



CITY OF MT. SHASTA

305 N. Mt. Shasta Boulevard
Mt. Shasta, California 96067
(530) 926-7510 – Telephone
(530) 926-7521 - Fax

PROPOSITION 218

PUBLIC NOTICE OF PROPOSED WATER AND WASTEWATER RATE CHANGES

Public Hearing to be held on Tuesday May 30, 2017 at 5:30 P.M.
Mt. Shasta Recreation and Parks District Lodge
1315 Nixon Road, Mt. Shasta California 96067

The Mt. Shasta City Council has determined there is a need to adjust water and wastewater rates to generate the necessary revenue to operate and maintain these services. As rates are the primary source of revenue to operate, maintain, and fund capital improvement projects, the City Council wishes to establish a fair and equitable rate structure that will accomplish these objectives.

Article XIII D of the California Constitution requires that cities meet certain procedural and substantive requirements when adopting a new or increased property-related fee or charge, and the Proposition 218 Omnibus Implementation Act (Government Code Sections 53750-53758), as amended, provides additional guidance for the procedures to be followed. To comply with those procedures and conduct fair and accurate protest hearings, the City Council has directed the mailing of this Notice to all "Record Owners" on the last secured tax assessment roll, as well as all existing utility billing customers.

The City of Mt. Shasta (City) owns and operates a water system consisting of spring supply facilities, two wells, storage reservoirs, pressure reducing valve stations, and about thirty-five miles of distribution piping. Historically, the City water services have been unmetered and customers have been billed a flat fee for service.

To comply with SB 229 and AB 2572, the City recently completed the 2015 Water Meter Installation Project, which installed water meters on every service connection served by the City. The City has now collected enough water use data to determine the necessary water rates to fully comply with SB 229 and AB 2572. AB 2572 (Kehoe) requires all municipal users be metered and charged based on usage by year 2025.

The City also owns and operates its wastewater system consisting of a collection piping system, treatment, and effluent disposal facilities. With the adoption of the 2012 National Pollutant Discharge Elimination System Permit (NPDES), which contained more stringent effluent limitations, the City was

required to complete a Preliminary Engineering Report and Feasibility Study (PER) for the State Mandated Wastewater Treatment and Disposal Improvements Project. The PER identified wastewater treatment plant (WWTP) improvements necessary to comply with the City's NPDES permit. The City has also identified two other major wastewater collection system capital projects in need of funding. Copies of the City's current NPDES permit and recently completed PER are available for review and/or download on the City's website, <http://mtshastaca.gov/>.

The City's current residential wastewater rate structure consists of a fixed monthly service charge for all single-family accounts. The current wastewater rate structure for non-residential customers is based on application of a series of flow factors based on the number of plumbing fixture units or type of use being served. As such, it is theoretical at best and does not always reflect the actual quantity of wastewater discharged to the system. Copies of the City's recently completed Water and Wastewater Utility Rate Studies are available for review and/or download on the City's website at the address indicated above.

Residential Accounts - How will this affect your bill?

Water: The proposed water rates (shown in Table 1, below) will be more fairly distributed among users based on meter size and actual consumption. Customers will be charged a monthly service charge based on the size of the water meter. In addition to the monthly service charge, residential customers will be charged based on actual water consumed at \$0.80/1,000 gallon in Fiscal Year 2017-18.

Example: If a customer has a three-quarter inch meter and uses 10,000 gallons of water in a month, the service charge would be \$12.00, and the bill would be calculated as follows:

$$\$12.00 + (10,000/1,000 = 10 \times .80 = \$8.00) = \$20.00$$

Wastewater: The proposed wastewater rates (shown in Table 2, below) consist of a monthly flat rate based on the average wintertime water consumption for one Equivalent Dwelling Unit (EDU) of 175 Gallons per Day, or 5,320 gallons per month. A typical single-family flat rate will increase from \$23.95 to \$30.00 in Fiscal Year 2017-18 up to \$61.00 per month in Fiscal Year 2021-22.

Non-Residential Accounts - How will this affect your bill?

Water: Water rates for non-residential accounts will be calculated in the same manner as residential, as stated above, and will be calculated using the monthly service charge based on meter size and the proposed consumption charges as outlined in Table 1.

Wastewater: Non-residential wastewater rates will be calculated using a flat rate per equivalent dwelling unit (EDU) and 90% of monthly water consumption.

