



CITY COUNCIL AGENDA – SEPTEMBER 19, 2023

SUBJECT: Intent to Set a Public Hearing for November 21, 2023, to Consider Sewer Rate Increase

SOURCE: Public Works

COMMENT: Carollo Engineers completed the Sewer Rate Study in May 2023. The Sewer Rate Study's objective was to ensure that revenues cover the cost of services, meet the debt coverage and reserve requirements, and provide revenue for capital improvements to the City's sanitary sewer system.

In the Sewer Rate Study findings, Carollo Engineers are projecting a substantial revenue shortfall as revenue under existing rates is insufficient. To address the revenue shortfall, a rate increase is required to: (1) adequately cover operating and capital costs, debt payments, and debt service coverage; (2) adequately fund the sewer system so it can be operated safely and provide residents and businesses with clean, safe and reliable sewer service; (3) provide timely maintenance of existing facilities; and (4) upgrade the City's wastewater treatment facility to meet Title 22 disinfected tertiary recycled water standards to comply with sustainability efforts.

During a scheduled Study Session on August 29, 2023, staff and Carollo Engineers presented the Sewer Rate Study and outlined the three alternative sewer rate increases, which provide adequate revenue to address annual debt service coverage issues and provide the City with the financial capacity to address future operation and capital costs. The proposed sewer rates include two classes: (1) Residential Customer Class and (2) Non-Residential Customer Class, with a variable water consumption-based usage charge.

The favored alternative by the Council was Alternative 3, Residential Consolidation Sewer Rates. Under this Alternative, single-family, multi-family, and trailer parks fall under the Residential Customer Class and are charged the same monthly flat rate. The Non-Residential Customer Class represents all non-residential customers and is based on variable water consumption and concentration. The variable sewer use charge is the rate the City charges per unit of water consumption (one unit of water equals 748 gallons or 100 cubic feet). The variable charge will be different from one bill to another, depending on customer class and water consumption.

RECOMMENDATION: That the City Council:

1. Schedule a Public Hearing for November 21, 2023, to consider the adoption of increases to the rates for sewer service fees; and

2. Authorize staff to notify the community of the Public Hearing and, in accordance with Proposition 218, announce that the purpose of the Public Hearing is to take written and oral comments and consider all written protests against the proposed rate increase.

ATTACHMENTS: 1. Draft Proposition 218 Notice on Proposed Sewer Rates

Appropriated/Funded:

Review By:

Department Director:
Michael Knight, Public Works Director

Final Approver: John Lollis, City Manager

PROPOSICIÓN 218 AVISO DE AUDIENCIA PÚBLICA SOBRE AUMENTOS PROPUESTOS EN TARIFAS DE DRENAJE SANITARIO

LA PRESENTE SE NOTIFICA que la ciudad de Porterville llevará acabo una audiencia pública el 21 de noviembre de 2023 a las 6:30 pm en la cámara del consejo municipal, ubicada en 291 North Main Street, Porterville, CA 93257, para considerar la adopción de los aumentos a las tarifas de sus cargos por servicio de agua. El propósito de la audiencia pública es para tomar los comentarios escritos y orales y considerar todas las reclamaciones por escrito en contra de los aumentos de tarifas propuestos. Las reclamaciones por escrito deben ser presentadas con el secretario municipal de la ciudad de Porterville.

SUS DERECHOS: Si usted es el propietario del registro de una propiedad sujeta a las tarifas propuestas o un inquilino directamente responsable por el pago de los cargos por servicio de drenaje sanitario (es decir, un cliente de registro), puede presentar una protesta por escrito en contra de los cambios propuestos en las tarifas. Sólo una protesta escrita por parcela será contada. Protestas escritas pueden ser enviadas por correo al secretario municipal de la ciudad de Porterville, ubicado en 291 N. Main Street, Porterville, CA 93257, o en persona en la audiencia pública, siempre y cuando se hayan recibido antes de la conclusión del testimonio público en la audiencia pública. Por favor identifique en el frente del sobre "Sewer Rate Protest" por cualquier protesta, ya sea por correo o entregarse personalmente al secretario municipal. Las protestas presentadas verbalmente, o por correo electrónico, fax o cualquier otro medio electrónico no serán aceptadas. Para obtener más información acerca de este aviso, por favor llame a la ciudad al (559) 782-7514.

PROPOSITION 218 NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES TO SEWER RATES

NOTICE IS HEREBY GIVEN that the City of Porterville will hold a Public Hearing on November 21, 2023, at 6:30 pm in the City Council Chambers, located at 291 North Main Street, Porterville, CA 93257, to consider the adoption of increases to the rates for its sewer service fees. The purpose of the public hearing is to take written and oral comments and consider all written protests against the proposed rate increases. Written protests must be filed with the City of Porterville City Clerk.

YOUR RIGHTS: If you are the record owner of a property subject to the proposed rates or a tenant directly liable for the payment of sewer service fees (i.e., a customer of record), you may submit a written protest against the proposed rate changes. Only one written protest per parcel will be counted. Written protests may be submitted by mail to the City Clerk, City of Porterville, 291 North Main Street, Porterville, CA 93257, or in person at the public hearing, so long as they are received prior to the conclusion of public testimony at the public hearing. Please identify on the front of the envelope "Sewer Rate Protest" for any protest, whether mailed or submitted in person to the City Clerk. Protests submitted verbally, or by e-mail, facsimile, or other electronic means will not be accepted.

