



Wastewater Rate Increase - Fact Sheet

It is the City's responsibility to take wastewater from homes and businesses, convey it to a treatment plant and "treat" it. To do this, the City cleans and operates 60 miles of sewer pipe, five pump stations and three treatment plants. While the cost of conveying sewerage has remained stable, the cost of treating it has significantly increased. This Fact Sheet discusses costs at each of the three plants:

- a) Manteca-Lathrop Plant. All homes and business on the east side of I-5 and north of Louise Avenue have their sewerage pumped to a plant jointly owned by Manteca and Lathrop.
- b) WRP No. 1 Plant. All homes and businesses west of I-5 send their sewer to a brand new treatment facility called Water Recycling Plant (WRP) No. 1. The City obtained a permit from the State to operate the facility in 2005.
- c) Crossroads Industrial Plant. All businesses within the Crossroads Industrial Park send their sewage to a treatment facility called Crossroads Water recycling Plant. The City obtained a permit from the State to operate the facility in 1992.

The City needs all of these plants to serve its customer base. In the future, as the City grows, WRP No. 1 will be expanded and a new WRP No. 2 will be constructed. New Development benefiting from that expansion, however, will pay that construction cost-- not existing homes and businesses.

The City's wastewater is heavily regulated by the State and Federal Government and it is no small task to meet applicable discharge standards. For example, over the past few years, required changes at both plants have dramatically increased costs.

- What changed at the Manteca-Lathrop Plant? Every ten years the Plant is required to re-new its permit with the State. In 2005, a new permit with more stringent conditions for operation was issued. Manteca sued the State over these conditions and eventually prevailed; however, the aging facility still needed significant upgrades and for which Lathrop had to pay its share (14.7%). For Lathrop sewer customers, this means approximately \$4.3 million in plant upgrade costs.
- What changed for WRP No. 1 Plant? First operational in 2005, it was not until mid 2006 that the final State Permit provisions were written-- a full year and a half after the initial rates were implement for the service area. As a result, fully

operational costs and permit compliance costs were simply not known at the time the rate was set. Now, the costs are known and an exact budget has been prepared.

- What changed for Crossroads? In 2005, the City authorized Veolia to perform a capacity assessment on this plant. It was concluded that the current aeration and blower system was undersized and inadequate for the wastewater generated by Crossroads users. The aeration system, therefore, was upgraded to keep up with the demands of the wastewater stream. Also, operation costs have increased due to the increased monitoring of the Industrial Pretreatment Program. The replacement was also required in order to remain in compliance with the state permit.

What's coming? In order to pay for these and other cost increases, the Wastewater Rates have to be increased. To be fair to residents and business owners, it's proposed to spread a rate increase over five years as follows:

Sewer Utility Rates – Monthly Bill						
Year	East Lathrop		West of I-5		Crossroads (based on 3" meter)	
	Increase from Previous Year	Total	Increase from Previous Year	Total	Increase from Previous Year	Total
Current	\$0	\$34	\$0	\$34	\$0	\$1,279
February 2009	\$5	\$39	\$4	\$38	\$283	\$1,562
January 2010	\$7	\$46	\$5	\$43	\$10	\$1,572
January 2011	\$7	\$53	\$6	\$49	\$3	\$1,575
January 2012	\$8	\$61	\$6	\$55	\$110	\$1,685
January 2013	\$10	\$71	\$8	\$63	\$118	\$1,803