



CITY OF EL MONTE

SEWER RATE STUDY

FAQs - Frequently Asked Questions

Spring 2025

To keep pace with inflation and rising costs of providing safe, reliable sewer services, the City of El Monte conducted a financial study of its sewer services. Since the City's last rate study in 2008, the cumulative rate of inflation has risen more than 55% affecting the costs of providing sewer service.

Financial consultants and City staff embarked on an extensive financial data evaluation to assess current costs of delivering sewer services and customer rates while considering customer impacts of any rate modifications.

The goal of the study is to ensure that the rates customers pay for sewer services are:

- Sufficient to ensure continued financial viability of the City's sewer system;
- Sufficient to enable critical maintenance and infrastructure investment to continue high levels of service while complying with ever more stringent regulatory requirements; and
- Aligned with best practices and in accordance with State law.

What is a wastewater utility rate study? How often are they done?

A utility rate study is a financial review that projects future revenues and expenses, usually for the next 5-10 years. The ultimate purpose of a utility rate study is to determine whether operating revenues are sufficient to meet expenses, the cost of operations and maintenance, upcoming or needed replacements, and debt service, and to help you make capital improvements during the implementation plan period. Ideally, rate studies should be performed every 3-5 years and coincide with that year's public works budgeting process.

Why are sewer rates being raised?

The City's current schedule of sewer service rates was adopted on July 1, 2008. Ideally, rate studies should be performed every 3-5 years. Over the past 16 years, the cumulative rate of inflation has risen more than 55% affecting the costs of providing sewer services. Critical infrastructure investment is necessary to keep the system functioning reliably for customers and the health of the community.

Why is the City conducting a wastewater rate study?

Performed regularly, utility rate studies provide transparency into what the City can expect in the years ahead and ensure the City has the financial resources to meet the budget, maintain the infrastructure, manage system capacity for growth, implement new technologies, address existing and new state and federal regulations, and implement the capital improvement plan (CIP).

What is the City's sewer service charge?

The City's sewer rates are based on the City's costs to operate and maintain its sewer system. Costs associated with the operation, maintenance, and capital replacement of the City sewer system are funded primarily by customer rates and charges. Revenues from sewer service charges may only be used to cover costs associated with providing sewer services. Costs include operation and maintenance, including materials and capital expenses such as pumps, wet wells, buildings, equipment, and conveyance pipelines; utilities, supplies, and labor; debt service payments on bonds and leases; and reserves for operational and capital needs.

Does the City inflate forecasted expenses when setting rates to stockpile cash reserves? Are excess reserves used to fund other City expenditures?

The City's objective is to have 365 days of cash reserves in the wastewater Enterprise Fund because adequate reserves are necessary for El Monte to meet debt covenants for grants/loans and reserves are necessary to address emergency failures of the wastewater system due to unforeseen conditions. Rate revenues must cover these reserves. Reserves are not used to fund other City expenditures and may only be utilized for the appropriate utility Enterprise Fund. El Monte's Financial Plan will include projected expenses and forecasted cost increases over the next five-to-10-year period including anticipated inflation and rising costs for operations and maintenance, capital, materials, labor, and meeting new, stringent regulatory requirements.

Is revenue from sewer rates used on any non-sewer projects?

No, by law the wastewater enterprise funds can only be used on wastewater projects.

For more information about the 2025 sewer rate study and how to participate, please visit our website at elmonteca.gov/705/2025-Sewer-Rate-Study or scan the QR code.



What is the rate study process?

The City hired Raftelis Inc., a consulting firm with expertise in water and wastewater rate studies in California and across the country. A utility rate study is a financial plan that provides transparency into what the utility can expect in future years to ensure the utility has the resources needed to meet day-to-day operating costs, maintain critical infrastructure, modernize the system, explore new technologies, cover debt service requirements, fund reserves, and implement the capital improvement plan (CIP). The completed study is documented in a report to serve as part of the City's administrative record to justify proposed rate adjustments.

In California, all parcels connected to a utility system must be given notice of any proposed rate changes with the ability to protest the proposed rates. The notice details the proposed rates, the basis for calculating the proposed rates, the reason for the proposed rate increase, the details of the public hearing, and the ratepayers' or property owners' right to protest. Protests may be submitted by either the property owner or the customer of record, but only one protest per parcel will be counted. After a protest period of no less than 45 days, the City Council can conduct a Public Hearing. Absent a majority protest to the rate proposal, the City Council may choose to adopt the rates as noticed.

The community is encouraged to stay informed about the rate study through the City's website at elmonteca.gov/705/2025-Sewer-Rate-Study. Additionally, residents are encouraged to submit questions or comments to Don Nguyen, Utility Manager at (626) 580-2016 or email dnguyen@elmonteca.gov.

When will the City Council consider the proposed sewer rates?