Each protest must (1) be in writing; (2) state opposition to the proposed sewer rate increase; (3) provide the location of the owner's identified parcel (by assessor's parcel number or street address); and (4) include the original signature of the property owner or customer of record submitting the protest. Only one written protest per parcel will be counted.

At the conclusion of the public hearing, the City Council will consider adopting the proposed rate increases, which are outlined on the reverse side of this notice. If, at the close of the public hearing, written protests against the proposed sewer rate increases are submitted by a majority of record owners of affected parcels and customers of record (50% plus one), the City Council will not approve the proposed sewer rates. If, at the close of the public hearing, written protests against the proposed rate increases do not present a majority of record owners of affected parcels and customers of record, the City Council will be authorized to impose rate increases up to the amounts proposed. If adopted, new sewer rates will be effective January 1, 2024.

THE NEED FOR SEWER RATE INCREASES: The City makes every effort to provide its customers with sewer service in the most efficient and cost-effective manner possible. The City continuously evaluates operational costs and utilization of the assets it holds, it must also keep pace with inflation, maintain and upgrade aging infrastructure, and other cost increases.

Due to the lack of a rate increase in the past 17 years the City's Field Services /Sewer Division is projecting a substantial revenue shortfall as revenue under existing rates is insufficient. To address the revenue shortfall a rate increase is required to: (1) adequately cover operating and capital costs, debt payments, and debt service coverage; (2) adequately fund the sewer system so it can be operated safely and provide residents and businesses with clean, safe and reliable sewer service; (3) provide timely maintenance of existing facilities; and (4) upgrade the City's wastewater treatment facility to meet Title 22 disinfected tertiary recycled water standards to comply with sustainability efforts.

PROPOSED ANNUAL RATE INCREASES & BILL IMPACT: The proposed sewer rates include two classes: (1) Residential Customer Class and (2) Non-Residential Customer Class, a variable water consumption-based usage charge.

The Residential Customer Class represents a consolidation of sewer rates with a uniform rate for all residential customers. Under the consolidated residential rate increase a single-family bill would increase from \$26.87 to \$29.55 and a typical Multi-family/Trailer Park bill would increase from \$25.52 to \$29.55 on January 1, 2024. The consolidated residential rates will increase on July 1, 2024 to \$39.10; on July 1, 2025 to \$42.40; on July 1, 2026 to \$46.00 and on July 1, 2027 to \$49.90, after which time no further automatic adjustments would take place absent of a new notice and hearing pursuant to Proposition 218.

The Non-Residential Customer Class represents all non-residential customers and is based on variable water usage. The variable sewer use charge is the rate the City charges per unit of water consumption (one unit of water equals 748 gallons or 100 cubic feet). The variable charge will be different from one bill to another, depending on customer class and on water consumption. The proposed rate increase for each class and service are as follows:

		PROPOSED RATE INCREASE				
RESIDENTIAL RATES	EXISTING RATES	2023/24	2024/25	2025/26	2026/27	2027/28
Single Family Residential - per unit	\$26.87	\$29.55	\$39.10	\$42.40	\$46.00	\$49.90
Multi Family Residential-per unit	\$25.52	\$29.95	\$39.10	\$42.40	\$46.00	\$49.90
Trailer Park - per space	\$25.52	\$29.55	\$39.10	\$42.40	\$46.00	\$49.90

COMMERCIAL RATES		PROPOSED RATE INCREASE				
per hcf	EXISTING RATES	2023/24	2024/25	2025/26	2026/27	2027/28
Car Wash, Laundry, Packing House	\$0.96	\$2.66	\$3.52	\$3.82	\$4.14	\$4.50
Bars, Hotels w/o Dining	\$1.22	\$3.43	\$4.54	\$4.93	\$5.34	\$5.80
Stores, Offices, Markets	\$1.04	\$2.90	\$3.83	\$4.16	\$4.51	\$4.90
Hospital, Rest Homes	\$1.09	\$3.08	\$4.07	\$4.42	\$4.80	\$5.20
Multi-units with Cons	\$1.19	\$3.37	\$4.46	\$4.84	\$5.25	\$5.70
Mortuaries	\$1.95	\$9.81	\$13.00	\$14.10	\$15.30	\$16.60
Service Stations and Auto Repairs	\$1.36	\$3.80	\$5.04	\$5.47	\$5.93	\$6.43
Restaurants	\$2.97	\$8.63	\$11.44	\$12.41	\$13.46	\$14.61
Churches	\$0.42	\$2.90	\$3.83	\$4.16	\$4.51	\$4.90
Schools	\$0.30	\$2.51	\$3.32	\$3.60	\$3.91	\$4.24
City of Porterville	\$0.83	\$2.90	\$3.83	\$4.16	\$4.51	\$4.90
State Hospital	\$1.09	\$3.08	\$4.07	\$4.42	\$4.80	\$5.20
Industrial - per hcf	\$0.93	\$2.60	\$3.44	\$3.74	\$4.05	\$4.40
Septic Tanks - per 1,000 gallons	\$22.70	\$130.50	\$172.90	\$187.60	\$203.55	\$220.85



CITY COUNCIL AGENDA – SEPTEMBER 19, 2023

SUBJECT: Intent to Set a Public Hearing for November 21, 2023, to Consider Solid Waste Rate Increase

SOURCE: Public Works

COMMENT: The Solid Waste Rate Study was completed by R3 Consulting Group (R3) in February 2023. The Rate Study provided a detailed rate analysis to measure revenues needed to provide the regulated levels of service while also helping establish fair, equitable, stable, and defensible solid waste user rates. In its findings, R3 determined that a rate increase is needed to fund existing operations and offset the current Fiscal Year revenue shortfalls.

