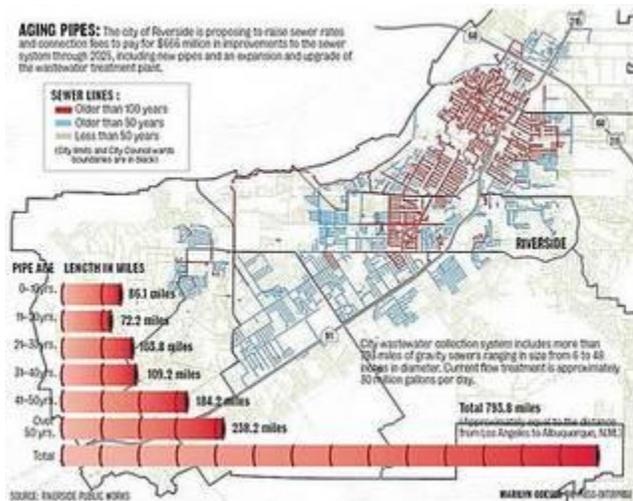


Riverside only now recognizing need for massive upgrade to city's sewer system



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RIVERSIDE - In the past 15 years, the city of Riverside has carried out major upgrades to its streets and its water and electric systems.

But the city hasn't done the same for sewers.

And while it has spent almost \$90 million on the sewer system since 1995, erupting toilets, sewage overflows into homes and businesses, and major spills have prompted a recommendation for a significant rate and fee increase to pay for a \$670 million overhaul. The city last raised sewer rates in 1993.

"It's unfortunate that this wasn't done years ago," Cindy Roth, president of the Greater Riverside Chambers of Commerce, said of the overhaul.

It is unclear why not.

Almost no one with authority over, and professional expertise about, Riverside's sewer system today has been in such a position for more than a few years. The mayor and

City Council rely on city staff to alert them to looming problems in areas such as the sewer system.

In the 18 months after Brad Hudson became city manager in June 2005, the sewer system appeared in solid enough shape that he asked the City Council to allow other departments to borrow \$22 million from the sewer reserve fund. The money went for nonsewer projects, including a parking garage and parking meters. The council approved the loans.

But Public Works Director Siobhan Foster, appointed to her position in February 2006, recently told Chambers of Commerce officials that the sewer system has been "neglected" for years.

Assistant City Manager Michael Beck said Friday that there is no contradiction. The \$22 million was set aside for emergencies, and loaning it out had no impact on the availability of the money for use in a sewer system emergency.

In 2006, at Foster's recommendation, the council approved hiring a consultant to devise a plan to improve the system through 2025.

Foster said pipes, pumping stations and the sewage treatment plant are aging and need rehabilitation or replacement. Stringent new regulations require ever more treatment of wastewater to remove contaminants. And the system, especially the plant, needs to expand to meet future growth.

The council's Land Use Committee on Thursday voted to recommend the full council approve the rate and fee increases and the capital improvement plan in concept on July 22. The council would set an Oct. 21 public hearing and, if it granted approval, the increases would take effect Dec. 20.

No Alarm on Sewer System

The last time the council raised sewer-connection fees on new development was in 1991, and it last boosted monthly sewer rates in 1993. That 11 percent increase raised the monthly rate by \$1.29 -- to \$13.05 -- for the average single-family home.

City officials could not say why the city hasn't raised the sewer rates and fees since then to generate more revenue for repairs and upgrades.

"No one has an answer for that," Hudson said.

It's not because past city administrations and City Councils were averse to utility rate increases.

For example, since 1993 the council has approved at least eight water-rate increases, some of them spread over several years, to pay for numerous water-system improvements.

Former Councilwoman Maureen Kane, who was in office from 1993 to 2002, said city staff never told the council in that period that there was an imminent need for a massive upgrade of the sewer system.

"It wasn't something that was considered a crisis," she said.

"I don't think it was high on the priority list," said former Councilman Ed Adkison, who served January 2000 to December 2007.

The 1993 sewer rate increase came after the city prepared a master plan for improving its wastewater treatment plant.

Barry Beck, Riverside's public works director from 1987 to 1997, said the department was constantly upgrading the sewer system and remained in good financial shape during those years. Other departments borrowed from the sewer reserve even back then, he said.

"We were really fat and happy when I was there," Beck said. "Everything was up to snuff."

Records show the city has spent close to \$90 million on the sewer system since 1995. Starting about eight years ago, the city began a major review of the sewage collection system, said Sandy Caldwell, principal engineer. That led eventually to the current proposal for major improvements.

Assistant City Manager Paul Sundeen, the city's chief financial officer, said it would have been easier on residents and businesses had the city raised sewer rates gradually over the years.

But he couldn't say that the projects would have cost any less if done earlier because while the price of materials has risen substantially in recent years, labor costs have recently declined in the ailing economy and the city is receiving very favorable bids on many infrastructure projects.

The Need

The need for wide-ranging improvements to the sewer system is clear, city officials said.

Riverside was founded in 1870, and its sewer problems are typical of cities that are more than 100 years old, said Kurt Berchtold, assistant director of the Santa Ana Regional Water Quality Control Board.