The City Council will hold a Public Hearing at 7 p.m. Wednesday, May 14, 2025, at El Monte City Hall – East, City Council Chambers, 11333 Valley Boulevard, El Monte 91731 to consider proposed increases to sewer service charges and collection of charges assessed to real property parcels within the city collected on the annual tax roll.

When would the new rates be effective?

If adopted by the City Council, rates will become effective on July 1, 2025, and most customers will see the increased charges on their next and future tax bills. As proposed, the sewer service charges would become effective on July 1, 2025, with annual rate adjustments each July 1 through 2029. In Los Angeles County, annual property taxes are payable in two installments due November 1 and February 1.

Is there an appeal process? Who is allowed to appeal recommended rates?

Proposition 218 provides a process for property owners to protest a proposed rate increase before the rates can be adopted. Written notice will be provided to all customers of record at least 45 days before the public hearing. The public is invited to provide public comment at the hearing. A written protest must contain a statement of opposition to the wastewater rate increase, the property assessor's parcel number or property address, and the name and original signature of the property owner or utility customer of record registering the protest. Per California Government Code section 53755(b), only one protest will be counted for each parcel or address. This means that a parcel that has multiple dwelling units but only one customer of record will be limited to one protest. Since protests must include an original signature, electronic protests via email, social media, etc., will not qualify as a written protest. At the public hearing, written protests will be considered and tallied. If a majority of the service accounts protest the charge, the City Council shall not adopt the increase(s).

What is the Difference Between a Protest and an Objection?

An objection must include the nature of a legal objection and failure to submit a legal objection or to meet the requirements will bar any right to challenge the proposed sewer charges through a legal proceeding.

How Do I Protest Proposed Sewer Charges?

There are multiple ways that property owners subject to the proposed rates can participate in the Proposition 218 process. Specific comments in the form of legal protests or objections must be adequately stated in writing and timely submitted in order to be given consideration.

How Do I Submit a Written Protest?

You have the right to protest proposed sewer rate adjustments. Protests will only be considered valid if they meet the following procedural and substantive requirements:

- Protests must be submitted in writing by the property owner. By law, the City cannot accept email, fax, or photocopied protests. Written protests may only be submitted as follows:
 - a) By Mail or Courier sent to the City of El Monte, ATTN: City Clerk, 11333 Valley Boulevard, El Monte, CA 91731

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- b) In Person delivered to the Office of the City Clerk, El Monte City Hall - East, 11333 Valley Boulevard, El Monte 91731, OR during the Public Hearing at 7 p.m. Wednesday, May 14, 2025.

All protests must be received by the City Clerk before the conclusion of the public comment portion of the Public Hearing. Any protest received after the conclusion of the Public Hearing will not be accepted or considered. Only one written protest per affected property will be counted. Note that a written protest is not the same as a legal objection, as described in the next column.

Protests must include the following information:

- Eligible property owner's name, and the parcel number (APN) and address.
- A statement to the effect of "I protest the proposed sewer rate adjustments," and an original signature.
- Indicate on the envelope, "Sewer Service Charge Protest Enclosed."

How Do I Object to Sewer Rates?

Legal objections must be submitted in writing by the property owner and include the following information:

- Objector's name, parcel number, and/or service address.
- A statement that your communication constitutes a legal objection.
- A description of the nature of the legal objection, with sufficient specificity to allow City staff to respond in writing.

A statement that the proposed sewer rates and charges violate Proposition 218 without an explanation as to the basis of your claim will not be sufficient to constitute a legal objection.

How Do I Submit a Written Objection?

Any affected real property parcel owner who wishes to object to the proposed sewer rates and charges must first submit a timely-received written legal objection so that the City can duly consider those objections prior to making its decision.

Written objections will only be considered valid if they meet the following procedural and substantive requirements and are submitted as follows:

- By Mail or Courier sent to the City of El Monte, ATTN: City Clerk, 11333 Valley Boulevard, El Monte, CA 91731
- In person delivered to the Office of the City Clerk, El Monte City Hall - East, 11333 Valley Boulevard, El Monte, 91731, OR during the Public Hearing at 7 p.m. Wednesday, May 14, 2025.

Is there a Statute of Limitations for Challenging Proposed Rates?

Yes. Pursuant to California Government Code section 53759, there is a 120-day statute of limitations for judicially challenging all rates set forth that will run from the effective date of or the date of the final passage, adoption, or approval of the resolution or motion approving the rates, whichever is later.

Where can I view a copy of the sewer rate report?

The Sewer Rate Study Report is available online at elmonteca.gov/705/2025-Sewer-Rate-Study, or can be viewed in person at City Hall (11333 Valley Boulevard) located at the Engineering Counter, the City Clerk's Counter, and the Public Works Counter (3990 Arden Ave.)

Who do I call if I have questions regarding my sewer bill?

- Billing and account changes, if approved, will appear on your next tax roll.
- For proposed sewer rate increases, contact Don Nguyen, Utility Manager at (626) 580-2016.
- Email: dnguyen@elmonteca.gov

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