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CITY COUNCIL AUTHORIZES DEPARTMENT OF PUBLIC WORKS TO ISSUE NOTICES TO THE PUBLIC ABOUT PROPOSED INCREASE IN SEWER RATES

LOS ANGELES (November 23, 2004) — The Los Angeles City Council today authorized the Department of Public Works to issue notices to all properties in the City about a proposed increase in the sewer rates, which is needed to enable the City to maintain its current level of service and comply with terms of the recent settlement of the Santa Monica Baykeeper lawsuit.

Upon concurrence by the Mayor, the Bureau of Sanitation will immediately begin mailing the notices to owners of and the ratepayers at all property addresses in the City that receive sewer service. The City Council will hold a public hearing on the proposed sewer rate increase at 10 a.m. Feb. 2, 2005, in the Council Chambers at Los Angeles City Hall.

The sewer rate increases will apply to customer and users, including industrial, commercial, and residential. Under the proposal, the sewer rates would be increased gradually over the next five years. The typical single-family household currently pays about \$21 a month. Under the proposal, the monthly sewer service charge would increase by about \$1.75 each year, reaching about \$30 a month by the end of the five-year period.

The City's wastewater system serves over four million residential, commercial and industrial users in the City of Los Angeles and 27 other cities and agencies that contract for the service. The system includes more than 6,500 miles of sewer pipelines and four wastewater treatment and water reclamation plants capable of processing over 550 million gallons of flow each day.

Increases are projected in the costs of labor, construction materials, chemicals and utilities required to provide the existing service level. The City will also use the additional fees to improve its sewer cleaning, control of tree roots in sewer lines, Fats, Oils and Grease (FOG) control program, rehabilitate aging sewers, and construct new sewers, while maintaining existing wastewater treatment plant operations. An additional \$425 million will be required over the next

(More)

Page 2 – City Council Authorizes Department of Public Works to Issue Notices to the Public about Proposed Increase in Sewer Rates

five years to fund \$36 million in additional operating expenses and \$389 million in additional capital costs and repayment of loans obtained to finance many of the capital projects. It should be noted that the Department has maintained the rates with no significant increases for over a decade through realizing operational efficiencies and enhancements. Even with the increase, the City's sewer rates are still within the middle third of the top 50 largest cities in the nation. Other major neighboring sewer agencies have already approved similar increases to meet infrastructure upgrade needs.

Out of its commitment to protect neighborhoods and the environment, enhance water quality and renew the infrastructure, the City of Los Angeles reached a settlement agreement with plaintiffs in the Santa Monica Baykeeper lawsuit earlier this year. The settlement, which was announced Aug. 6, brought to an end the litigation that was filed in 1998 following the El Niño rainy season that year, which resulted in the wettest February on record and triggered wastewater spills around the City. The U.S. Environmental Protection Agency (EPA), the Regional Water Quality Control Board (RWQCB) and South Los Angeles Community groups joined the lawsuit in 2001

Under the settlement agreement filed in U.S. Central District Court in Los Angeles, the City agreed to:

- Commit to continue its efforts and investment in the renewal and upgrade of the sewer system infrastructure, and enhance its sewer-system maintenance and wastewater spill-reduction effort, the current and planned effort for controlling sewer odors, and its systematic condition assessment and long-term planning.
- Commit to its current \$2 billion, 10-year sewer renewal and upgrade program and enhance its current program to include a review of future investment, including increasing the amount of sewers being renewed to about 60 miles per year, from the current rate of about 40 miles per year.
- Continue the enhanced sewer maintenance program and clean about 2,600 miles of sewers annually.
- Continue its condition assessment and planning effort under which more than 10 percent of its 6,500 miles of sewers will be visually inspected annually.

(More)

Page 3 – City Council Authorizes Department of Public Works to Issue Notices to the Public about Proposed Increase in Sewer Rates

- Continue its efforts to control and mitigate sewer odors through maintenance, chemical additions and the construction of state-of-the-art odor control facilities.
- Carry out \$8.5 million worth of specific supplemental environment projects.

Extensive outreach to community groups, business organizations and neighborhood council is already underway. Department staff are available to meet with any community groups that are interested in learning more about the settlement and the rate increase. To schedule meetings or for additional information, community members can contact Mr. Adel Hagekhalil at 323-342-6225 or at Ahhageka@san.lacity.org.

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