The board last year fined the city \$429,000 for two spills in 2005 -- totaling 400,000 gallons of raw sewage -- from a Wood Road pump station that failed.

Some of the sewer system's pipes are small -- only 8 inches in diameter -- and others remain in use though tree roots have cracked them, said Dave Commons, wastewater systems manager.

He showed photographs of broken pipes. Sewage leaks from such pipes, Commons said, and rain seeps in, overloading parts of the system on rainy days. Dirt gets into the broken pipes and is carried away, which can eventually lead to sinkholes, he said.

On Thursday, Foster showed the council's Land Use Committee pictures of recent sewage overflows that flooded a health club, restaurant, furniture warehouse and more.

Downtown resident Alli Coleman learned firsthand about the troubled sewer system one morning in January.

She walked into her bathroom and found it soaked.

"There was water everywhere" and wads of toilet paper, she said. "It hit the ceiling. It was just a mess."

Both her ground-floor bathrooms simultaneously suffered the same ugly mishap -- what sewer officials call "blowover." Crews had been using high-pressure water to clean the sewer line when a clog caused sewage to back up and shoot like a geyser out of Coleman's toilets.

She is all for a rate increase, she said.

"They need to fix the system," Coleman said.

The proposed improvements would rehabilitate or replace aging and cracked pipes, make upgrades to comply with stricter and stricter regulations, and upgrade and expand the sewage treatment plant.

Portions of the plant, on Acorn Street off Jurupa Avenue north of Riverside Municipal Airport, date to the 1940s, and its metal and concrete are fatiguing, Commons said. Also, the plant's capacity is too low, he said. The plant will be operating at full capacity by 2013 if nothing is done, Commons said.

Finances

While city officials express concern about fixing the sewer system soon, city finance records suggest they only recently made the sewers an urgent matter.

In 2004, the city sewer fund contained more than \$69 million in cash or investment reserves. At the close of the 2003-04 fiscal year, income exceeded expenses by more than \$600,000.

The situation is now reversed.

The sewer utility closed the 2006-07 fiscal year almost \$4 million in the red, and, according to Foster, the system is continuing to lose money. By June 2007, sewer cash and investment balances had dropped to \$34 million. Figures for fiscal year 2007-08 are not yet available.

Until Tuesday, other city programs owed the sewer fund more than \$22 million. The money had been loaned out from 1992 to December 2006 to pay for an auditorium renovation, a land purchase, a street-widening project, downtown parking meters, a parking garage, an airport tarmac and airplane hangar, and parking lots, records show. Until now, there were no sewer projects for which that money was desperately needed, Sundeen said.

On Tuesday -- 11 days after inquiries by The Press-Enterprise into why the money was loaned out -- the council cast a vote that allowed Sundeen to transfer the \$22 million debt to the electric fund.

To maintain a high credit rating, which enables borrowing money at a lower interest rate, the electric utility has \$110 million in reserves, Sundeen said.

The debt transfer will have no effect on the electric utility because, unlike the sewer fund, it doesn't need to spend the \$22 million any time soon, he said.

Proposed Increases

Under the proposed sewer rate structure, a single-family house now paying \$13 a month for sewer service would see the rate rise in phases starting Nov. 1 until it is \$29 a month by July 2012. Businesses paying a flat rate would see the exact same increase.

Rates for other businesses, such as restaurants, would more than double over the same period. The pumping rate that some homes and businesses pay also would more than double in most cases.

All sewer rates would then go up by the cost of inflation every year starting in July 2013.

Restaurant owner Julie de Korne said many restaurants in Riverside experience sewer smells that they have to get rid of -- by leaving doors open and the air conditioning on, for example. It would be worth doubling her sewer bill to \$280 a month if the sewer system improvements make this unnecessary, she said.

A more drastic increase is proposed to take effect in November for connection fees for new development. A 5,000-square-foot restaurant now pays \$1,167 to hook up to the sewer system; that fee would jump to \$43,400, under the proposed rate structure. A 4,000-square-foot Laundromat now charged \$933 would pay \$35,764.

Residents' sewer rates have been subsidizing new development, said Toby Weissert, an engineer with the consulting firm hired by the city. The proposed fee increases would make new development pay its fair share to improve the sewer system, he said.

Foster, the public works director, said Riverside would remain competitive with other cities despite the large connection fee increase. For example, a 5,000-square-foot restaurant with 200 seats pays \$62,250 in San Bernardino.

Roth, the chamber president, said business leaders understand the need for the sewer system improvements and almost none are complaining about the proposed rate increase. But a number of them have expressed concerns about the impact a higher connection fee could have on efforts to grow existing businesses and add new ones.

Given the ailing Inland economy, "Is this the time to be doing this?" she said.

If it has to be done, Roth said, "Maybe there's a way to do it gradually."

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RATES INCREASE

The city of Riverside is proposing to increase sewer rates for the first time since 1993. Single-family homes and basic commercial would go up from \$13 to \$29 per month by July 2012.

Apartments would go up from \$12.30 to \$27 per month by July 2012.

Starting in July 2013, all rates would continue to rise each year by the rate of inflation.

Connection fees for new residential units would jump 29 percent in December.

For other development types, the fee would be based on square footage and anticipated sewage.

SOURCE: CITY OF RIVERSIDE