52nd KZGN News Talking Points Editorial

Do you realize the city raised our sewer fees 50% last night?

Last night at the council meeting, the city voted to raise the sewers fees we all pay by 50%. This is a huge increase. There were only 4 council people attending with Jim Sanders absent. However, the mayor reported that Jim supported approval of the rate increase as in the agenda. Three of them sitting up there were not involved when the previous council approved a sewer increase rate plan in 2013. The fee plan was established in a state required prop 218 hearing in 2013. Real quickly, a prop 218 hearing is a state mandated step that all cities have to go through to legally tax their citizens. The council cannot just pass a tax if they want to. Prop 218 requires all citizens affected by the fee or tax, must be notified in writing of the proposed tax or fee. There has to be a public hearing to receive comments. This process was followed in 2013. The result of the hearing in 2013 was that approximated 9,000 property owners were notified of the proposed fee hike plan. It was noted by staff that about 800 negative comments were received. However, that was not enough to prohibit the council from approving the rate structure that covers the next 5 years. So the last council approved the rate increases.

Last night 3 of the 4 council members there did not know very much about this item and had to be brought up to speed as to why they have this in front of them for decision. It was noted by staff that the main reason for the rate structure is to provide funds to repair the current sewer system and to eventually replace the current sewer facility. This could range from 45 to possibly 70 million dollars, depending on the type facility they finally decide to build, and where they decide to build it.

Now, on to the editorial about the rates. I’m just rounding these off for simplicity of reporting. The new single family annual rate will go from $254 per year to $356 per year. The base commercial rate goes from $254 per year to $356 per year, as well. However, the commercial rate also gets hit an additional amount based on the type of commercial business, and based on water usage. These are the individual plus up rates. These rates really add up for some businesses. Now you may think that seems reasonable. But you should know that the plus up portion of the fee, amounts to some business’s getting sewer fees in the tens of thousands of dollars per year. I saw one fee even hits about $47,000.

And that’s for one year. There are some rates totaling into the $30,000. Some businesses get hit 10’s of thousands of dollars. What looks like very small plus up fees in this chart, can really add up to big dollars. So, you might say, well if they use that much water, then it’s appropriate. I agree with the sentiment. All I want to emphasize, we wind up paying the fee.

Now, the part of this I have a problem with. And I got up at the public hearing and voiced my concerns:

1.  The fees are not implemented equally for commercial users.

2.  The fees as implemented create an unfair competition between similar commercial businesses depending on licensing permit locations.

3.  The fees for single family residences are less than some very small commercial activities. This is in reference that in a month, a single family home can and usually does put more water sewage into the system, than a small single unit office with a half bath. Think about it. A single family home has an average of 4 occupants, using 2 or 3 bathrooms daily (showers, baths, washing clothes, running a dishwasher, etc.). A small office with a half bath doesn’t even come close to the usage.

4.  The next concern is that commercial businesses that are mobile in nature, but still dump into the sewer system, get no bill at all. These are businesses like mobile car washers, mobile food service trucks, mobile dog washing business’s, landscapers that wash their equipment into the streets, etc. They have to wash and clean their business equipment, and dump their waste somewhere. They dump it into our sewer for free with no fee.

My point of this editorial is that the rate structure is not fair. Its implementation is not fair. I would add that the 3 new council members, who include the mayor, were very apprehensive about the rate structure. After my series of questions and concerns, the mayor said she agreed with me on some points. She suggested that there should be a follow up agenda item to discuss my points of concern. I really don’t have a problem with the single family and multi-family rates. However, while the approved commercial rate structure appears to be fair on the surface, it really isn’t. When you get down to really analyzing the commercial rates, they are not fair. Commercial uses need to be more individually analyzed to establish fairer rates applied to the usage of water. The rate charged categories are too broad and all encompassing, without regard to actual sewage dumped into the system. My simplest example: Why does a business with 1 or 2 people working in an office with a half bath, pay the rate equivalent to a single family home, plus the commercial user pays an additional amount based on water usage, supplied from the water district? Why does the commercial rate apply to a commercial property owner, but not to commercial businesses that don’t use property, but still dump into our system? Why does a commercial business, that uses a single family address, pay less than the same type business in a commercial address? The current system is not fair. It needs to be adjusted. I don’t know if adjusting the rate structure would require another prop 218 hearing. But if it does, so be it. The current implementation and rate structure is not fair.

In conclusion, the implementation of the sewer fee rates need to be reviewed and made fair to all customers. A more detailed analysis needs to be done in establishing the commercial rate structure. I look forward to the mayor putting this on a future agenda real soon. If she doesn’t, we’ll be talking about this again.

I’m Tom Wiknich, and that’s what I think. I’d like to know what you think. If you have any comments about this editorial, or would like to discuss or recommend a topic, I’d like to hear from you. Please email them to info@kzgn.net.

**Commercial sewer rates for 2016**

**Annual fixed fee** $356.50

**Volumetric charge**(per hundred cubic feet)

Auto: repair shop and service station         $2.94

Auto: steam cleaning                                   $6.31

Bakery and food preparation                         $4.54

Bars w/o dining facilities                          $2.76

Car wash                                                            $2.46

Commercial & institutional -                   $2.44

Department and retail store                   $2.59

Hospital and convalescent                       $2.56

Hotel with dining facilities                       $4.05

Hotel/motel without dining                    $2.67

Institutional and professional:only   $2.39

Laundromat                                                     $2.49

Laundry: commercial                                   $3.10

Laundry: industrial                                      $4.42

Market with garbage grinders              $4.84

Mortuary                                                          $4.84

Restaurant                                                        $4.54

Soft water service                                         $2.21

China lake naval air weapons station        $3.15