

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: June 18, 2026

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager *CCC*

FROM: Amit K. Mutsuddy, Director of Wastewater *AM*

SUBJECT: Collect Wet Weather Facilities Charge on FY 2026-2027 Property Tax Rolls

SUMMARY

At its June 10, 2025 meeting, the Board adopted the District's rates and charges for the water and wastewater systems for Fiscal Years (FY) 2026 and 2027. The rates and charges include the Wet Weather Facilities Charge (WWFC). A public hearing on the WWFC is scheduled for July 14, 2026, after which the Board will consider authorizing the collection of the charges on the counties' property tax rolls. The WWFC is a property-related fee subject to the requirements of Proposition 218. The WWFC is the only regular, non-delinquent charge the District collects on the property tax rolls using its authority under the State Health & Safety Code (H&SC). This memo provides background on the WWFC, outlines the procedural requirements for collecting the WWFC on the property tax rolls, and discusses the fiscal impacts.

DISCUSSION

The H&SC augments the District's powers under the Municipal Utility District Act and authorizes the District to collect certain rates and charges on the property tax rolls. The WWFC has been collected on the property tax rolls since 1987. The WWFC funds capital expenses for the inflow and infiltration (I&I) facilities (including wet weather facilities, interceptors, pumping stations, and storage basins) required to handle wet weather flows that enter the wastewater system through the local wastewater collection systems and sewer connections. The I&I facilities funded by the WWFC are designed to handle wet weather flows in excess of the normal wastewater discharges from wastewater customers.

The volume of wet weather flows that enter the wastewater system from each property is proportional to the size of the collection system needed to serve each property. Properties with larger lots require more linear feet of the collection system which presents more opportunities for rainwater to enter through defects (e.g., cracks) in the collection system pipes. For these reasons, lot size is used as the basis for the WWFC. Accordingly, the WWFC is structured into three lot sizes with the charge increasing with the lot size: 0 to 5,000 square feet (sq. ft.), 5,001 to 10,000 sq. ft., and over 10,000 sq. ft. Because the WWFC is based on the property lot size and is unrelated to water or wastewater usage at the property, the District collects the WWFC on the property tax bill pursuant to its authority under the H&SC. All parcels that have connections to the wastewater collection systems within the District's

wastewater service area are charged the applicable WWFC based on their lot size, and their charges are collected on the property tax rolls. The WWFC for entities exempt from property taxes, or taxable properties that the District is unable to bill via the tax rolls, is collected through the District's billing process.

Below is a schedule of H&SC procedural requirements needed to collect the WWFC on the property tax rolls.

June 10, 2025: Board adopted the FY 2026-2027 WWFC.

Lot (Bin) Size	FY 2026 WWFC	FY 2027 WWFC
0-5,000 sq. ft.	\$159.90	\$173.48
5,001-10,000 sq. ft.	\$249.72	\$270.94
10,001 and over sq. ft.	\$570.70	\$619.20

June 18, 2026: File a written report with the Secretary of the District which identifies every parcel and the respective WWFC to be collected on the property tax rolls.

June 26, 2026 and July 3, 2026: Publish the public hearing notice in the East Bay Times (Oakland Tribune and West County Times).

July 14, 2026: Hold a public hearing at which the Board is required to consider all objections or protests to the written report and the collection of the WWFC on the property tax rolls before voting to adopt the report and directing the collection of the WWFC on the property tax rolls. If the majority of property owners in the wastewater service area protest the collection of the charge, the report cannot be adopted by the Board, and the District would be required to use another mechanism to collect the WWFC, such as direct billing. If no majority protest occurs, the Board will vote on a resolution to adopt the report, either as is or as amended, and elect to collect the WWFC on the property tax rolls. This resolution must be adopted by two-thirds of the members of the Board (i.e., at least five Board members).

Prior to August 10, 2026: File the report with the Auditor-Controllers in Alameda and Contra Costa counties, along with a signed statement by the Secretary of the District confirming the report has been adopted.

FISCAL IMPACT

For the FY 2026-2027 property tax rolls, the approximate amount of WWFC to be submitted in the written report to the Secretary of the District is \$42.8 million on 178,181 parcels (approximately \$39.6 million on 165,468 parcels for Alameda County, and approximately \$3.2 million on 12,713 parcels for Contra Costa County).

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NEXT STEPS

A public hearing will be held on July 14, 2026 for the Board to receive and consider all objections or protests to the written report and the collection of the WWFC on the property tax rolls. If no majority protest occurs, the Board will consider a resolution to adopt the report, either as is or as amended, and elect to collect the WWFC on the property tax rolls.

CCC:AKM

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