

City of Ukiah

Notice of Public Hearing on Proposed Rates for Sewer Service Charges

June 17, 2020 at 6:00 pm

Ukiah Civic Center
300 Seminary Ave, Ukiah, CA, 95482

The City of Ukiah will hold a public hearing on a proposed rate schedule for Sewer Rates.

The City's sewer utility provides sewer collection, treatment and disposal services for nearly 3,600 residential and business accounts located within a portion of the City jurisdictional boundaries. The City's sewer utility collects and treats wastewater at the City's wastewater treatment plant. These sewer services are essential to protecting public health and the environment and maintaining a high quality of life.

The City of Ukiah charges Sewer Rates to each property that is connected to the City's sewer system. The City uses these funds to operate the collection and treatment systems, and to pay for effluent and biosolids disposal.

WHY INCREASE RATES NOW?

The City hasn't increased sewer rates since 2014. Since that time general inflation in California has increased by approximately 13%. The City's Sewer Utility has managed to maintain a positive fund balance through operational efficiencies, refinancing debt, and by deferring repair and replacement of capital projects. An increase in rate revenue is necessary at this time in order to pay for existing operating costs and to increase capital reinvestment in the sewer collection system and the wastewater treatment plant. The City is also adopting the proposed new rates in order to comply with the requirements of a Settlement Agreement and Operating Agreement with the Ukiah Valley Sanitary District.

In order to meet the sewer utility's current expenses, the City is proposing increases to the Sewer Rates over the next five years. The proposed rates are designed to meet the current cost of operations as well as the annual capital budget for sewer assets.

HOW WERE RATES CALCULATED?

The proposed Sewer Rates were calculated using methodologies that are aligned with industry standard practices for rate setting and all applicable laws, including California Constitution Article VIII D, Section 6 (commonly known as Proposition 218). The revenue requirements for the City sewer utility were based on a financial plan that integrated operational, debt and capital funding needs.

Residential users will continue to pay a fixed monthly Service Charge on a per-dwelling basis in addition to a Consumption Rate based on the average monthly water used during the prior winter months of January through March.

Commercial users will be charged a monthly Service Charge for each "equivalent sewer service flow unit" (ESSFU), which is a measure of the average winter water use of residential dwelling units. The ESSFU assignment for a Commercial user will be calculated based on the user's average monthly water consumption during the previous winter (with a minimum of one (1) ESSFU per commercial account). The Consumption Rate for Commercial users is determined by multiplying the account's average winter water usage by the respective rate for the Commercial customer's classification (which accounts for sewer strength).

HOW MUCH OF AN INCREASE?

Under this proposal, rate revenue from the Sewer Service Charge will increase 5% overall on October 1, 2020, then 2% on July 1 of 2021 and 2022, then 1% on July 1 of 2023 and 2024. The proposal involves structural changes to the rates to ensure

equity between customers; therefore the actual changes to individual sewer bills in the first year will vary. Namely, the amount of revenue being collected from the fixed Service Charge as opposed to the variable Consumption Rate has changed.

For complete details, the 2020 Joint Sewer Rate Study report is available at:

<http://www.cityofukiah.com/utility-services/>.

For more information on proposed Sewer Rates, please call:

(707) 463-6228

or email: lmartin@cityofukiah.com

HOW TO PARTICIPATE

Proposition 218 establishes a protest process for the public to follow if they wish to oppose the rates.

Written protests on the proposed Sewer Rates must be received prior to the close of the Public Hearing on June 17, 2020 and may be hand delivered during the hearing, mailed or delivered to:

Kristine Lawler
City Clerk
300 Seminary Ave, Ukiah, CA, 95482

E-mail protests are not accepted.

Written protests on the proposed Sewer Rates must identify the owner(s) or tenant of the property and provide the property address. Only one protest per affected parcel will be considered. If written protests are presented by owners from a majority of affected parcels, the City cannot approve the proposed rate.

The City of Ukiah is proposing a multi-year sewer rate adjustment schedule for all residential and commercial (non-residential) customers. The proposal will be considered by the City Council at a Public Hearing on June 17, 2020. If approved, the sewer rate adjustments will commence October 1, 2020. You are receiving this notification in compliance with California Constitution Article XIII C and D (commonly known as Proposition 218), which requires that all impacted property owner(s) are mailed notice of proposed rate increases at least 45 days prior to a public hearing.

Proposed Sewer Rate Schedule

	October 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024
Monthly Service Charge*:	\$49.35	\$50.34	\$51.35	\$51.86	\$52.38
Consumption Rate (per HCF):					
Residential:	\$3.57	\$3.64	\$3.71	\$3.75	\$3.79
Commercial 1:	\$3.57	\$3.64	\$3.71	\$3.75	\$3.79
Commercial 2:	\$3.89	\$3.97	\$4.05	\$4.09	\$4.13
Commercial 3:	\$7.77	\$7.92	\$8.08	\$8.16	\$8.24
Commercial 4:	\$10.32	\$10.53	\$10.74	\$10.85	\$10.96

* Service Charge is per dwelling unit for residential and per ESSFU for commercial accounts (with a minimum charge of 1 ESSFU).

Your Sewer Rates pay all costs necessary to operate and maintain the City's sewer collection, treatment, and disposal infrastructure. The proposed Sewer Rates will help enable the City to provide reliable and dependable wastewater collection and treatment service while protecting our streams, creeks, rivers, navigable waterbodies and public health.

City of Ukiah
300 Seminary Ave
Ukiah, CA 95482



IMPORTANT NOTICE – Sewer Rate Increase
PUBLIC HEARING NOTICE