



Notice of Public Hearing Regarding Proposed Water, Sewer, and Solid Waste Rate Increases Fiscal Year 2022-23 through 2026-27

The City Council (Council) of the City of Madera (City) will conduct a public hearing to consider the proposed water, sewer, and solid waste rate updates. The date, time, and place of public hearing is as follows:

Date:	Wednesday, July 20, 2022
Time:	6:00 pm
Location:	City of Madera Council Chambers, located at 205 W. 4 th Street, Madera, CA 93637
	The hearing will also be hosted online via Zoom, which can be accessed with the below login information. While the City anticipates that the public hearing will be conducted in-person at the Council Chambers, if the Council cannot hold the meeting in-person due to conditions relating to COVID-19, then the hearing may be conducted solely over Zoom. Anyone wishing to attend the hearing should confirm the location by reviewing the Agenda for the July 20, 2022, Council Meeting, which shall be published 72 hours prior to the meeting.
	<ul style="list-style-type: none">▪ Meeting ID: 82449148626▪ Password: None▪ Dial-in +1 US (669) 900-6833

This Notice is being furnished to you by the City pursuant to California Constitution Article XIID (also known as "Proposition 218"). Proposition 218 requires that the City notify the property owners of record of proposed increases to property-related fees, such as fees for water, sewer service, solid water, and storm drainage. This serves as notice that the City Council will conduct a public hearing, at the time, date, and location specified above, to consider recommended increases to its water, sewer, and solid waste rates.

IF APPROVED, THE NEW RATES WILL GO INTO EFFECT ON AUGUST 1, 2022. All members of the public are invited to attend the public hearing. Please refer to the "How Can I Participate?" section below for instructions on submitting a formal written protest against the proposed action. Protests will only be counted if they comply with those instructions. You may also appear at the public hearing at the date and time specified above.

Why have I received this Notice?

You are receiving this Notice as a property owner. The City provides water, sewer, and solid waste (garbage pickup) services to over 14,000 accounts. These services require the City to plan, design and construct its water, wastewater treatment facilities, water storage, booster pump stations and pipelines to meet the peak water and sewer demands of the City's customers. The City's water, sewer, and solid waste rates are used to fund the costs of providing safe reliable water and sewer services including operations, maintenance, and infrastructure improvements. Rate adjustments are needed due to the increasing cost of providing services.

Every few years, the City partners with a qualified independent consultant to develop a rate plan based on an in-depth cost-of-service study. It is important to undertake this process from time to time, to ensure that the assumptions and parameters in the previous rate model are updated to match current realities in the City. In late 2020 through early 2022, new studies were developed to help the City plan for the next five years. The findings of these analyses have been provided by the consultant in the City, Water Rate Study Report, Wastewater Rate Study Report, and Solid Waste Rate Study Report ("Rate Studies"), dated March 2022. The research, reasoning, and analysis behind the proposed adjustments are explained in the Rate Studies, which are incorporated into this notice by reference, and will be addressed at the upcoming public hearing.

NOTE: Property owners are receiving two Notices Regarding a Public Hearing for proposed increases to utilities. This Notice is for Water, Sewer and Solid Waste. The other Notice will be mailed separately and concerns storm drainage and requires a ballot. Only storm drain requires a ballot.

The rates are designed to be fair and equitable to all customers and provide revenue sufficient to fund ongoing operating and capital costs. The proposed action satisfies the requirements of California Water Code section 31007 and meets the financial requirements and goals set forth by the City.

Basis of Proposed Rate Adjustment

The proposed utility rate structures and charges were calculated by NBS Government Finance Group, an independent, third-party consultant, to evenly spread the applicable costs among utility users according to the cost of providing service to those users. The methodology and proposed rates are set forth in the Rate Studies, which are available for public review and inspection at City offices located at 205 West 4th St., Madera, CA, and online at www.madera.gov/rates.

Why are Rate Changes Necessary?

