$1,245.53	\$45.60	\$1,292.86	\$47.33	\$1,341.99	\$49.13
Minimum Charge for non-residential customers	\$538.95	\$559.55	\$20.60	\$581.65	\$22.10	\$603.75	\$22.10	\$626.69	\$22.94	\$650.50	\$23.81

*Examples of Multiple Family Residences include condominiums, townhomes, ADUs, and apartments. USD's Fiscal Year runs from July 1 through June 30 of the following year.

BAY AREA ANNUAL SEWER SERVICE CHARGES 2024-2025



Criteria for Agencies to Survey:

1. Within 30-mile radius of USD
2. Having at least 100 miles of Collection System and/or 5 MGD of Treatment

SERVICE TO THE TRI-CITIES

USD collects an average of 23 to 25 million gallons of wastewater daily from homes, businesses, and industries in the Tri-City area – over 8.7 billion gallons annually. The District is heavily regulated by multiple state and federal agencies, and sewage is treated to meet strict standards for protection of public health and the environment.

USD employs highly trained staff members including licensed, state-certified plant personnel who operate the 24/7 facility. The District also inspects, maintains, and repairs 839 miles of pipeline, over 17,000 manholes, and seven pump stations in the service area as well as inspecting and regulating 81 permitted industries. USD’s state-certified laboratory processes and analyzes thousands of samples annually for process control, monitoring of industries for compliance, and reporting to state and federal agencies.

ACCOMPLISHMENTS

- **31 consecutive years of recognition** from the National Association of Clean Water Agencies (NACWA) for excellence in permit compliance
- **15 consecutive years receiving** NACWA’s highest Platinum level award
- **One of the state’s best records** for preventing collection system overflows (view this record at unionsanitary.ca.gov/facts)

CAREFUL PLANNING TO MEET NEW REGULATORY REQUIREMENTS

The San Francisco Regional Water Quality Control Board (RWQCB) regulates nutrient levels in treated wastewater. Nutrients enter sewer systems when customers flush toilets, wash dishes, or take showers and baths. Although all Bay Area treatment facilities clean wastewater to vigorous standards, it still contains some nitrogen (nutrients). As many are aware, in recent years, the San Francisco Bay has seen several algal bloom events. While scientists don’t fully understand what triggered the blooms, they know that nitrogen,

one of the naturally occurring nutrients in treated wastewater, contributed, by providing “food” for the algae to grow.

In July 2024, the RWQCB adopted new, more stringent nutrient reduction requirements for all 37 Bay Area wastewater facilities. USD had anticipated the potential for these new regulations as far back as 2015, as it began evaluating its infrastructure needs. These deliberations led to undertaking the Enhanced Treatment and Site Upgrade Program (ETSU),

the largest capital improvement project in District history, with a total project cost of \$509,511,993. Construction began in 2022 and is scheduled to be completely operational by 2030. This undertaking makes USD an early adopter of nutrient removal technologies. Acting early allowed USD to secure low-interest loans from the Environmental Protection Agency (EPA) and the State, which significantly lower our interest expense and allow us to minimize rate increases to some extent.



NOTICE OF PUBLIC HEARING

Public Hearing to consider proposed changes and increases to USD rates

Monday, January 27, 2025

4:00 p.m.

Union Sanitary District Boardroom
5072 Benson Road
Union City CA 94587

unionsanitary.ca.gov
(510) 477-7500

Owners of multiple properties within the District may file one protest for each parcel owned.

HOW DO I LEARN MORE?

Attend USD's Informational Meeting at 6:30 p.m. on Tuesday, January 14, 2025

At the informational meeting at the Fremont Main Library, 2400 Stevenson Boulevard, Fremont, USD staff will present information about the proposed rates and the services USD provides to the Tri-Cities. Please take this opportunity to learn more and ask questions of USD staff. We invite all community members to attend.

Attend the January 27, 2025 Public Hearing

Attend the public hearing at 4:00 p.m. on January 27, 2025 (at which time you may also make a comment or deliver a written protest). The meeting will be held in **Union Sanitary District's Boardroom, 5072 Benson Road, Union City, California.**

Visit USD's Website

For more detail regarding any of the information in this notice, visit unionsanitary.ca.gov/ssc

INFORMATIONAL MEETING

Tuesday, January 14, 2025

6:30 PM

Fukaya Room B

Fremont Main Library

2400 Stevenson Blvd.

Fremont CA 94538

We invite you to attend. Staff will present information about the proposed rates and the services USD provides to the Tri-Cities. Please take the opportunity to meet USD's staff and ask questions.