

**NOTICE OF PUBLIC HEARING ON  
PROPOSED ADJUSTMENTS TO SOLID WASTE, WATER, AND SEWER RATES  
Tuesday, June 23, 2020 at 7:00 pm  
at Chowchilla City Hall, Council Chambers, 130 S. Second Street, Chowchilla, CA 93610**

The City of Chowchilla (City) is proposing increases in garbage, water, and sewer rates, effective July 1, 2020. You are receiving this notice because you are either a City utility customer or you own property receiving City utility services. The City Council will hold a public majority protest hearing on **Tuesday, June 23, 2020, at 7:00pm** to consider solid waste, water, and sewer rate changes for the next five years. If the proposed maximum rates are adopted, the City may collect rates at or below the proposed maximum as needed to meet the City’s financial needs.

The solid waste, water, and sewer utilities rely entirely on rate revenues to fund its operations. The proposed rates are based on a comprehensive cost of service study to ensure that solid waste, water, and sewer rates pay for increasing operating and maintenance expenses, debt service payments, capital projects, and emergency reserves. **The study upon which the rates are based is available for review in the City Clerk’s office.** Solid waste, water, and sewer operations are not funded by property tax or any other tax revenue.

**SOLID WASTE RATES**

The City currently contracts with Mid Valley Disposal to provide weekly solid waste collection to approximately 3,400 residential customers and 250 commercial customers. Mid Valley Disposal is a local, privately held recycling and waste management company that provides garbage collection services to 26 cities in the Central Valley. Solid waste rates pay for weekly removal, processing, transfer and disposal of solid waste, recyclables, and food waste from all City residences and businesses

***Why is a solid waste rate increase needed?***

Since 2016, disposal service costs from Mid Valley Disposal have increased approximately 60% to comply with environmental protection regulations and mandates to increase diversion of organics and other materials from landfill disposal. Solid waste rates are set by Mid Valley Disposal, and the City can add a percentage to recover the City’s share of associated overhead costs. However, the City has not increased their portion of rates in over 10 years.

***Proposed Solid Waste Rates***

Residential customers are billed a flat rate for standard services which includes three 96-gallon totters for refuse, recycles, and green waste. Commercial accounts are billed based on the size of the bin and the number of times picked up each week. Mid Valley Disposal has also implemented commercial organic and recycle rates to comply with State regulations. The residential and commercial trash are projected to increase by 19% for the first 2 years, followed by increases of 3% for the remaining 3 years. The commercial organic and recycle rates are projected to increase by 3% each year. The proposed monthly solid waste rates for each service are shown below.

<b>PROPOSED RESIDENTIAL SOLID WASTE RATES</b>						
	<b>Current</b>	<b>Proposed</b>				
		<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<b>RESIDENTIAL</b>						
Residential (per set) (1)	\$22.38	\$26.63	\$31.69	\$32.64	\$33.62	\$34.63
Residential Extra Toter (each)	\$12.45	\$14.82	\$17.64	\$18.17	\$18.72	\$19.28
Locking Lid for Bin (each)	\$16.10	\$19.16	\$22.80	\$23.48	\$24.18	\$24.91

