



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

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**DATE:** May 14, 2019

**TO:** Mayor and City Council

**FROM:** Director of Public Works

### **SUBJECT**

Recommended FY 2020 and FY 2021 Water and Sewer Rates and Connection Fees

### **RECOMMENDATION**

That Council reviews and provides feedback on this report and the changes to fees being considered.

### **SUMMARY**

Staff has prepared cost of service analyses for providing water and sewer service to Hayward residents and businesses in order to calculate appropriate water and sewer rates and service charges for FY 2020 and FY 2021. This report provides an overview of cost of service issues, revenue requirements, and recommended FY 2020 and FY 2021 water and sewer service rates. Staff is bringing the proposed rates to Council to obtain Council's comments. After receiving and addressing Council's comments, staff will implement appropriate and necessary public noticing procedures in accordance with state law prior to a public hearing, currently scheduled for July 2, 2019. The approved rate adjustments would take effect on October 1, 2019 and 2020.

The recommended water rate adjustments would include no change to the water usage fee, which pays for the costs associated with water consumption. The proposed bimonthly fee for fixed water service, which is currently \$24 per bimonthly billing period for a typical 5/8" meter, is \$2 more per month in each of the next two years. That would bring the fee for the typical 5/8" meter to \$28 in FY 2020 and \$32 in FY 2021, with similar percentage increases proposed for larger meters. This \$2 per month increase would result in about a 3.1% increase for a single-family home with average water consumption.

Staff is also proposing increases of 4.4% in residential sewer rates in each of the two years, with non-residential increases between 3.1% to 7.3% per year. Commercial customers with very large volumes and/or varying degrees of complexity of the discharge to treat, will see increases between 3.1% to 7.3% per year. These rate adjustments will allow the City to keep pace with the cost of sewer service collection, treatment, and disposal.

Staff has also reviewed water and sewer connection fees, which are fees typically paid at the time a new development requests water or sewer service. Although increases in both fees are warranted, in the

interest of maintaining the economic recovery and fostering business development, staff is not recommending any adjustments in the next two years

**ATTACHMENTS**

- Attachment I Staff Report
- Attachment II Water Maintenance & Operations Fund
- Attachment III Wastewater Operating Fund