

# CENTRAL SAN

## NOTICE OF PROPOSED RATE CHANGES

**NOTICE OF PROPOSED RATE CHANGES AND PUBLIC HEARING AT 2:30 P.M. ON APRIL 17, 2025, AT 5019 IMHOFF PLACE, MARTINEZ**

### WHAT YOU NEED TO KNOW

- 1** We will continue to maintain and upgrade our treatment plant, pumping stations, pipelines, and other critical infrastructure essential to conveying, cleaning, and recycling wastewater.
- 2** We will continue to offer and grow services such as the Household Hazardous Waste Collection Facility, Recycled Water Fill Stations, and RV Waste Disposal Station.
- 3** We remain committed to protecting the environment and meeting the highest regulatory standards.
- 4** We will continue to prudently manage costs and maintain the financial stability and sustainability of Central San.
- 5** We will continue to provide our customers exceptional service at responsible rates.



#### Central Contra Costa Sanitary District (Central San)

is your local sewer service provider protecting public health and the environment for almost 80 years. Every time you wash your dishes or clothes, flush your toilet, or use your sinks, bathtub, and shower, Central San collects and cleans all that dirty water. We maintain over 1,500 miles of underground pipe and 18 pumping stations to transport wastewater from our customers to our regional treatment plant, where we clean more than 13 billion gallons of wastewater every year.

We cannot do this work alone. You, our customers, have provided us with the funds necessary to fulfill our mission of protecting public health and the environment. We are thankful for the trust you have placed in us, and we remain committed to providing you exceptional service at reasonable rates. At Central San, we continually strive to control costs and do everything we can to keep rates affordable.

#### FINANCIAL HIGHLIGHTS

- 1. Secured low-cost state financing to save \$20 million in interest costs on large-scale projects**
- 2. Maintained AAA (S&P) and Aa1 (Moody's) credit ratings to keep borrowing costs low**
- 3. Benchmark performance annually to ensure efficient, cost-effective operations**
- 4. Recovered \$1.8 million in COVID-19 response costs from State and Federal funds**
- 5. Fully funded pension liabilities, saving millions in ongoing interest costs**

Through prudent financial management, we've built our reserves, including a rate stabilization fund, to help weather changing economic conditions. We recognize that our customers are facing rising costs, from utilities to food and housing. Under the proposed rate changes, we plan to draw from our rate stabilization fund to keep rates as low as possible and help smooth increases over time.

#### YOUR DOLLARS AT WORK

Through proactive maintenance, we've extended the lifespan of our facilities and equipment to make every dollar go further for our customers. We've continuously invested in our wastewater system to ensure safe, efficient, reliable service. Over the past two years, we've worked hard to complete several significant infrastructure improvement projects:

