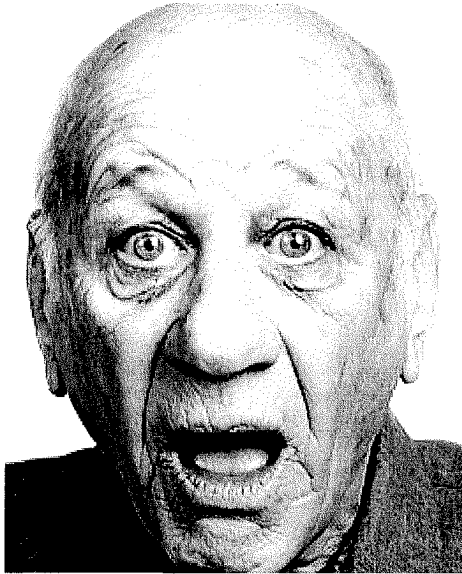


RATE SHOCK!

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LA WATCHDOG - The Bureau of Sanitation is proposing to increase our sewer fees by almost 40% over the next five years. But Ratepayers are not going to have adequate time to review and analyze this proposed \$200 million increase that was outlined in a 34 page memorandum by the City Administrative Officer that was posted on a hot Friday afternoon as people were preparing for vacation. ([Link](#))

According to the schedule developed by the Bureau of Sanitation, the same bureaucrats that wanted to impose a \$100 parcel tax to fund the \$8 billion Storm Water construction program, the Energy and Environment Committee of the City Council will consider this 40% rate increase at a Special Meeting to be held at 8:30 AM on Tuesday, August 2, right after the beginning of many summer vacations.

The City Council and the Mayor will then consider and approve the Rate Increases on August 12 and August 19, respectively. The Bureau will then prepare and mail Proposition 218 Notifications by

September 12.

A Public Hearing would then be scheduled for late October or early November with the possibility of another Hearing in mid November. The Mayor would grant his concurrence right around Thanksgiving, an apt day for this turkey of a deal.

The Bureau of Sanitation has indicated that it has conducted significant outreach, having made 43 presentations already with another nine scheduled for August and September. But the obligatory 28 slide power point presentation does not give any details as to the rate increase other than indicating that the rates would increase \$37 a year for the next 10 years for the "average" LA family. ([Link](#))

This "outreach" does not provide the proper level of transparency. There is no information as to the impact on homeowners or commercial establishments. Nor is there any detailed operational or financial information that is necessary for a proper review and analysis of the sewer system and its efficiency.

Nor does this "outreach" provide Ratepayers with the opportunity to engage in a meaningful dialogue with the Bureau of Sanitation or the politically appointed, million dollar Board of Public Works.

Rather than proceeding with the 40% Rate Increase in our sewer charges, the Bureau of Sanitation and the Board of Public Works need to step back and address the Ratepayers in a more systematic and transparent manner, not dissimilar to the concerted efforts by the management of our Department of Water and Power. Furthermore, the Bureau of Sanitation might also consider a three year increase because it will result in a higher level of transparency and accountability.

The Bureau of Sanitation might also address issues raised in the May 24, 2011 City Watch article, Sewer Charges Going Up: Ratepayers About to be Dumped On, especially those related to Proposition 26. ([Link](#))

The City Council would also be prudent to retain its own expert, again similar to DWP.

Ratepayers recognize that sewer fees may need to increase in order to maintain and repair the system's infrastructure, meet regulatory requirements, and protect the AA credit rating. But at the same time,

Ratepayers also have the absolute right to know why their rates are increasing so dramatically.

Finally, in considering this increase, the City Council needs to be mindful that the increased sewer charges are an integral part of our bimonthly DWP bill. And based on the proposals before the City Council, our sewer, water, and power rates are projected to increase by 21%, 22%, and 26%, respectively, over the next three years, and 40%, 43%, and 49%, respectively, over the next five years.

Now that is RATE SHOCK!

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