Example: If a non-residential customer uses 10,000 gallons of water in a month, the wastewater rate would be calculated as follows:

$$10,000 \text{ gallons} \times 90\% = 9,000/5,320 = 1.69 \times \$30.00 = \$50.70$$

Table 1 – Recommended Water Rates

Period:	Existing FY 16-17	Proposed FY 17-18	Proposed FY 18-19	Proposed FY 19-20	Proposed FY 20-21	Proposed FY 21-22	
CONSUMPTION CHARGES (\$/Unit, 1 Unit = 1,000 CF)							
\$/1,000 Gal	n/a	\$0.8000	\$0.8333	\$0.8667	\$0.9000	\$0.9333	
METER SIZE	METER FACTOR	MONTHLY SERVICE CHARGES (\$/Mo)					
5/8" Meter	0.67	n/a	\$8.04	\$8.38	\$8.71	\$9.05	\$9.38
3/4" Meter	1	\$18.35	\$12.00	\$12.50	\$13.00	\$13.50	\$14.00
1" Meter	1.67	Varies	\$20.04	\$20.88	\$21.71	\$22.55	\$23.38
1-1/2" Meter	3.33		\$39.96	\$41.63	\$43.29	\$44.96	\$46.62
2" Meter	5.33		\$63.96	\$66.63	\$69.29	\$71.96	\$74.62
3" Meter	10		\$120.00	\$125.00	\$130.00	\$135.00	\$140.00
4" Meter	16.67		\$200.04	\$208.38	\$216.71	\$225.05	\$233.38
6" Meter	33.33		\$399.96	\$416.63	\$433.29	\$449.96	\$466.62
8" Meter	53.33		\$639.96	\$666.63	\$693.29	\$719.96	\$746.62

Table 2 – Recommended Monthly Sewer Rates

User Class	Existing FY 16-17	Proposed FY 17-18	Proposed FY 18-19	Proposed FY 19-20	Proposed FY 20-21	Proposed FY 21-22
Single-Family Flat Rate per Unit	\$23.95	\$30.00	\$37.00	\$45.00	\$53.00	\$61.00
Non-Residential Flat Rate per EDU (see Notes)	varies	\$30.00	\$37.00	\$45.00	\$53.00	\$61.00

Notes:

1. One equivalent dwelling unit (EDU) equals 175 gallons per day of wastewater flow, which is the estimated flow from a typical single-family household.
2. Non-residential EDUs based on 90% of monthly water consumption.

How to protest

Property owners may comment on the proposed rates. California Constitution Article XIII D Section 6 (Proposition 218) prohibits the City from implementing new rates if a majority of the affected property owners file written protests opposing the rates before the end of the public hearing. In the event of a majority protest, as defined in Article XIII D, Section 6, it will result in the fees **NOT** being imposed.

Only one written protest per affected property will be counted toward the majority protest. Written protests must be received by the City Clerk, 305 N. Mt. Shasta Boulevard, Mt. Shasta, California 96067, before the end of the public hearing which is scheduled for 5:30 p.m., May 30, 2017. All protests will be tabulated at that time.

Each protest must identify the proposed rate being protested (water and/or wastewater), the affected property (by street address **and** Assessor's Parcel Number) and include the signature of the customer or property owner. In compliance with Proposition 218, **e-mail and fax**

protests will not be accepted. Although the City Council welcomes input from the community, **oral comments** at the public hearing **will not qualify** as formal protests unless accompanied by a **written** protest.

Some customers will receive multiple notices. In order to ensure that all property owners are informed about possible water and wastewater rate changes, these Notices are being sent to all City of Mt. Shasta property owners at the address shown on the most current tax rolls, as well as all existing utility billing customers. If you are responsible for more than one bill, you will receive more than one Notice. If you purchased your property after the date of the last equalized Tax Assessor's Tax Role (2016-17) and you wish to file a protest you must bring written proof of the date of purchase of the subject property.

If you wish to submit your protest in writing, please mail to:

Mt. Shasta City Hall
ATTENTION: Rate Protest
305 N. Mt. Shasta Boulevard
Mt. Shasta, CA 96067

Or, submit the written protest in person to:

Mt. Shasta City Hall
305 N. Mt. Shasta Boulevard
Mt. Shasta, California 96067

To order information in an alternative format to assist persons with disabilities, please call the Office of the City Clerk at (530) 926-7510 on or before May 15, 2017.