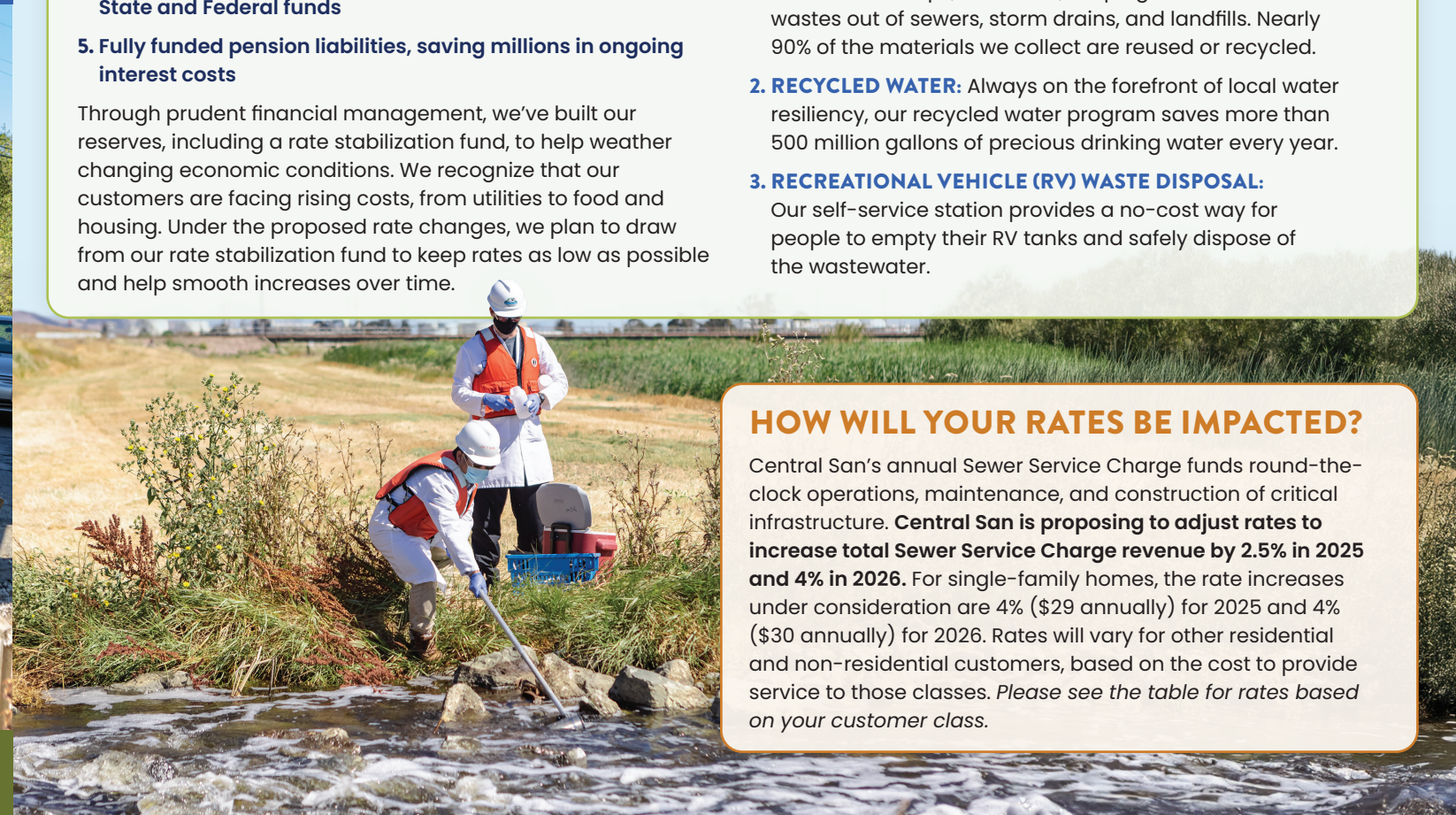
- 1. PIPES:** We replaced more than 6 miles of aging neighborhood sewer pipes throughout our service area.
- 2. AERATION BASINS:** We completed the first phase of renovations to our aeration basins. These giant tanks provide an oxygen-rich environment for beneficial microorganisms that consume and break down pollutants in wastewater.
- 3. STEAM AND AERATION BLOWER SYSTEMS:** We installed new electric blowers to provide full backup for these essential systems.
- 4. RECYCLED WATER:** We completed the first phase of renovations to our recycled water plant, which will ensure continued reliability of our recycled water system and support expanded capacity for the future.

#### SUPPORTING OUR ENVIRONMENT

- 1. HOUSEHOLD HAZARDOUS WASTE (HHW) COLLECTION:** Since opening our HHW facility in 1997, we have collected almost 50 million pounds of paint, pesticides, batteries, fluorescent lamps, and more, keeping these hazardous wastes out of sewers, storm drains, and landfills. Nearly 90% of the materials we collect are reused or recycled.
- 2. RECYCLED WATER:** Always on the forefront of local water resiliency, our recycled water program saves more than 500 million gallons of precious drinking water every year.
- 3. RECREATIONAL VEHICLE (RV) WASTE DISPOSAL:** Our self-service station provides a no-cost way for people to empty their RV tanks and safely dispose of the wastewater.

#### HOW WILL YOUR RATES BE IMPACTED?

Central San's annual Sewer Service Charge funds round-the-clock operations, maintenance, and construction of critical infrastructure. **Central San is proposing to adjust rates to increase total Sewer Service Charge revenue by 2.5% in 2025 and 4% in 2026.** For single-family homes, the rate increases under consideration are 4% (\$29 annually) for 2025 and 4% (\$30 annually) for 2026. Rates will vary for other residential and non-residential customers, based on the cost to provide service to those classes. *Please see the table for rates based on your customer class.*



## PREPARING FOR THE FUTURE

As we look ahead, our key priorities include replacing aging infrastructure, meeting new regulatory requirements, and enhancing environmental sustainability while continuing to provide exceptional service.