The City's solid waste rates have not been increased since 2006. Since that time, costs have increased significantly due to inflation and new solid waste management regulations, including but not limited to AB 341, AB 1826, and SB 1383. The City must implement residential organic collection services for all residential accounts, commercial accounts, and organic waste collection services. In addition, the Tulare County Teapot Dome Landfill has been closed to the public and is expected to be closed to City service in the Summer 2024 timeframe. These factors will require additional vehicles and drivers, as well as administrative and analytical support staff, to manage the City's compliance with SB 1383.

In addition, the City needs to replace a significant number of its refuse vehicles, upgrade its recyclable materials and green waste transfer stations, and make improvements to both its administrative and maintenance facilities; as presented to the City Council during its Study Session on August 29, 2023, and during its regular meeting on September 5, 2023. To address the revenue shortfall and needed improvements, a rate increase in the order of fifty percent (50%) for the first year (approximate \$9.00 per month increase for residential service), followed by a five percent (5%) increase for each of the following four years, is projected to be required for vehicle replacement, to fund capital improvement costs, to improve operation and supporting resources to meet industry standards, and to comply with SB 1383 and to maintain prudent operating reserves.

RECOMMENDATION: That the City Council:

1. Schedule a Public Hearing for November 21, 2023, to consider the adoption of increases to the rates for Solid Waste service fees; and
2. Authorize staff to notify the community of the Public Hearing

and, in accordance with Proposition 218, announce that the purpose of the Public Hearing is to take written and oral comments and consider all written protests against the proposed rate increases.

ATTACHMENTS:

1. Draft Proposition 218 Notice on Proposed Solid Waste Rates
2. Solid Waste Rate Scenarios

Appropriated/Funded:

Review By:

Department Director:
Michael Knight, Public Works Director

Final Approver: John Lollis, City Manager

PROPOSICIÓN 218 AVISO DE AUDIENCIA PÚBLICA SOBRE AUMENTOS PROPUESTOS EN TARIFAS DE RESIDUO SÓLIDOS

LA PRESENTE SE NOTIFICA que la ciudad de Porterville llevará acabo una audiencia pública el 21 de noviembre de 2023, a las 6:30 pm en la cámara del consejo municipal, ubicada en 291 North Main Street, Porterville, CA 93257, para considerar la adopción de los aumentos a las tarifas de sus cargos por servicio de agua. El propósito de la audiencia pública es para tomar los comentarios escritos y orales y considerar todas las reclamaciones por escrito en contra de los aumentos de tarifas propuestos. Las reclamaciones por escrito deben ser presentadas con el secretario municipal de la ciudad de Porterville.

SUS DERECHOS: Si usted es el propietario del registro de una propiedad sujeta a las tarifas propuestas o un inquilino directamente responsable por el pago de los cargos por servicio de residuos sólidos (es decir, un cliente de registro), puede presentar una protesta por escrito en contra de los cambios propuestos en las tarifas. Sólo una protesta escrita por parcela será contada. Protestas escritas pueden ser enviadas por correo al secretario municipal de la ciudad de Porterville, ubicado en 291 N. Main Street, Porterville, CA 93257, o en persona en la audiencia pública, siempre y cuando se hayan recibido antes de la conclusión del testimonio público en la audiencia pública. Por favor identifique en el frente del sobre "Solid Waste Rate Protest" por cualquier protesta, ya sea por correo o entregarse personalmente al secretario municipal. Las protestas presentadas verbalmente, o por correo electrónico, fax o cualquier otro medio electrónico no serán aceptadas. Para obtener más información acerca de este aviso, por favor llame a la ciudad al (559) 782-7514.

PROPOSITION 218 NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES TO SOLID WASTE RATES

NOTICE IS HEREBY GIVEN that the City of Porterville will hold a Public Hearing on November 21, 2023, at 6:30 pm in the City Council Chambers, located at 291 North Main Street, Porterville, CA 93257, to consider the adoption of increases to the rates for its solid waste service fees. The purpose of the public hearing is to take written and oral comments and consider all written protests against the proposed rate increases. Written protests must be filed with the City of Porterville City Clerk.

YOUR RIGHTS: If you are the record owner of a property subject to the proposed rates or a tenant directly liable for the payment of solid waste service fees (i.e., a customer of record), you may submit a written protest against the proposed rate changes. Only one written protest per parcel will be counted. Written protests may be submitted by mail to the City Clerk, City of Porterville, 291 North Main Street, Porterville, CA 93257, or in person at the public hearing, so long as they are received prior to the conclusion of public testimony at the public hearing. Please identify on the front of the envelope "Solid Waste Rate Protest" for any protest, whether mailed or submitted in person to the City Clerk. Protests submitted verbally, or by e-mail, facsimile, or other electronic means will not be accepted.

