

PUBLIC HEARING ANNUAL LEVY OF SEWER CHARGES ON PROPERTY TAX ROLL

FISCAL YEAR 2025-2026

JULY 22, 2025



CITY OF
HERMOSA
BEACH

Background

- Council places sewer service charge on tax roll annually since FY 2015-16.
- Covers maintenance, operations, servicing, and capital improvements.
- Increased per the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), capped at 5%.



Analysis

- For FY 2025-26, the CPI-W was 3.5%.
- The new annual service charge will be \$147.35 per equivalent service unit (ESU).
- Notices mailed to all property owners and in paper.



IMPORTANT NOTICE from the CITY OF HERMOSA BEACH

Notice of increase in annual sewer service charge effective July 1, 2025 for Fiscal Year 2025-2026.

Visit www.hermosabeach.gov for additional information from the City.

Each year, an annual sewer service charge is levied upon each parcel of real property in the City of Hermosa Beach for the overall operation, maintenance, and servicing of the City's sewer system and to pay for capital improvements and reserves.

On July 1, 2025, the City's current rates will increase by the annual increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the Los Angeles-Long Beach-Anaheim, CA Area. The increase for the upcoming year is 3.5%. The rate increase is necessary to ensure the funding for the sewer program keeps up with cost increases for maintenance services and capital improvement projects due to inflation.

The sewer service charge per equivalent sewage unit ("ESU") for Fiscal Year 2025-2026 was determined by increasing the sewer service charge per ESU for the previous fiscal year (\$142.37) by 3.5%. The sewer service charge for Fiscal Year 2025-2026 will be \$147.35 per ESU.

For nonresidential parcels, the number of ESUs is determined by the following equation:

$$\text{ESU} = [\text{commercial water consumption Gallons Per Day (GPD)}] / 260 \text{ GPD}$$

For residential parcels, the ESU and charge is calculated as follows:

| Land Use | 2024-2025 Annual Charge | 2025-2026 Annual Charge | Amount of Annual Increase |
|----------------------------------|-------------------------|-------------------------|---------------------------|
| Single Family | \$142.37 | \$147.35 | \$4.98 |
| Condominiums | \$142.37 | \$147.35 | \$4.98 |
| Multifamily (Charge is per unit) | \$85.42 | \$88.41 | \$2.99 |
| Vacant Parcels | \$71.19 | \$73.68 | \$2.49 |

SEWER FEE REBATE FOR SENIOR CITIZENS & PERMANENTLY DISABLED

If you meet the following criteria for a rebate, please fill out an application and affidavit to receive the rebate at the Finance Department at City Hall, located at 1315 Valley Dr., Hermosa Beach on the 2nd Floor. City Hall hours are Monday through Thursday, 7 a.m. to 6 p.m. Please bring your property tax bills, proof of payment, and proof of age.

The following people are eligible for a 100% rebate of the annual sewer fee for the one personal residence in which the rebate applicant resides:

REBATE CRITERIA

- Seniors 65 years of age or older with an annual income of \$75,000 or less
- People who are permanently disabled as a result of a physical or mental impairment and have an annual income of \$75,000 or less

Contact the Finance Dept. with questions regarding the rebate at (310) 318-0225.

This is not a bill. The sewer service charge will be collected on the annual property tax roll for 2025-2026.



**CITY OF
HERMOSA
BEACH**

Analysis

- Residential Parcel Sewer Charges

| Land Use | 2024-25 Annual Charge (per ESU) | 2025-26 Annual Charge (per ESU) | Amount of Annual Increase |
|--------------------------------------|---------------------------------|---------------------------------|---------------------------|
| Single Family | \$142.37 | \$147.35 | \$4.98 |
| Condominiums | \$142.37 | \$147.35 | \$4.98 |
| Multi Family (Charge is per unit) | \$85.42 | \$88.41 | \$2.99 |
| Vacant Parcels | \$71.19 | \$73.68 | \$2.49 |

Analysis



- Non-residential use charges based on water consumption.
- City provides opportunity for rebate, subject to eligibility.

Recommendations

1. Conduct public hearing to receive public comment related to collection of sewer service charges on property tax roll for FY 2025-2026;
2. Determine presence of majority protest; if no majority protest, make an official finding that a majority protest by property owners within the City of Hermosa Beach does not exist; and
3. Adopt a resolution, approving Engineer's Report and authorizing the placement of sewer service charges on the annual County of Los Angeles Tax Roll.