The proposed rates shown in Tables A - D are calculated to recover the costs of providing utilities, adequately fund reserves, and allocate those costs proportionately to the City's customer classes. All utility charges are billed monthly in order to recover customer service and infrastructure costs. The following is a summary of the rate studies for each:

Water and Wastewater Rate Studies:

The City maintains a complex water and wastewater system, including 200 miles of water pipeline plus another 175 of sewer lines, 1 active water storage tank, sewer pump stations, and 19 ground water wells to deliver high-quality water and sewer services safely and reliably to about 66,000 people. In addition to the existing water storage tank, the City is contemplating adding another storage tank facility in northeast Madera.

The City has a five-year capital plan for proactive maintenance and upgrades of the wastewater treatment plant, water mains, wells, tanks, pump stations and equipment to keep the system functioning efficiently and avoid expensive breaks and repairs. Rate increases for sewer and water have been mitigated by the use of federal grant funds under the American Rescue Plan Act (ARPA) to fund the majority of this five-year capital plan. By utilizing ARPA funding, \$6 Million for water and \$16 Million for sewer, rate adjustments are expected to mitigate some of the necessary increases.

Description of Water Rate Structure

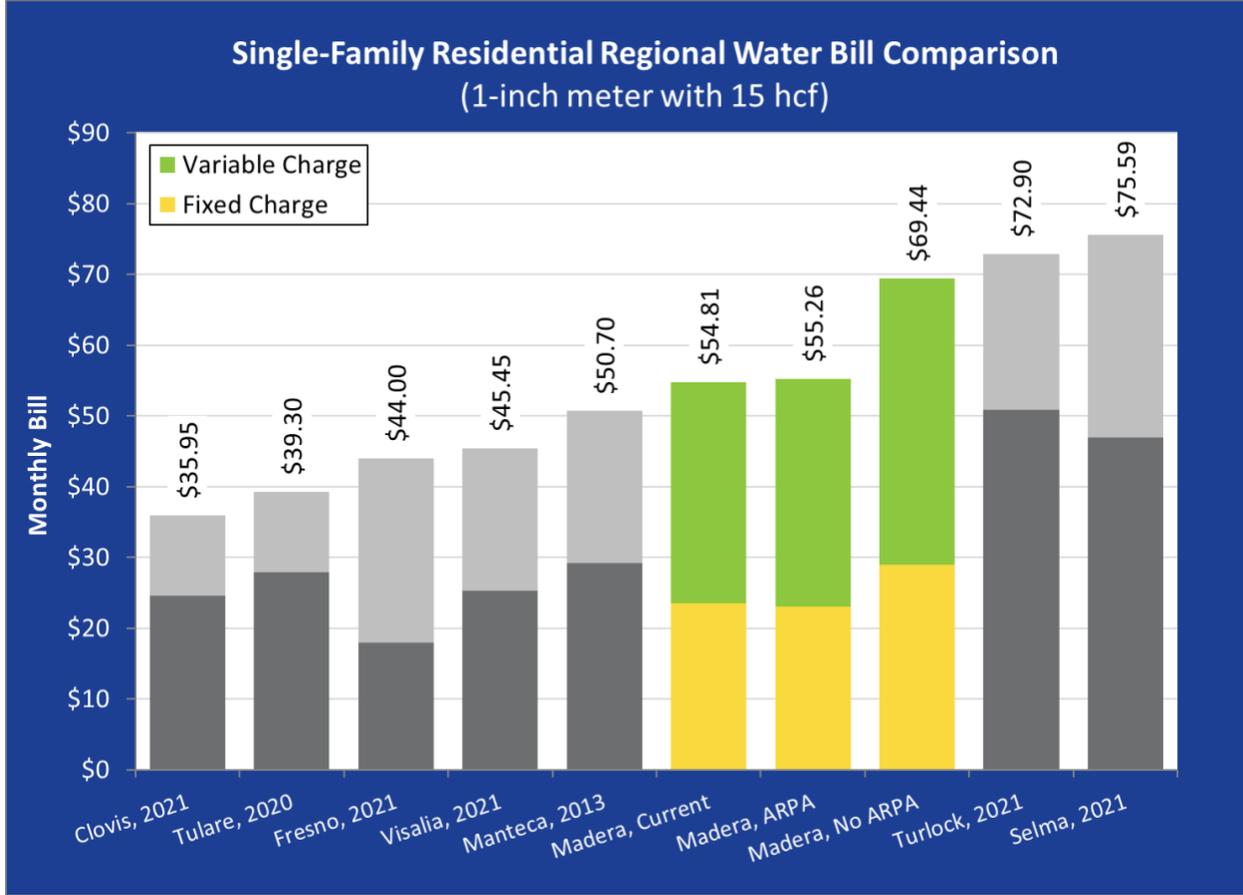
- **Fixed Service Charges:** A monthly charge, based on meter size, recovers the fixed cost associated with a portion of the costs for maintaining your water system, as well as the costs of meter reading and billing, customer service, meter replacement and repair.
- **Quantity (volume) Charge:** This is based on the actual amount of water used, measured in billing units of 1,000 gallons, and includes the cost of water supply, treatment, and distribution. The variable rate is a uniform (single) volumetric rate for all customers.