Each protest must (1) be in writing; (2) state opposition to the proposed solid waste rate increase; (3) provide the location of the owner's identified parcel (by assessor's parcel number or street address); and (4) include the original signature of the property owner or customer of record submitting the protest. Only one written protest per parcel will be counted.

At the conclusion of the public hearing, the City Council will consider adopting the proposed rate increases, which are outlined on the reverse side of this notice. If, at the close of the public hearing, written protests against the proposed solid waste rate increases are submitted by a majority of record owners of affected parcels and customers of record (50% plus one), the City Council will not approve the proposed solid waste rates. If, at the close of the public hearing, written protests against the proposed rate increases do not present a majority of record owners of affected parcels and customers of record, the City Council will be authorized to impose rate increases up to the amounts proposed. If adopted, new solid waste rates will be effective January 1, 2024.

THE NEED FOR SOLID WASTE RATE INCREASES: The City of Porterville is committed to providing high quality, reliable solid waste service at the lowest possible rates for its citizens. The City's residential rates, which are among the lowest if not the lowest in the region, have not been increased since 2006. Since that time costs have increased significantly due to both inflation and the need for the City to respond to new solid waste management regulations, including but not limited to AB 341 (mandatory commercial recycling), AB 1826 (mandatory commercial organics recycling) and SB 1383 (which establishes more comprehensive mandatory residential and commercial recycling and organics recovery). It is critically important for the City to continually maintain, repair, and improve the assets it holds and keep pace with ever increasing operating costs and regulations.

The City's Field Services/Refuse Division is projecting a substantial revenue shortfall, resulting from the lack of a rate increases over the past 17 years. To address that shortfall a rate increase is required. In addition, the City needs to replace a significant number of its refuse vehicles, upgrade its recyclable materials and green waste transfer stations, and make improvements to both its administrative and maintenance facilities. Furthermore, the City needs to roll-out residential organic collection services to all residential accounts, commercial accounts and organics waste collection services, with a comprehensive review of all accounts. This will require additional vehicles and drivers, as well as administrative and analytical support staff to manage the City's compliance with SB 1383, and support the operation of City solid waste services that are in line with industry standards for safety, customer service, operational compliance, and operational performance.

PROPOSED POTENTIAL FUTURE ANNUAL FIXED RATE INCREASE: City Council's recommendation of a 50% initial rate increase effective January 1, 2024 followed by a 5% rate increases on July 1, 2024 and a 5% increase each of the following three (3) fiscal years will result in a five (5) year cumulative rate increase of 82%. After which time no further automatic adjustments would take place absent a new notice and hearing pursuant to Proposition 218.

BILL IMPACT: A typical single-family home subscribing to 95-gallon weekly solid waste, 95-gallon green waste, and 65-gallon recycling service will see its monthly bill increase from \$17.85 to \$26.78. Single-family, Multi-family and Commercial rates will vary depending on subscribed service. The proposed rates for each class and service are as follows:

		Proposed Rate Adjustment per Fiscal Year (FY)				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Residential Rates	Current Rates	50%	5%	5%	5%	5%
95 Black/65 Blue	\$16.44	\$24.66	\$25.89	\$27.19	\$28.55	\$29.97
65 Black/65 Blue	\$15.91	\$23.87	\$25.06	\$26.31	\$27.63	\$29.01
35 Black/65 Blue	\$12.35	\$18.53	\$19.45	\$20.42	\$21.45	\$22.52
95 Black/65 Blue w/65 Green	\$17.62	\$26.43	\$27.75	\$29.14	\$30.60	\$32.13
65 Black/65 Blue w/65 Green	\$17.09	\$25.64	\$26.92	\$28.26	\$29.68	\$31.16
35 Black/65 Blue w/65 Green	\$13.53	\$20.30	\$21.31	\$22.38	\$23.49	\$24.67
95 Black/65 Blue w/95 Green	\$17.85	\$26.78	\$28.11	\$29.52	\$31.00	\$32.55
65 Black/65 Blue w/95 Green	\$17.32	\$25.98	\$27.28	\$28.64	\$30.08	\$31.58
35 Black/65 Blue w/95 Green	\$13.76	\$20.64	\$21.67	\$22.76	\$23.89	\$25.09
Additional Black	\$10.00	\$15.00	\$15.75	\$16.54	\$17.36	\$18.23
Additional Green	\$6.25	\$9.38	\$9.84	\$10.34	\$10.85	\$11.40
Additional Blue	\$6.25	\$9.38	\$9.84	\$10.34	\$10.85	\$11.40

		Proposed Rate Adjustment per Fiscal Year (FY)				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Commercial Bin Service per Empty ¹	Current Rates	50%	5%	5%	5%	5%
2 Yd Bin						
Trash	\$49.60	\$74.40	\$78.12	\$82.03	\$86.13	\$90.43
Recycling	\$37.20	\$55.80	\$58.59	\$61.52	\$64.60	\$67.83
Organics	\$37.20	\$55.80	\$58.59	\$61.52	\$64.60	\$67.83
3 Yard Bin						
Trash	\$74.40	\$111.60	\$117.18	\$123.04	\$129.19	\$135.65
Recycling	\$55.80	\$83.70	\$87.89	\$92.28	\$96.89	\$101.74
Organics	\$55.80	\$83.70	\$87.89	\$92.28	\$96.89	\$101.74
4 Yard Bin						
Trash	\$99.20	\$148.80	\$156.24	\$164.05	\$172.25	\$180.87
Recycling	\$74.40	\$111.60	\$117.18	\$123.04	\$129.19	\$135.65
Organics	\$74.40	\$111.60	\$117.18	\$123.04	\$129.19	\$135.65
6 Yard Bin						
Trash	\$148.80	\$223.20	\$234.36	\$246.08	\$258.38	\$271.30
Recycling	\$111.60	\$167.40	\$175.77	\$184.56	\$193.79	\$203.48
Organics	\$111.60	\$167.40	\$175.77	\$184.56	\$193.79	\$203.48

