



City of Culver City

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Staff Report

File #: 21-773, **Version:** 1

Item #: C-5.

CC - Adoption of a Resolution (1) Approving the Engineer's Report for the Sewer User's Service Charge, (2) Declaring the Intention to Order the Sewer User's Service Charge for Fiscal Year 2021/2022, and (3) Setting the Date, Time and Place for Public Hearing.

Meeting Date: June 14, 2021

Contact Person/Dept: Christopher Evans/Public Works
Mate Gaspar/Public Works

Phone Number: (310) 253-5602

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☒

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/23/2021);

Department Approval: Charles D. Herbertson, Public Works Director/City Engineer (06/07/2021)

RECOMMENDATION

Staff recommends the City Council adopt a Resolution (1) approving the Engineer's Report for the Sewer User's Service Charge; (2) declaring its intention to levy and collect the Sewer User's Service Charges for Fiscal Year 2021/2022; and (3) setting a public hearing for July 12, 2021 via video conference.

BACKGROUND

Culver City owns and operates a separate sewage collection system which is connected to the City of Los Angeles' system. Culver City sewage, which is deposited into the Los Angeles system, is treated at the City of Los Angeles' Hyperion Treatment Plant prior to its ultimate disposal in the Pacific Ocean or additional treatment by West Basin Municipal Water District for the production of recycled water that is used throughout the region. An agreement between the City of Los Angeles and a number of other cities called the Amalgamated Agreement (Agreement) requires Culver City to pay a proportionate share of the costs of conveyance, operation, maintenance, repair, and capital improvements to upgrade and improve the Amalgamated Sewerage system.

Federal law requires that all agencies using the City of Los Angeles' Hyperion Treatment Plant adopt a system of charges to assure that each property served by a public sewer pays its fair share of costs for the operation, maintenance, repair, and improvement of the Hyperion Treatment Plant. The "fair share" of each property is based on its contribution to the system in terms of flow quantity and sewage strength (biochemical oxygen demand and suspended solids). This is in addition to the cost experienced by Culver City in the collection, operation, and improvement of our own sewage collection and conveyance system.

In addition to formulating and adopting a system of Sewer User's Service Charges (SUSC), the City must also select a system for collecting these charges. In 1980, based on an engineering study and the City Engineer's recommendation, the City Council initiated a once-a-year billing procedure for Sewer User's Service Charges that places each property owner's charges on their property tax bill. This method of collection has proven to be very efficient and provides the lowest cost billing and collection service for Culver City.

DISCUSSION

Pursuant to a Resolution adopted by the City Council on April 12, 2021, the Public Works Director/City Engineer has prepared the Engineer's Report for the Sewer User's Service Charge and filed said Report with the City Clerk. A copy of the Engineer's report is attached to this report for consideration by the City Council.

For Fiscal Year 20/21, due to the severe impacts to both individuals and businesses caused by the COVID-19 pandemic, staff recommends, the City Council did not approve an increase in the Sewer User Service Charge.

The CPI for the prior 12- month period ending February 2021 is 1%. However, due to the continuing impacts of the COVID-19 pandemic, staff recommends the rates for Fiscal Year 2021/22 remain unchanged and that the CPI increase not be implemented. The sewer fund reserve has a sufficient balance to cover anticipated operational expenses in FY 21/22. In addition, on September 23, 2019, the City Council authorized the issuance of approximately \$24,000,000 Aggregate Principal Amount of Wastewater Facilities Revenue Bonds, 2019 Series A to Finance and Refinance Costs of the City's Wastewater System. The net proceeds from these bonds, approximately \$12,000,000, will be utilized to fund capital improvement projects.

Staff recommends that the City Council adopt a resolution (1) approving the Engineer's Report, (2) declaring the City Council's intention to order the levy of Sewer User's Service Charge for Fiscal Year 2021/22; and (3) setting the time and place for the public hearing as required by Culver City Municipal Code (CCMC) Sections 5.02.035.C and 5.02.040.

Should the City Council adopt the proposed resolution, pursuant to 5.02.040 of the CCMC, the City Clerk shall give notice of the July 12th public hearing by causing the Resolution of Intention to be published at least 10 days prior to the date of the hearing. Instructions on how to attend the meeting will be included in the published notice. During the scheduled Public Hearing, the City will consider all protests against any proposed increase and assessment.

FISCAL ANALYSIS

A detailed analysis of the revenues and expenses is contained in the Engineer's Report.

ATTACHMENTS

1. Engineer's Report
2. Proposed Resolution

MOTION

That the City Council:

Adopt a Resolution (1) approving the Engineer's Report for the Sewer User's Service Charge, (2) declaring the City Council's intention to order the levy of Sewer User's Service Charge - Fiscal Year 2021/2022, and (3) setting the Public Hearing for July 12, 2021 via video conference.