Table A: Water Rate Schedule

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Fixed Meter Charges						
<u>Monthly Fixed Service Charges:</u>						
5/8 inch	\$16.88	\$14.38	\$14.52	\$14.67	\$14.67	\$14.67
3/4 inch	\$19.09	\$17.26	\$17.43	\$17.60	\$17.60	\$17.60
1 inch	\$23.51	\$23.01	\$23.24	\$23.47	\$23.47	\$23.47
1.5 inch	\$34.56	\$37.38	\$37.75	\$38.13	\$38.13	\$38.13
2 inch	\$47.82	\$54.63	\$55.18	\$55.73	\$55.73	\$55.73
3 inch	\$89.81	\$100.64	\$101.65	\$102.67	\$102.67	\$102.67
4 inch	\$151.69	\$152.39	\$153.91	\$155.45	\$155.45	\$155.45
6 inch	\$299.76	\$296.15	\$299.11	\$302.10	\$302.10	\$302.10
8 inch	\$542.86	\$468.66	\$473.35	\$478.08	\$478.08	\$478.08
Commodity Charges						
<u>Rate per hcf of Water Consumed:</u>						
Non-Residential	\$2.41	\$2.15	\$2.17	\$2.19	\$2.19	\$2.19
Residential Uniform Rates	N/A	\$2.15	\$2.17	\$2.19	\$2.19	\$2.19

While Table A notes that water rates are projected to increase, Chart A below provides a comparison of existing and proposed rates in the first year in comparison to nearby communities. In addition, it highlights what rates may have been without the benefit of the American Rescue Plan Act. The City is proposing the rates to be adjusted to *Madera ARPA* bar in the chart below.

Chart A: Comparison of water rates for single family homes



Description of Sewer Rate Structure

Sewer rates for residential customers will only have a fixed monthly charge per account. Commercial accounts are charged an additional volumetric rate based on the previous winter’s average monthly water consumption, which is intended to represent their indoor water use.

Table B: Sewer Rate Schedule for Residential

Sewer Rate Schedule	Current Rates	Proposed Sewer Rates				
		FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
FIXED MONTHLY CHARGES						
Single-Family	\$42.75	\$42.96	\$45.11	\$47.37	\$49.74	\$52.23
Multi-Family (per unit)	\$27.77	\$35.47	\$37.24	\$39.10	\$41.06	\$43.11