Commercial Can Rates ²

95 Black/65 Blue w/95 Green ²		\$34.81	\$36.55	\$38.38	\$40.30	\$42.31
Additional Black ²		\$19.50	\$20.48	\$21.50	\$22.57	\$23.70
Additional Green ²		\$12.19	\$12.80	\$13.44	\$14.11	\$14.82
Additional Blue ²		\$12.19	\$12.80	\$13.44	\$14.11	\$14.82

¹ Commercial Recycle and Organic Service is required unless an approved waiver is on file with the City

² Service approval provided at the discretion of the Public Works Director

		Proposed Rate Adjustment per Fiscal Year (FY)				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Temp Bin Rentals	Current Rates	50%	5%	5%	5%	5%
3 Yard Bin						
Deposit	\$32.10	\$48.15	\$50.56	\$53.09	\$55.74	\$58.53
Empty Fee	\$32.10	\$48.15	\$50.56	\$53.09	\$55.74	\$58.53
Monthly Rental Fee - No Service	No Fee	\$24.08	\$25.28	\$26.55	\$27.88	\$29.27
4 Yard Bin						
Deposit	\$42.80	\$64.20	\$67.41	\$70.78	\$74.32	\$78.04
Empty Fee	\$42.80	\$64.20	\$67.41	\$70.78	\$74.32	\$78.04
Monthly Rental Fee - No Service	No Fee	\$32.10	\$33.71	\$35.39	\$37.16	\$39.02
10/15 Yard Roll off						
Deposit	\$200.00	\$300.00	\$315.00	\$330.75	\$347.29	\$364.65
Empty Fee Plus Tonnage Fee ³	\$162.00	\$243.00	\$255.15	\$267.91	\$281.30	\$295.37
Monthly Rental Fee - No Service	No Fee	\$121.50	\$127.58	\$133.95	\$140.65	\$147.68
30 Yard Roll off						
Deposit	\$200.00	\$300.00	\$315.00	\$330.75	\$347.29	\$364.65
Empty Fee Plus Tonnage Fee ³	\$162.00	\$243.00	\$255.15	\$267.91	\$281.30	\$295.37
Monthly Rental Fee - No Service	No Fee	\$121.50	\$127.58	\$133.95	\$140.65	\$147.68

³ Landfill fees are set by County and subject to change. Current rates are: General trash \$28/ton, C&D \$39/ton
Green waste \$29/ton

Miscellaneous Rates			
Customer Type	Description of Service	Current Rate	Proposed Rate
All	Special Pickup of Large/Bulky Items	\$55 per hour + Landfill Fee	\$88 per hour + Landfill Fee
All	Inaccessable Fee - Roll-off	\$162.00	\$175.00
All	Inaccessable Fee - Bin	\$15.00	\$70.00
Commercial	Stand-by Time - Roll-off	\$55 per hour	\$60 per hour
Commercial	Same day service Roll-off	\$45.00	\$88.00
Commercial/Multi-Family	Steam Clean Bins	\$55.00	\$93.00
Commercial/Multi-Family	Lock Installation/Repair	\$55.00	\$153.00
Commercial/Multi-Family	Same Day Service of Bin	\$17.00	\$86.00
Commercial/Multi-Family	Stand-by Time - Bin	\$55 per hour	\$86 per hour
Commercial/Multi-Family	Return Trip Fee - Bin	\$15.00	\$43.00
Commercial/Multi-Family	Green Waste/Organics Contamination Fee	No Fee	\$43.00
Commercial/Multi-Family	Recycling Contamination Fee	No Fee	\$43.00
Recycling Collection	Recycling Hauler Permit Fee	\$25.00	\$25.00
Residential	Steam Clean Cans	\$20.00	\$63.00
Residential	Green Waste/Organics Contamination Fee	\$5 per occurrence	\$43.00
Residential	Recycling Contamination Fee	No Fee	\$43.00
Residential	Small vehicle service over 100' on Private Road	No Fee	\$52.00
Residential	Customer Assist ⁴	No Fee	\$29.00
Residential	Customer Assist over 100'	No Fee	\$43.00
Residential	Special Pickup/Return Trip Fee	\$10.00	\$43.00
Residential	Can Replacement	\$11.00	\$79.00
Residential	Temp Bin/Roll-off Rental Period	3 Months	1 Month

⁴ Service approval provided at the discretion of the Public Works Director

Scenario 1							Cumulative Rate Increase
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Rate Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%
FYE Operating Reserves	\$ 710,905	\$ (2,323,011)	\$ (5,796,390)	\$ (9,731,206)	\$ (14,150,530)	\$ (19,078,588)	
Percent of Expenditures	10%	-29%	-65%	-103%	-143%	-179%	
FYE Other Reserves	\$ 4,667,941	\$ 1,878,261	\$ 1,088,091	\$ 911,851	\$ 121,433	\$ 1,028,213	
Residential Rate	\$ 17.85	\$ 17.85	\$ 17.85	\$ 17.85	\$ 17.85	\$ 17.85	
Average Regional Rate	\$ 27.81						