This past year, the San Francisco Bay Regional Water Quality Control Board introduced new regulations requiring all Bay Area wastewater agencies to reduce nitrogen discharges to the Bay by 40% within a decade. Achieving the mandated reductions will require significant treatment upgrades at an estimated cost of \$11-13 billion for Bay Area residents. Costs to Central San to meet the 40% nitrogen reduction may range from \$500-700 million. We are exploring innovative solutions to help us meet the new requirements, and reprioritizing other projects to control overall costs and minimize rate impacts to customers.

**The proposed rates will provide the necessary funding for these critical projects currently scheduled for the next two years:**

### 1. NUTRIENT REGULATORY REQUIREMENTS ROADMAP:

We will develop a comprehensive roadmap to guide our nutrient-management efforts over the next decade, allowing us to coordinate, plan, design, and construct multiple large-scale projects in the most effective and cost-efficient manner utilizing rate increases and debt financing. Additionally, we will continue to explore and test cutting-edge technologies that could help achieve the Regional Water Quality Control Board required reductions at a lower cost compared to conventional technologies.

**2. PIPES AND PUMPING STATIONS:** We will replace about 12 miles of neighborhood sewer pipes to ensure reliable service for decades to come. We will also complete improvements to three large pumping stations that are essential for continuous delivery of wastewater from the Martinez area to our treatment plant.

**3. LARGE SEWER INSPECTIONS:** We will continue condition assessments of our large sewers and force mains to plan for future repairs. Measuring up to 8.5 feet in diameter, these pipes convey wastewater from neighborhoods throughout our service area.

**4. SOLIDS HANDLING:** We will continue work on a large-scale, multi-year rehabilitation of our solids handling facilities, including seismic upgrades and replacement of aging equipment. The project will ensure reliable ongoing processing of wastewater solids and compliance with strict air quality regulations.

**5. AERATION BASINS:** We will begin the second phase of renovations to our aeration basins to improve seismic reliability, enhance efficiency, and prolong the lifespan of these critical facilities.

**6. ENERGY EFFICIENCY ROADMAP:** We will assess current and future energy needs and develop a comprehensive and sustainable energy strategy for powering our operations while minimizing costs and climate impacts.

## ANNUAL SEWER SERVICE CHARGE RATES – CURRENT & PROPOSED

USER CLASS		CURRENT ANNUAL RATE	PROPOSED ANNUAL RATE EFFECTIVE JULY 1, 2025	PROPOSED ANNUAL RATE EFFECTIVE JULY 1, 2026
<b>RESIDENTIAL CUSTOMERS (RATE PER LIVING UNIT)</b>				
Single Family Homes		\$725.00	<b>\$754.00</b>	<b>\$784.00</b>
Apartments, Condominiums, Duplexes, Mobile Homes		\$647.00	<b>\$625.00</b>	<b>\$650.00</b>
Accessory Dwelling Units (ADUs)*		\$353.00	<b>\$335.00</b>	<b>\$348.00</b>
<b>COMMERCIAL &amp; OTHER NON-RESIDENTIAL CUSTOMERS (RATE PER HUNDRED CUBIC FEET - HCF)</b>				
STRENGTH CATEGORY†	DESCRIPTION			
LOW	Retail, Office, Churches, Daycare, Preschools, Universities, Rest Homes, and Automotive	\$7.94	<b>\$8.12</b>	<b>\$8.44</b>
LOW-MEDIUM	Delis, Ice Cream and Yogurt Shops, Coffee Shops, Bars, and Shared meters with 50% or less food service	\$9.69	<b>\$10.38</b>	<b>\$10.80</b>
MEDIUM	Shared meters with 50% or more food service	\$11.43	<b>\$12.30</b>	<b>\$12.79</b>
MEDIUM-HIGH	Hotels, Motels, Restaurants, Supermarkets, Shared meters with Bakeries or other High Strength Food Services	\$12.52	<b>\$13.54</b>	<b>\$14.08</b>
HIGH	Bakeries; Restaurants with Grinders, Emulsifiers, or On-site Brewing; and Mortuaries	\$15.06	<b>\$16.70</b>	<b>\$17.37</b>
SCHOOLS (rate per student)	Elementary	\$9.30	<b>\$9.94</b>	<b>\$10.34</b>
	Intermediate and High School	\$18.61	<b>\$19.59</b>	<b>\$20.37</b>
PERMITTED INDUSTRIAL USERS (includes food processing, breweries, and wineries)	Wastewater Flow (per HCF)	\$7.57	<b>\$7.15</b>	<b>\$7.44</b>
	Biochemical Oxygen Demand (per 1,000 lbs)	\$258.00	<b>\$260.27</b>	<b>\$270.68</b>
	Suspended Solids (per 1,000 lbs)	\$1,338.00	<b>\$1,586.76</b>	<b>\$1,650.23</b>
	Fixed Charge	\$670.00	<b>\$788.93</b>	<b>\$820.49</b>
<b>NON-RESIDENTIAL MINIMUM ANNUAL CHARGE</b>		<b>\$647.00</b>	<b>\$625.00</b>	<b>\$650.00</b>