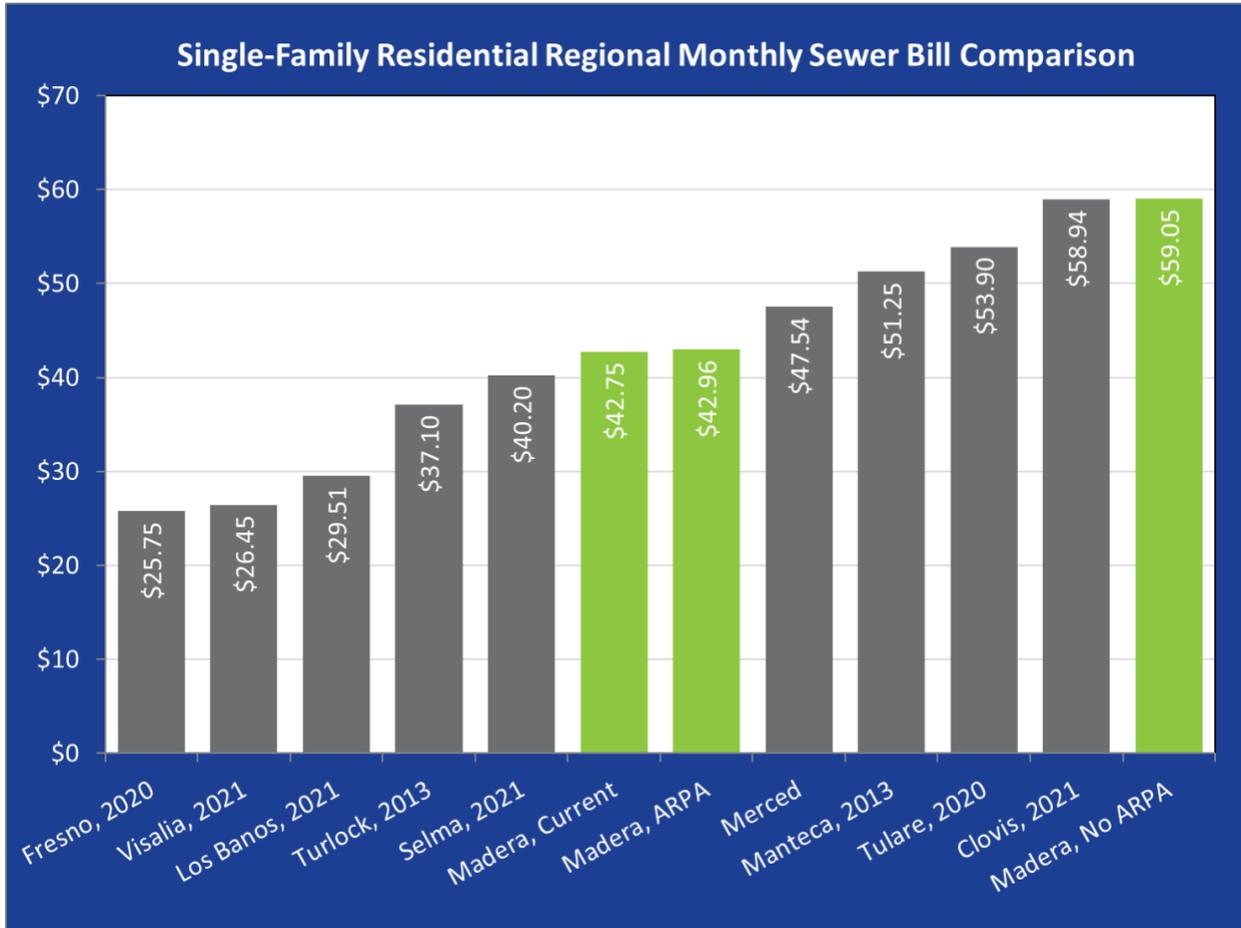
Table C: Sewer Rate Schedule for Non-Residential