Scenario 2							Cumulative Rate Increase
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Rate Adjustment	0.0%	50.0%	5.0%	5.0%	5.0%	5.0%	82%
FYE Operating Reserves	\$ 710,905	\$ 944,274	\$ 1,228,273	\$ 1,565,432	\$ 1,958,410	\$ 2,499,998	
Percent of Expenditures	11%	10%	12%	15%	18%	21%	
FYE Other Reserves	\$ 4,667,941	\$ 1,878,261	\$ 1,088,091	\$ 911,851	\$ 121,433	\$ 1,028,213	
Residential Rate	\$ 17.85	\$ 26.78	\$ 28.11	\$ 29.52	\$ 31.00	\$ 32.55	

Scenario 3							Cumulative Rate Increase
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Rate Adjustment	0.0%	30.0%	25.0%	5.0%	5.0%	5.0%	88%
FYE Operating Reserves	\$ 710,905	\$ (362,640)	\$ 248,087	\$ 928,311	\$ 1,681,508	\$ 2,511,325	
Percent of Expenditures	11%	-4%	2%	9%	15%	22%	
FYE Other Reserves	\$ 4,667,941	\$ 1,878,261	\$ 1,088,091	\$ 911,851	\$ 121,433	\$ 1,028,213	
Residential Rate	\$ 17.85	\$ 23.21	\$ 29.01	\$ 30.46	\$ 31.98	\$ 33.58	

Scenario 4							Cumulative Rate Increase
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Rate Adjustment	0.0%	25.0%	25.0%	10.0%	5.0%	5.0%	89%
FYE Operating Reserves	\$ 710,905	\$ (689,368)	\$ (487,052)	\$ 274,854	\$ 1,113,817	\$ 2,033,688	
Percent of Expenditures	11%	-7%	-5%	3%	10%	18%	
FYE Other Reserves	\$ 4,667,941	\$ 1,878,261	\$ 1,088,091	\$ 911,851	\$ 121,433	\$ 1,028,213	
Residential Rate	\$ 17.85	\$ 22.31	\$ 27.89	\$ 30.68	\$ 32.21	\$ 33.82	

Scenario 5							Cumulative Rate Increase
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Rate Adjustment	0.0%	56.0%	5.0%	5.0%	5.0%	5.0%	90%
FYE Operating Reserves	\$ 710,905	\$ 1,336,348	\$ 2,032,025	\$ 2,801,446	\$ 3,648,299	\$ 4,576,455	
Percent of Expenditures	11%	14%	20%	27%	33%	40%	
FYE Other Reserves	\$ 4,667,941	\$ 1,878,261	\$ 1,088,091	\$ 911,851	\$ 121,433	\$ 1,028,213	
Residential Rate	\$ 17.85	\$ 27.85	\$ 29.24	\$ 30.70	\$ 32.24	\$ 33.85	

Scenario 6							Cumulative Rate Increase
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Rate Adjustment	0.0%	56.0%	0.0%	5.0%	5.0%	5.0%	81%
FYE Operating Reserves	\$ 710,905	\$ 1,336,348	\$ 1,522,328	\$ 1,756,568	\$ 2,041,481	\$ 2,379,600	
Percent of Expenditures	11%	14%	15%	17%	19%	21%	
FYE Other Reserves	\$ 4,667,941	\$ 1,878,261	\$ 1,088,091	\$ 911,851	\$ 121,433	\$ 1,028,213	
Residential Rate	\$ 17.85	\$ 27.85	\$ 27.85	\$ 29.24	\$ 30.70	\$ 32.24	

Scenario 7							Cumulative Rate Increase
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Rate Adjustment	0.0%	56.0%	0.0%	0.0%	0.0%	0.0%	56%
FYE Operating Reserves	\$ 710,905	\$ 1,336,348	\$ 1,522,328	\$ 1,246,872	\$ 486,907	\$ (781,792)	
Percent of Expenditures	11%	14%	15%	12%	4%	-7%	
FYE Other Reserves	\$ 4,667,941	\$ 1,878,261	\$ 1,088,091	\$ 911,851	\$ 121,433	\$ 1,028,213	
Residential Rate	\$ 17.85	\$ 27.85	\$ 27.85	\$ 27.85	\$ 27.85	\$ 27.85	



CITY COUNCIL AGENDA – SEPTEMBER 19, 2023

SUBJECT: Intent to Set a Public Hearing for November 21, 2023, to Consider New Recycled Water and Meter Rate

SOURCE: Public Works

COMMENT: The Recycled Water Feasibility Study was completed by Carollo Engineers in October 2019. Its objective was to identify and analyze opportunities for supplying recycled water in and around the city of Porterville. With the completion of the first phase of the Eagle Mountain Casino Relocation Project and the soon-to-be-completed .308 MGD Tertiary Water Treatment Facility, recycled water rates and 10" meter rates must be established to recover the cost of the production and distribution of recycled water. During a Study Session with the City Council on August 29, 2023, staff outlined a rate modification that would provide a cost for recovery for service to eligible recycled water customers.