\* **ACCESSORY DWELLING UNITS (ADUS):** An ADU is a separate living unit conforming to Government Code Sections 66313(a), 66314(d)(4), and 66314(d)(5).

† **STRENGTH CATEGORY:** Nonresidential customers are categorized into five "strength categories" (Low, Low-Medium, Medium, Medium-High, and High) based on the concentration of sewer waste generated by each. The greater the strength of waste, the higher the cost of energy and effort to treat, which leads to a correspondingly higher rate. A nonresidential customer's annual Sewer Service Charge is determined by multiplying the appropriate strength category rate times the annual wastewater discharge volume measured in Hundred Cubic Feet (HCF). For example, a bakery discharging 250 HCF per year would pay an annual Sewer Service Charge at the July 1, 2025, proposed rate calculated as follows: (\$16.70 per HCF) x (250 HCF per year) = \$4,175.00.



## CALCULATION OF RATES IN WASTEWATER COST OF SERVICE STUDY

Central San completed a detailed Cost of Service Study that identifies the wastewater system infrastructure and services needed to serve all customers, the estimated cost of providing that system and service to customers, and the proportionate allocation of those costs to each customer class that receives the benefit of that system. That proportionate allocation of costs to each property is the basis for the Sewer Service Charge rates included in this notice. **The Cost of Service Study is available at [centralsan.org/notice](https://centralsan.org/notice).**

If you have questions regarding the calculation of your Sewer Service Charge for your property, including the identification of the annual wastewater discharge volume for nonresidential customers, you may request further information via email at [rates@centralsan.org](mailto:rates@centralsan.org) or phone (925) 335-7702. Please provide your name, contact information, and the service address or Assessor's Parcel Number(s).

## RATE HEARING PROCESS / HOW TO PROTEST

**The Central San Board of Directors will conduct a public hearing on April 17, 2025, at 2:30 p.m., at the Central Contra Costa Sanitary District Board Room, 5019 Imhoff Place, Martinez, CA 94553.**

At the hearing, the Board will consider all spoken and written comments from the public in favor or opposed to the proposed Sewer Service Charge rates. If a valid written protest is filed by the owner or customer of more than one half of the total number of properties subject to the Sewer Service Charge rates, it is considered a majority protest and Central San will not impose the proposed updated rates. If there is no majority protest, it is within the authority of the Board to approve the proposed update to the Sewer Service Charge rates. If the Board approves the proposed updated rates, there is a 120-day statute of limitations for challenging the updated rates. (See Government Code Section 53759.)

A valid written protest must include the name of the owner or customer who is protesting, as well as the address and/or Assessor's Parcel Number. Written protests may be mailed, hand-delivered, or sent via email or fax; but they will only be counted if they are received by the Secretary of the District prior to the close of public testimony for the public hearing. **A written protest that is sent via fax must be sent to (925) 372-0192. A written protest that is sent via email must be sent to [kyoung@centralsan.org](mailto:kyoung@centralsan.org).**

**More information about filing a written protest can be found at [centralsan.org/notice](https://centralsan.org/notice) or by calling (925) 335-7702.**