Sewer Rate Schedule	Current Rates	Proposed Sewer Rates				
		FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
FIXED MONTHLY CHARGES						
Commercial (All)	\$19.02	\$22.81	\$23.95	\$25.15	\$26.41	\$27.73
NON-RESIDENTIAL VOLUMETRIC CHARGES PER HCF¹						
Commercial						
Car Dealer & Dept/Retail	\$2.30	\$3.05	\$3.20	\$3.36	\$3.53	\$3.71
Game	\$3.46	\$3.02	\$3.17	\$3.33	\$3.50	\$3.68
Grocery & Mortuary	\$5.04	\$6.22	\$6.53	\$6.86	\$7.20	\$7.56
Hospital	\$2.28	\$2.73	\$2.87	\$3.01	\$3.16	\$3.32
Hotel without dining	\$2.28	\$2.71	\$2.85	\$2.99	\$3.14	\$3.30
Library & Church	\$2.25	\$3.17	\$3.33	\$3.50	\$3.68	\$3.86
Professional Building	\$2.28	\$3.05	\$3.20	\$3.36	\$3.53	\$3.71
Restaurant	\$5.22	\$6.73	\$7.07	\$7.42	\$7.79	\$8.18
School	\$2.38	\$2.74	\$2.88	\$3.02	\$3.17	\$3.33
Strip Mall	\$3.52	\$3.05	\$3.20	\$3.36	\$3.53	\$3.71
Warehouse	\$3.51	\$1.97	\$2.07	\$2.17	\$2.28	\$2.39
Industrial						
Light Industrial	\$3.51	\$1.97	\$2.07	\$2.17	\$2.28	\$2.39
Medium Industrial	N/A	\$2.74	\$2.88	\$3.02	\$3.17	\$3.33
High Industrial	N/A	\$3.81	\$4.00	\$4.20	\$4.41	\$4.63

1. HCF = hundred cubic feet, equal to 748 gallons of water.

While Table B notes that sewer rates are projected to increase, Chart B below provides a comparison of existing and proposed rates in the first year in comparison to nearby communities. In addition, it highlights what rates may have been without the benefit of the American Rescue Plan Act. The City is proposing the rates to be adjusted to *Madera, ARPA* category in the chart below.

Chart B: Comparison of sewer rates for single family homes



Solid waste rate study:

The solid waste rate study includes two components, solid waste and street sweeping.

Solid waste rate increases are necessary to cover ongoing costs, fund prudent reserves and cover new costs associated with Senate Bill (SB) 1383. SB 1383, effective January 1, 2022, imposes additional recycle and organic recovery mandates, resulting in an estimated 35 percent increase in costs which is proposed to be recovered as a surcharge incorporated into the rates. Because of the cost-of-service adjustments, each customer class is affected differently by these increases. Additionally, an administrative fee paid to the franchise hauler, which has not historically been recovered from residential customers, is also added to the proposed rates.

The street sweeping fees have historically been billed separately and were based on lot frontage. The costs for street sweeping have been incorporated into proposed solid waste rates and will now be recovered from all solid waste customers as a fixed charge designed to cover ongoing street sweeping costs.

Description of Solid Waste Rate Structure

The solid waste rates are a fixed charge calculated based on customer class and service level rather than individual customer basis. The solid waste rates reflect the container size and number of pickups per week. In addition to the base solid waste rate, street sweeping costs, the admin fee charged by franchise waste hauler, and costs associated with State mandated (SB 1383) recycle and organic requirements are added to the rates.