**PROPOSED COMMERCIAL SOLID WASTE RATES**

	Current	Proposed				
		FY2021	FY2022	FY2023	FY2024	FY2025
<b>COMMERCIAL TRASH</b>						
<b>1 yard bin</b>						
1x per week	\$43.71	\$52.01	\$61.89	\$63.75	\$65.66	\$67.63
2x per week	\$87.37	\$103.97	\$123.72	\$127.43	\$131.25	\$135.19
3x per week	\$133.74	\$159.15	\$189.39	\$195.07	\$200.92	\$206.95
4x per week	\$173.87	\$206.91	\$246.22	\$253.61	\$261.22	\$269.06
5x per week	\$216.40	\$257.52	\$306.45	\$315.64	\$325.11	\$334.86
6x per week	\$256.97	\$305.79	\$363.89	\$374.81	\$386.05	\$397.63
<b>2 yard bin</b>						
1x per week	\$70.57	\$83.98	\$99.94	\$102.94	\$106.03	\$109.21
2x per week	\$135.91	\$161.73	\$192.46	\$198.23	\$204.18	\$210.31
3x per week	\$199.60	\$237.52	\$282.65	\$291.13	\$299.86	\$308.86
4x per week	\$268.48	\$319.49	\$380.19	\$391.60	\$403.35	\$415.45
5x per week	\$338.17	\$402.42	\$478.88	\$493.25	\$508.05	\$523.29
6x per week	\$404.41	\$481.25	\$572.69	\$589.87	\$607.57	\$625.80
<b>3 yard bin</b>						
1x per week	\$90.35	\$107.52	\$127.95	\$131.79	\$135.74	\$139.81
2x per week	\$178.08	\$211.92	\$252.18	\$259.75	\$267.54	\$275.57
3x per week	\$254.10	\$302.38	\$359.83	\$370.62	\$381.74	\$393.19
4x per week	\$342.43	\$407.49	\$484.91	\$499.46	\$514.44	\$529.87
5x per week	\$430.66	\$512.49	\$609.86	\$628.16	\$647.00	\$666.41
6x per week	\$515.40	\$613.33	\$729.86	\$751.76	\$774.31	\$797.54
<b>4 yard bin</b>						
1x per week	\$110.13	\$131.05	\$155.95	\$160.63	\$165.45	\$170.41
2x per week	\$217.67	\$259.03	\$308.25	\$317.50	\$327.03	\$336.84
3x per week	\$310.62	\$369.64	\$439.87	\$453.07	\$466.66	\$480.66
4x per week	\$418.99	\$498.60	\$593.33	\$611.13	\$629.46	\$648.34
5x per week	\$525.72	\$625.61	\$744.48	\$766.81	\$789.81	\$813.50
6x per week	\$632.41	\$752.57	\$895.56	\$922.43	\$950.10	\$978.60
<b>5 yard bin</b>						
1x per week	\$129.95	\$154.64	\$184.02	\$189.54	\$195.23	\$201.09
2x per week	\$246.52	\$293.36	\$349.10	\$359.57	\$370.36	\$381.47
3x per week	\$348.47	\$414.68	\$493.47	\$508.27	\$523.52	\$539.23
4x per week	\$465.92	\$554.44	\$659.78	\$679.57	\$699.96	\$720.96
5x per week	\$581.64	\$692.15	\$823.66	\$848.37	\$873.82	\$900.03
6x per week	\$697.36	\$829.86	\$987.53	\$1,017.16	\$1,047.67	\$1,079.10
<b>6 yard bin</b>						
1x per week	\$146.05	\$173.80	\$206.82	\$213.02	\$219.41	\$225.99
2x per week	\$274.31	\$326.43	\$388.45	\$400.10	\$412.10	\$424.46
3x per week	\$390.11	\$464.23	\$552.43	\$569.00	\$586.07	\$603.65
4x per week	\$521.42	\$620.49	\$738.38	\$760.53	\$783.35	\$806.85
5x per week	\$651.12	\$774.83	\$922.05	\$949.71	\$978.20	\$1,007.55
6x per week	\$780.74	\$929.08	\$1,105.61	\$1,138.78	\$1,172.94	\$1,208.13

## PROPOSED COMMERCIAL SOLID WASTE RATES

	Proposed				
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>COMMERCIAL RECYCLE</b>					
96 Gallon					
1x per week	\$11.31	\$11.65	\$12.00	\$12.36	\$12.73
2x per week	\$20.36	\$20.97	\$21.60	\$22.25	\$22.92
3x per week	\$29.42	\$30.30	\$31.21	\$32.15	\$33.11
2 yard bin					
1x per week	\$35.07	\$36.12	\$37.20	\$38.32	\$39.47
2x per week	\$63.13	\$65.02	\$66.97	\$68.98	\$71.05
3x per week	\$91.19	\$93.93	\$96.75	\$99.65	\$102.64
3 yard bin					
1x per week	\$44.69	\$46.03	\$47.41	\$48.83	\$50.29
2x per week	\$80.44	\$82.85	\$85.34	\$87.90	\$90.54
3x per week	\$116.19	\$119.68	\$123.27	\$126.97	\$130.78
4 yard bin					
1x per week	\$55.44	\$57.10	\$58.81	\$60.57	\$62.39
2x per week	\$99.78	\$102.77	\$105.85	\$109.03	\$112.30
3x per week	\$144.13	\$148.45	\$152.90	\$157.49	\$162.21
6 yard bin					
1x per week	\$76.37	\$78.66	\$81.02	\$83.45	\$85.95
2x per week	\$137.46	\$141.58	\$145.83	\$150.20	\$154.71
3x per week	\$198.55	\$204.51	\$210.65	\$216.97	\$223.48
<b>COMMERCIAL ORGANIC</b>					
96 Gallon					
1x per week	\$16.97	\$17.48	\$18.00	\$18.54	\$19.10
2x per week	\$24.89	\$25.64	\$26.41	\$27.20	\$28.02
3x per week	\$32.81	\$33.79	\$34.80	\$35.84	\$36.92
2 yard bin					
1x per week	\$59.62	\$61.41	\$63.25	\$65.15	\$67.10
2x per week	\$107.32	\$110.54	\$113.86	\$117.28	\$120.80
3x per week	\$155.02	\$159.67	\$164.46	\$169.39	\$174.47
3 yard bin					
1x per week	\$75.97	\$78.25	\$80.60	\$83.02	\$85.51
2x per week	\$136.75	\$140.85	\$145.08	\$149.43	\$153.91
3x per week	\$197.52	\$203.45	\$209.55	\$215.84	\$222.32