Recycled water is a valued and dependable local water supply that can be used for non-potable demands such as irrigation and toilet flushing. Using recycled water for non-potable purposes will allow the City to prioritize resources for the intended use. The Recycled Water Feasibility Study fosters the use of recycled water to help meet non-potable demands while enabling the City to conserve potable water and address water supply management.

Implementing recycled water rates will enable the City to offset potable water use, enhance the sustainability of the groundwater, and recover the cost of service to irrigate and serve dual-plumbed facilities. As future City projects move toward full tertiary treatment of the City's wastewater, recycled water will play a critical role in augmenting or offsetting potable water supplies.

RECOMMENDATION: That the City Council:

1. Schedule a Public Hearing for November 21, 2023, to consider the adoption of New Recycled Water and Meter Rate to the City's rates for water service fees; and
2. Authorize staff to notify the community of the Public Hearing and, in accordance with Proposition 218, announce that the purpose of the Public Hearing is to take written and oral comments and consider all written protests against the proposed rate modifications.

ATTACHMENTS:

1. Draft Proposition 218 Notice on Proposed New Recycled Water Rates

Appropriated/Funded:

Review By:

Department Director:

Michael Knight, Public Works Director

Final Approver: John Lollis, City Manager

PROPOSICIÓN 218 AVISO DE AUDIENCIA PÚBLICA SOBRE AUMENTOS PROPUESTOS EN TARIFAS DE MEDIDORES Y AGUA RECICLADA

LA PRESENTE SE NOTIFICA que la ciudad de Porterville llevará acabo una audiencia pública el 21 de noviembre de 2023 a las 6:30 pm en la cámara del consejo municipal, ubicada en 291 North Main Street, Porterville, CA 93257, para considerar la adopción de los aumentos a las tarifas de sus cargos por servicio de agua reciclada. El propósito de la audiencia pública es para tomar los comentarios escritos y orales y considerar todas las reclamaciones por escrito en contra de los aumentos de tarifas propuestos. Las reclamaciones por escrito deben ser presentadas con el secretario municipal de la ciudad de Porterville.

SUS DERECHOS: Si usted es el propietario del registro de una propiedad sujeta a las tarifas propuestas o un inquilino directamente responsable por el pago de los cargos por servicio de drenaje sanitario (es decir, un cliente de registro), puede presentar una protesta por escrito en contra de los cambios propuestos en las tarifas. Sólo una protesta escrita por parcela será contada. Protestas escritas pueden ser enviadas por correo al secretario municipal de la ciudad de Porterville, ubicado en 291 N. Main Street, Porterville, CA 93257, o en persona en la audiencia pública, siempre y cuando se hayan recibido antes de la conclusión del testimonio público en la audiencia pública. Por favor identifique en el frente del sobre "Water Rate Protest" por cualquier protesta, ya sea por correo o entregarse personalmente al secretario municipal. Las protestas presentadas verbalmente, o por correo electrónico, fax o cualquier otro medio electrónico no serán aceptadas. Para obtener más información acerca de este aviso, por favor llame a la ciudad al (559) 782-7514.

PROPOSITION 218 NOTICE OF PUBLIC HEARING ON PROPOSE NEW RECYLED WATER AND METER RATES

NOTICE IS HEREBY GIVEN that the City of Porterville will hold a Public Hearing on November 21, 2023, at its regularly scheduled Council meeting that starts at 6:30pm in the City Council Chambers, located at 291 North Main Street, Porterville, CA 93257, to consider the adoption of New Recycled water rates service fees. The purpose of the public hearing is to take written and oral comments and consider all written protests against the proposed rate

YOUR RIGHTS: If you are the record owner of a property subject to the proposed rates or a tenant directly liable for the payment of water service fees (i.e., a customer of record), you may submit a written protest against the proposed Recycled water rate. Only one written protest per parcel will be counted. Written protests may be submitted by mail to the City Clerk, City of Porterville, 291 North Main Street, Porterville, CA 93257, or in person at the public hearing, so long as they are received prior to the conclusion of public testimony at the public hearing. Please identify on the front of the envelope "Water Rate Protest" for any protest, whether mailed or submitted in person to the City Clerk. Please indicate your name and either the address(es) or water/sewer account number(s) of your property or properties. Protests submitted verbally, by e-mail, facsimile, or other electronic means will not be accepted.

Each protest must (1) be in writing; (2) state opposition to the proposed recycled water rate; (3) provide the location of the owner's identified parcel (by assessor's parcel number or street address); and (4) include the original signature of the property owner or customer of record submitting the protest. Only one written protest per parcel will be counted.

At the conclusion of the public hearing, the City Council will consider adopting the proposed water rate outlined on the reverse side of this notice. If, at the close of the public hearing, written protests against the proposed water rate are submitted by a majority of record owners of affected parcels and customers of record (50% plus one), the City will not approve the proposed water rates. If, at the close of the public hearing, written protests against the proposed rate increases do not present a majority of record owners of affected parcels and customers of record, the City Council will be authorized to impose the proposed rate up to the amounts proposed. If adopted, the new recycled water rate will be effective January 1, 2024.