Table D: Solid Waste Rate Schedules

Customer Classes/Service Type	Current Rates FY 2019/20	Proposed Solid Waste Rates (Include Street Sweeping, Admin Fee & SB 1383 Surcharge) ¹				
		FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Single Family Residential						
Three Standard Containers	\$ 23.22	\$ 38.23	\$ 41.82	\$ 45.77	\$ 47.51	\$ 49.31
1/2 Resid. (Grey & Blue only)	\$ 16.02	\$ 30.58	\$ 33.41	\$ 36.52	\$ 37.89	\$ 39.31
Additional Grey Container	\$ 4.73	\$ 28.25	\$ 31.08	\$ 34.19	\$ 35.56	\$ 36.98
Additional Green Container	\$ 2.17	\$ 10.00	\$ 11.00	\$ 12.11	\$ 12.59	\$ 13.09
Additional Blue Container	\$ 2.17	\$ 10.00	\$ 11.00	\$ 12.11	\$ 12.59	\$ 13.09
Residential Carry-Out Service						
Two Containers	\$ 55.32	\$ 50.58	\$ 55.41	\$ 60.72	\$ 63.05	\$ 65.48
Each Additional Container	\$ 11.44	\$ 20.01	\$ 22.01	\$ 24.21	\$ 25.18	\$ 26.19
Multi-Family Residential						
First Two Dwelling Units (each)	\$ 23.22	\$ 38.23	\$ 41.82	\$ 45.77	\$ 47.51	\$ 49.31
Each Additional Dwelling Unit	\$ 22.59	\$ 35.14	\$ 38.42	\$ 42.03	\$ 43.62	\$ 45.27
Commercial						
Two Containers	\$ 29.46	\$ 50.58	\$ 55.41	\$ 60.72	\$ 63.05	\$ 65.48
Additional Container	\$ 40.85	\$ 42.08	\$ 46.28	\$ 50.91	\$ 52.95	\$ 55.07
Commercial Carry-Out Service						
Two Containers	\$ 57.64	\$ 75.29	\$ 82.59	\$ 90.61	\$ 94.14	\$ 97.82
Each Additional Container	\$ 17.70	\$ 36.48	\$ 40.13	\$ 44.14	\$ 45.91	\$ 47.74

1. Note: Admin Fee only applies to initial service charge, not on additional containers.

Customer Classes/Service Type	Current Rates FY 2019/20	Proposed Solid Waste Rates <i>(Include Street Sweeping & SB 1383 Surcharge)</i>				
		FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Bin Service (Solid Waste)						
<u>2 Cubic Yard</u>						
1x per week	\$ 52.11	\$ 177.53	\$ 195.28	\$ 214.81	\$ 223.40	\$ 232.33
2x per week	\$ 102.40	\$ 242.08	\$ 266.29	\$ 292.92	\$ 304.63	\$ 316.82
3x per week	\$ 151.25	\$ 321.16	\$ 353.28	\$ 388.60	\$ 404.15	\$ 420.31
4x per week	\$ 203.10	\$ 419.12	\$ 461.03	\$ 507.14	\$ 527.42	\$ 548.52
5x per week	\$ 253.47	\$ 541.63	\$ 595.79	\$ 655.37	\$ 681.59	\$ 708.85
<u>3 Cubic Yard</u>						
1x per week	\$ 65.84	\$ 185.59	\$ 204.15	\$ 224.57	\$ 233.55	\$ 242.89
2x per week	\$ 130.34	\$ 258.22	\$ 284.04	\$ 312.45	\$ 324.94	\$ 337.94
3x per week	\$ 194.44	\$ 345.37	\$ 379.90	\$ 417.90	\$ 434.61	\$ 452.00
4x per week	\$ 258.72	\$ 451.40	\$ 496.54	\$ 546.19	\$ 568.04	\$ 590.76
5x per week	\$ 323.14	\$ 581.98	\$ 640.18	\$ 704.19	\$ 732.36	\$ 761.65
<u>4 Cubic Yard</u>						
1x per week	\$ 79.73	\$ 193.66	\$ 213.03	\$ 234.33	\$ 243.71	\$ 253.46
2x per week	\$ 157.87	\$ 274.36	\$ 301.79	\$ 331.97	\$ 345.25	\$ 359.06
3x per week	\$ 272.25	\$ 369.58	\$ 406.53	\$ 447.19	\$ 465.07	\$ 483.68
4x per week	\$ 333.10	\$ 483.68	\$ 532.04	\$ 585.25	\$ 608.66	\$ 633.00
5x per week	\$ 392.17	\$ 622.32	\$ 684.56	\$ 753.01	\$ 783.13	\$ 814.46
<u>5 Cubic Yard</u>						
3x per week	\$ 276.11	\$ 393.78	\$ 433.16	\$ 476.48	\$ 495.54	\$ 515.36
<u>6 Cubic Yard</u>						
1x per week	\$ 107.22	\$ 209.80	\$ 230.78	\$ 253.86	\$ 264.02	\$ 274.58
2x per week	\$ 213.04	\$ 306.64	\$ 337.30	\$ 371.03	\$ 385.87	\$ 401.30
3x per week	\$ 318.78	\$ 417.99	\$ 459.79	\$ 505.77	\$ 526.00	\$ 547.04
5x per week	\$ 529.93	\$ 703.02	\$ 773.32	\$ 850.65	\$ 884.68	\$ 920.06

