

PUBLIC HEARING ANNUAL LEVY OF SEWER CHARGES ON PROPERTY TAX ROLL FISCAL YEAR 2024-2025

JULY 09, 2024



**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 2024-25, the CPI-W was 2%.
- The new annual service charge will be \$142.37 per equivalent service unit (ESU)
- Notice of rate adjustment were mailed to all property owners.



IMPORTANT NOTICE from the CITY OF HERMOSA BEACH

Notice of increase in annual sewer service charge effective July 1, 2024 for fiscal year 2024-2025.
Visit www.hermosabeach.gov for additional information from the City or contact City consultant
(Jeff Cooper of NV5) at 949-585-0477.

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 as well as the funds deemed appropriate and necessary to pay for capital improvements and reserves.

On July 1, 2024, 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 with a cap of 5%. The increase for the upcoming year is 2%. 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.

The formula for the calculation of the 2023-2024 sewer service charge rates was computed by multiplying \$139.58 by the number of equivalent sewage units ("ESUs") for the current land use. For fiscal year 2024-2025, it is proposed that a not-to-exceed CPI increase of 2% be approved. The new charge will be increased by the 2% CPI to \$142.37/ESU.

The ESU for various non-residential land uses is calculated by the following equation:

$$ESU = \frac{\text{commercial water consumption Gallons Per Day (GPD)}}{260 \text{ GPD per Single-Family Residential Unit}}$$

For fiscal year 2024-2025, the sewer service charge rates with the 2% CPI increase for residential and vacant parcels are described in the table:

City of Hermosa Beach Residential and Vacant Parcel Sewer Charges			
Land Use	2023-2024 Annual Charge (per unit)	2024-2025 Annual Charge (per unit)	Amount of Annual Increase
Single Family	\$139.58	\$142.37	\$2.79
Condominiums	\$139.58	\$142.37	\$2.79
Multi Family (Charge is per unit)	\$83.75	\$85.43	\$1.68
Vacant Parcels	\$69.79	\$71.18	\$1.39

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 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 2024-2025.



Analysis

- Residential Parcel Sewer Charges

Land Use	2023-24 Annual Charge (per ESU)	2024-25 Annual Charge (per ESU)	Amount of Annual Increase
Single Family	\$139.58	\$142.37	\$2.79
Condominiums	\$139.58	\$142.37	\$2.79
Multi Family (Charge is per unit)	\$83.75	\$85.43	\$1.68
Vacant Parcels	\$69.79	\$71.18	\$1.39

Analysis

- Non-residential use charges based on water consumption data from California Water Service Company.
- City provides opportunity for full annual rebate, subject to eligibility criteria.
- Notice of tonight's Public Hearing posted in Easy Reader on June 20 and June 27.



Recommendations

1. Conduct a public hearing to receive public comment related to the collection of sewer service charges on the property tax roll for Fiscal Year 2024-2025;
2. If there is no majority protest, make a finding that there is no majority protest by property owners within the City of Hermosa Beach; and
3. Adopt a resolution, including an Engineer's Report, approving the new rates and placing the sewer service charges on the annual County of Los Angeles Tax Roll.