THE NEED TO ESTABLISH RECYCLED WATER RATE AND METER FEE: The City of Porterville completed a Recycled Water Feasibility Study in October 2019. Its primary objective is to identify and analyze opportunities for supplying recycled water in and around the City of Porterville. The City is near completion of its .308 Million Gallon-a-day (MGD) Tertiary Water Treatment Facility, which is scheduled for operation by the end of 2023. Implementing recycled water will enable the City to offset potable water use, thereby enhancing local sustainability and drought impact resiliency to customers for irrigation and industrial uses. The City makes every effort to provide its customers with water in the most efficient and cost-effective manner possible. The City continuously evaluates operational costs and utilization of assets to maintain infrastructure efficiencies and improve water supply distribution. Tertiary Treatment of the City's Wastewater Effluent to recycled water will be crucial in augmenting or offsetting potable water supplies. The implementation of recycled water requires the proposed recycled water pricing mechanism and rate structure to recover the cost of production, distribution, and maintenance of recycled water.

PROPOSED WATER / RECYCLED WATER RATE FEE MODIFICATION: The City of Porterville's recycled water rate revenue will fund the costs of providing recycled water service. Therefore, recycled water rates must be set at sufficient levels to recover the cost of treatment, operation, maintenance, and capital improvement. Recycled water rates comprise three parts: recycled water consumption fee, recycled water meter service fees, and recycled water backflow device fee.

PROPOSED RATES FOR 2024: Recycled water usage revenues pay for the costs of delivering recycled water and are based on the quantity of recycled water consumed as measured by your water meter. The proposed water rates include (1) a monthly meter charge and (2) a water consumption use charge. The meter charge is a fixed amount calculated to recover a portion of the City's fixed costs of operating and maintaining the recycled water system. It is established on the basis of the size of the water meter serving the property. The fixed meter charge is due regardless of the quantity of water consumed. The water use charge is the rate the City charges per unit of water consumed (one unit of water equals 748 gallons or 100 cubic feet). The charge will differ from one bill to another, depending on the water consumed and your meter's size. The City Council will consider a recycled water rate structure of \$1.91 per unit for irrigation and industrial uses. In addition to consumption, a proportional rate structure by meter size is also being considered for all new meter ranges not previously

covered by existing service fees. Recycled water service fees, based on meter size, pay for fixed costs of providing service and do not vary with the quantity of water purchased.

BILL IMPACT: The proposed Fee Modification for irrigation and industrial uses on a facility with a 1" recycled water meter and consuming 22 units (16,456 gallons or 2,200 cubic feet) of recycled water in a billing cycle will see a monthly bill of \$60.10. Please note that billing accounts will be lower or higher than shown depending on the actual quantity of water used.

Assistance can be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Accommodations must be requested at least 48 hours in advance by calling: The City Clerks Office at (559) 782-7476. City staff can assist you with answering any questions about your water bill. If you have any questions regarding the information in this notice or the rates applicable to your property, please contact Field Services at (559) 782-7514.

METERED RATES			Proposed Metered Rates per Fiscal Year (FY)		
Potable Water Rate Schedule	Current Rates FY 2023/24	Proposed Rates FY 2023/24		Recycled Water Rate Schedule	Proposed Rates FY 2023/24
WATER CONSUMPTION CHARGE <i>(per 100 cubic feet)</i>	\$1.91			WATER CONSUMPTION CHARGE <i>(per 100 cubic feet)</i>	\$1.91
PHASE V RATE INCREASE†	\$2.29				
<i>Less than 1"</i>	\$18.08			<i>Less than 1"</i>	\$18.08
<i>1"</i>	\$19.89			<i>1"</i>	\$19.89
<i>1 1/4"</i>	\$24.40			<i>1 1/4"</i>	\$24.40
<i>1 1/2"</i>	\$28.92			<i>1 1/2"</i>	\$28.92
<i>2"</i>	\$36.14			<i>2"</i>	\$36.14
<i>3"</i>	\$48.79			<i>3"</i>	\$48.79
<i>4"</i>	\$59.63			<i>4"</i>	\$59.63
<i>6"</i>	\$72.29			<i>6"</i>	\$72.29
<i>8"</i>	\$90.36			<i>8"</i>	\$90.36
<i>10"</i>		\$100.40		<i>10"</i>	\$100.40

UNMETERED FLAT RATES			Proposed Unmetered Flat Rates per Fiscal Year (FY)		
Potable Water Rate Schedule	Current Rates FY 2023/24	No Proposed Rate Change FY 2023/24		No Recycled Water Flat Rate Schedule	No Proposed Rates FY 2023/24
<i>Trailer Parks</i>	\$39.77				
PHASE V RATE INCREASE†	\$47.74				
<i>All Others</i>	\$86.54				
PHASE V RATE INCREASE†	\$103.83				

BACKFLOW DEVICES			Proposed Backflow Device Rates per Fiscal Year (FY)		
Potable Water Rate Schedule	Current Rates FY 2023/24	No Proposed Rate Change FY 2023/24		Recycled Water Device Rate Schedule	Proposed Rates FY 2023/24
DEVICE SIZE					
<i>1"</i>	\$11.49				\$11.49
<i>1 1/2" – 2 1/2"</i>	\$16.09				\$16.09
<i>3"</i>	\$18.44				\$18.44
<i>4"</i>	\$22.95				\$22.95
<i>6" – 10"</i>	\$101.20				\$101.20

†Phase V Rate Increases will occur only if directed by the City Council to transition into the City's Emergency Response Phase V of its Water Conservation Plan.