



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: November 2, 2021
TO: Christine Daniel, City Manager
FROM: Mohamed Alaoui, Director of Public Works
SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Enter Into A 1st Amendment To The Sewer Service Charge Billing And Collection Agreement With East Bay Municipal Utility District (EBMUD) To Implement A Customer Assistance Program (CAP) For Certain Low Income Residents**

RECOMMENDATION

Staff recommends that the City Council of the City of Emeryville adopt the above-entitled resolution.

BACKGROUND

In 1982, the City established sewer service charges for the use of sewer facilities owned and operated by the City (Resolution 82-137). In 1983, the City entered into an agreement with East Bay Municipal Utility District (EBMUD) to bill and collect the sewer service charges for the City (Resolution 83-25). In 1997, the City entered into a new agreement with EBMUD to provide the same services at similar costs.

This agreement was amended in 2007 (Resolution 07-096) to extend the agreement to 2010. A second amendment to the agreement was approved by the City Council in 2010 (Resolution 10-28) to extend the agreement to 2013. In 2013, a Resolution was approved by the City Council to execute a new agreement for 10 years through June 2023 (Resolution 13-067) (Attachment A).

EBMUD staff contacted the City's Public Works Department and suggested that the City of Emeryville consider implementing a Customer Assistance Program (CAP), based on EBMUD's own existing CAP, to provide assistance to low income Emeryville residents, with single family residential EBMUD accounts, by subsidizing a portion of their City sewer service charges. This program has been implemented in neighboring cities, most recently Oakland, and is administered by EBMUD on the City's behalf by way of the Sewer Service Charge Billing and Collection Agreement. Additional details of the proposed CAP are described below.

DISCUSSION

To implement a CAP based on EBMUD's CAP, an amendment to the existing Sewer Service Charge and Collection agreement approved by Council in 2013 is needed. The CAP provides payment assistance for a portion of the water and sewer service charge bill for qualified low-income residential customers and eligible homeless shelters. Only

single-family residential customers and homeless shelters are qualified to be participants in EBMUD's CAP. A further summary of the program is below:

Single Family Residential Dwelling Units:

- Eligible customers may qualify for 50% off the standard bimonthly service charge and 50% off the home water use in each eligible household, up to a maximum of 1,050 gallons per person per month.
- A 35% discount on EBMUD wastewater service charge and flow charges collected will be applied to the account.

Homeless Shelters:

- Eligible customers may qualify for 50% off the meter charge (based on meter size), and 50% off of the water usage per client, up to a maximum of 1,050 gallons per person per month.
- A 35% discount on EBMUD wastewater service charge and flow charges collected will be applied to the homeless shelter account.

The implementation of the CAP program as further detailed in its brochure (Exhibit B), would allow the City's eligible low-income residents to receive a discounted bi-monthly sewer service fee of up to 35%. The proposed contract amendment is attached as Exhibit A.

FISCAL IMPACT

Historically, the City's payment to EBMUD for billing and collection has been approximately \$14,000/ year. Per the Billing and Collection Agreement, EBMUD bills bi-monthly single-family residential customers a flat fee on behalf of the City for Sewer Collection Services. These funds are remitted to the City's Sewer Services Charges Account (510/510/61150).

With the implementation of CAP, EBMUD will send a report to the City for accounts in CAP. The report will detail the discounted accounts participating in CAP. As a result, of discounted CAP accounts, the Sewer Services Charge Account will have a 35% reduction in remittance for those accounts. Staff propose that the General Fund (101) Public Works Department (4060) Utilities (7600) account be used to cover the discounted portion of the participants' bill. This will be done through internally transferring funds from the General Fund Utilities Account (101/4060/7600) to the Sewer Services Charge Account (510/510/61150). CAP must be implemented with no expenses charged to the City's Sewer Fund.

Example: A \$100 bill with a 35% discount for CAP obligates the City to cover \$35 of the bill from the identified General Fund Utilities Account (101/4060/7600) and transfer the amount to the Sewer Services Charge Account (510/510/61150).

The current sewer rate of \$12.31 per month was established in 2016 as a result of a Sewer Rate study conducted by Bartle Wells Associates on behalf of the City. Currently, there are 15 Emeryville households participating in EBMUD’s CAP. At this level of participation with current rates, costs to the City’s General Fund to support discounted sewer collection charges would be approximately \$775.00/ year at the discount rate of 35%. EBMUD estimates there could be approximately 554 eligible single family residential accounts in the City. If participation were to increase to 10% of that number, there would be 54 participating households and estimated costs to the City would be approximately \$2,800.00/year at the discount rate of 35%.

The expenses for the utilities account averaged \$198,980.64 for fiscal years 2017-19 and the account has a current allocation of \$222,300.00 for this fiscal year. This funding source is sufficient for proposed CAP charges in addition to the City’s utilities expenses.

Estimated No. of Participants	Bi-Monthly Bill	Discount %	Discount	Estimated Yearly Cost
15	\$24.62*	35%	\$8.62*	\$775.00
54	\$24.62*	35%	\$8.62*	\$2,800.00

*Per participant

STAFF COMMUNICATION WITH THE PUBLIC

East Bay Municipal Utility District staff contacted the City and requested the City’s participation in a CAP on behalf of the City’s residents. There was no additional communication with the public regarding this item.

CONFLICT OF INTEREST

None.

CONCLUSION

Staff recommends that the City Council adopt the above-entitled resolution.

PREPARED BY: Daraja Wagner, Management Analyst

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Christine Daniel, City Manager

ATTACHMENTS

- Attachment A – 2013 Sewer Agency Charge And Billing Collection Agreement
- Draft Resolution
- Exhibit A – 1st Amendment
- Exhibit B – Customer Assistance Program (CAP) Brochure