Customer Classes/Service Type	Current Rates FY 2019/20	Proposed Solid Waste Rates (Include Street Sweeping & SB 1383 Surcharge)				
		FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Bin Service (Recyclables)						
<u>2 Cubic Yard</u>						
1x per week	\$ 31.22	\$ 78.74	\$ 86.62	\$ 95.28	\$ 99.09	\$ 103.05
2x per week	\$ 55.98	\$ 157.49	\$ 173.24	\$ 190.56	\$ 198.18	\$ 206.11
3x per week	\$ 80.79	\$ 236.23	\$ 259.85	\$ 285.84	\$ 297.27	\$ 309.16
<u>3 Cubic Yard</u>						
1x per week	\$ 41.89	\$ 92.81	\$ 102.09	\$ 112.30	\$ 116.80	\$ 121.47
2x per week	\$ 72.72	\$ 177.75	\$ 195.52	\$ 215.08	\$ 223.68	\$ 232.63
3x per week	\$ 109.38	\$ 262.69	\$ 288.96	\$ 317.85	\$ 330.56	\$ 343.79
<u>4 Cubic Yard</u>						
1x per week	\$ 47.92	\$ 101.63	\$ 111.79	\$ 122.97	\$ 127.89	\$ 133.01
2x per week	\$ 89.40	\$ 192.76	\$ 212.04	\$ 233.24	\$ 242.57	\$ 252.27
3x per week	\$ 130.89	\$ 283.89	\$ 312.28	\$ 343.51	\$ 357.25	\$ 371.54
<u>6 Cubic Yard</u>						
1x per week	\$ 64.58	\$ 119.27	\$ 131.20	\$ 144.32	\$ 150.09	\$ 156.09
2x per week	\$ 118.12	\$ 222.79	\$ 245.07	\$ 269.57	\$ 280.35	\$ 291.57
3x per week	\$ 171.54	\$ 326.31	\$ 358.94	\$ 394.83	\$ 410.62	\$ 427.05
Compactor - Bin Service						
<u>3 Cubic Yard</u>						
3x per week	\$ 388.88	\$ 201.72	\$ 221.89	\$ 244.08	\$ 253.85	\$ 264.00
<u>4 Cubic Yard</u>						
1x per week	\$ 159.46	\$ 106.17	\$ 116.79	\$ 128.47	\$ 133.60	\$ 138.95
Roll-Off Container (Not a City rate)						
<u>25 Cubic Yard</u>						
Monthly Rent	\$ 181.13	\$ 219.17	\$ 241.08	\$ 265.19	\$ 275.80	\$ 286.83
Per Load	\$ 185.25	\$ 224.15	\$ 246.57	\$ 271.22	\$ 282.07	\$ 293.36

