



Legislation Text

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Amendment to City Master Fee Schedule Related to Waste Water Discharge Fees for Fiscal Year 2024-2025

CITY COUNCIL PRIORITY

- Fiscal Sustainability and Transparency

SUMMARY

Amendment to City Master Fee Schedule related to Waste Water Discharge Fees for Fiscal Year 2024-2025

RECOMMENDATION

Staff recommends the City Council Finance Committee review the proposed Waste Water Discharge monthly user charges and the amendment to the Master Fee Schedule for 2024-2025.

BACKGROUND

The Master Fee Schedule is a compilation of City Council approved fees for services provided to residents and businesses in the community. Historically, the City strives to balance maximizing cost recovery, with reasonable fees encouraging growth and stability in the local residential and commercial economy.

Full cost recovery for certain services is policy-directed by the City Council. Fees maximizing cost recovery opportunities through appropriate fee revenues is a critical component of the City's on-going financial stability. Monthly user charges for Waste Water discharge were determined in the 2019-2020 Proposition 218 fee study.

All other fees are part of a larger effort by the City to achieve a long-term and sustainable budget by enhancing revenues. The City Council authorized the City Manager to contract with NBS Government Finance Group to prepare a User Fee Study and Development Impact Fee Study. The User Fee Study is nearing completion and will be presented to the City Council this year. The Development Impact Fee Study will commence upon the completion of the User Fee Study.

Analysis

The proposed adjustments to the City's Waste Water Discharge monthly user charges will be effective July 1, 2024. These certain fees are presented for consideration in advance of the completion of the User Fee Study and Development Impact Fee Study because the adjustments are accordance with an earlier fee study and the timing requirement for collection on Alameda County property tax bills.

Attached is the section of the 2024-2025 Proposed Master Fee Schedule providing details of the current fees and proposed changes. The following summarizes the one area of change to the Master Fee Schedule:

WATER POLLUTION CONTROL-Wastewater

- *Wastewater* Monthly User Charges (for Classification A, B, and C Users and Loading Charges and Connection Fees for dwelling units increased by 9% to meet increased staffing and capital costs, this is below the level authorized in the 2019-2020 Proposition 218 Fee Study.

Fiscal Impacts

There is no General Fund impact from the proposed increase in Waste Water Discharge fees. The proposed change to the monthly user charge affects the Wastewater Enterprise Fund and the revenue estimate relies on assumptions related to the demand for fee-based services. Staff estimates an increase in service charge revenue of \$1,500,000.

ATTACHMENT

- **Attachment A:** City of San Leandro 2024-2025 Proposed Master Fee Schedule (abbreviated)
- **Attachment B:** Presentation - FY 2024-2025 Master Fee Schedule Update for Waste Water Discharge Fee

PREPARED BY

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