Customer Classes/Service Type	Current Rates FY 2019/20	Proposed Solid Waste Rates				
		FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Organic Waste (Includes Street Sweeping & SB 1383 Surcharge)						
<u>96 Gallon Container</u>						
1x per week	\$ 10.28	\$ 16.79	\$ 18.47	\$ 20.32	\$ 21.13	\$ 21.98
2x per week	\$ 20.57	\$ 33.58	\$ 36.94	\$ 40.63	\$ 42.26	\$ 43.95
<u>2 Cubic Yard Bin</u>						
1x per week	\$ 42.18	\$ 72.99	\$ 80.29	\$ 88.32	\$ 91.85	\$ 95.53
2x per week	\$ 77.36	\$ 145.98	\$ 160.58	\$ 176.64	\$ 183.71	\$ 191.05
3x per week	\$ 118.54	\$ 218.98	\$ 240.87	\$ 264.96	\$ 275.56	\$ 286.58
<u>3 Cubic Yard Bin</u>						
5x per week	\$ 243.84	\$ 389.42	\$ 428.36	\$ 471.20	\$ 490.05	\$ 509.65
Miscellaneous Rates and Charges (Does Not Include Street Sweeping or SB 1383 Surcharge)						
Locking Service Fee (Optional)	\$10.00	\$ 12.10	\$ 13.31	\$ 14.64	\$ 15.23	\$ 15.84
Lost Lock Fee	\$15.00	\$ 18.15	\$ 19.97	\$ 21.96	\$ 22.84	\$ 23.75
New or Replacement Can	\$53.30	\$ 64.49	\$ 70.94	\$ 78.04	\$ 81.16	\$ 84.40
Delivery Charge	\$10.00	\$ 12.10	\$ 13.31	\$ 14.64	\$ 15.23	\$ 15.84
Street Cleaning Service						
Per foot of street exposure	\$0.0248	<i>(Now Included in Solid Waste Rates)</i>				
Additional Cleaning per foot	\$0.0125					

How may I participate?

The City welcomes your participation and input throughout the process as the Council considers the changes explained in this Notice. If you have any questions or comments about the City's proposed rate adjustments, you can:

Call, visit, or log on: The Rate Study and more information on the proposed adjustments and increases are available for review at the City Finance Department office, and on our website:

www.madera.gov/rates

YOUR RIGHT TO FILE WRITTEN PROTEST: Owners of record of real property who will be affected by the proposed rate changes for water, sewer, and solid waste, as well as customers who will be directly responsible for paying the charge, have the right to file a written protest against the proposed rate increases; however, only one written protest per parcel shall be counted in calculating the majority protest as explained below ("Public Hearing Process"). Written protests will be treated as public records once opened. Written protests may be mailed to **City of Madera, 205 West 4th Street, Madera, CA 93637**, or delivered in person to the City at 205 West 4th Street, Madera. Protests will be received up until close of business (5:00 PM) on the night of the Council hearing. If the Council meeting is held in-person, protests may also be submitted at the meeting before the close of the public hearing. To be counted, protests must specify the rate or charge being protested. For example, if you say "I protest the rates increases for water" the protest will only apply to water. The protest must include: your name, parcel number and/or service address, and your signature. Objections submitted by email or other electronic means will not be counted as formal written protests. NOTE: For the storm drainage rate increase, a separate Notice will be mailed and an election will be conducted by mail ballot to property owners.

Attend the Public Hearing: Members of the public are welcome to attend the public hearing regarding the proposed rate changes. The public hearing will take place on July 20, 2022, at 6:00 PM as outlined above. At the public hearing, all members of the public will have an opportunity to speak and give testimony regarding the proposed rate adjustments; however, only written protests count toward a majority protest.

Public Hearing Process: At the time of the public hearing, the Council will hear and consider all written protests, mail in ballots, and public comments. After the public hearing, if a majority of the property owners or customers of record of the impacted parcels submit written protests in opposition to the proposed rate increase for water, sewer, and solid waste, the increases will not be imposed. If a majority written protest is not received, the Council may adopt the proposed changes, though it is not obligated to.

If the Council adopts the proposed rates: You are hereby notified, pursuant to Government Code, section 53759, that any judicial action or proceeding to attack, review, set aside, void, validate, or annul the Council's adoption of the proposed rates for water and sewer must be commenced within 120 days of the effective date or of the date of the final passage, adoption, or approval of the ordinance or resolution adopting the rates.

I still have questions

Please contact the City at (559) 661-5454, where you may ask questions.