## WATER RATES

### **Water System**

The City provides water service to approximately 3,900 residential and commercial accounts. The City relies solely on groundwater for its water supply and operates and maintains a vast network of wells, meters, fire hydrants, pipelines, and treatment facilities to deliver water to customers. Water quality is closely monitored by State of California regulatory agencies to ensure compliance with Federal and State mandates. The City also manages a year-round conservation program.

### **Why is a water rate increase needed?**

The last water rate study was conducted in 2012. The proposed water rate increases are needed to pay for the cost of ongoing maintenance and increased regulations and to replace aging water mains and other infrastructure. Over the next five years, the water system needs about \$2.4 million in improvements, including the development of a new well. By conducting this work, the City will improve system reliability and water quality while preventing water leaks and costly emergency repairs.

### **Proposed Water Rates**

The City completed its citywide metering project in FY2018, and the non-metered water rates have been phased out. The City's current water rate structure includes three components – 1) Fixed Meter Charges, 2) Commodity Rates, and 3) City Wide System Upgrade (Meter Install and Retrofit) Charges. Meter Charges mostly recover the City's fixed costs to maintain and improve infrastructure including wells, water treatment, and pipelines. The Commodity Rate is charged per unit of water consumed and primarily recovers the cost of conveyance of water to customers. The Upgrade Charges pay for meter installations and retrofits.

Due to the updated cost of service allocation, the bill impact for the first year will vary based on your customer class, water meter size, and monthly usage. After the initial increase on July 1, 2020, rates are proposed to increase by 5% per year. The proposed monthly water rates are shown on the table below.

<b>PROPOSED WATER RATES</b>						
	<b>Current</b>	<b>Proposed</b>				
		<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<b>METER CHARGES</b>						
<u>Meter Size</u>						
1"	\$20.59	\$22.00	\$23.10	\$24.26	\$25.47	\$26.74
1 1/2"	\$30.03	\$35.00	\$36.75	\$38.59	\$40.52	\$42.55
2"	\$41.36	\$50.60	\$53.13	\$55.79	\$58.58	\$61.51
3"	\$77.23	\$92.20	\$96.81	\$101.65	\$106.73	\$112.07
4"	\$130.10	\$139.00	\$145.95	\$153.25	\$160.91	\$168.96
6"	\$275.48	\$269.00	\$282.45	\$296.57	\$311.40	\$326.97
<b>COMMODITY RATE (\$/hcf)</b>						
Single Family Residential						
Tier 1: 0 - 18 hcf	\$0.97	\$1.11	\$1.17	\$1.23	\$1.29	\$1.35
Tier 2: Over 18 hcf	\$1.25	\$1.43	\$1.50	\$1.58	\$1.66	\$1.74
Non-Single Family Commodity Rate	\$1.04	\$1.20	\$1.26	\$1.32	\$1.39	\$1.46
<b>METER INSTALL &amp; RETROFIT CHARGES</b>						
2013 Metered Customers	\$6.51	\$6.51	\$6.51	\$6.51	\$6.51	\$6.51
2014 Retrofitted Customers	\$2.44	\$2.44	\$2.44	\$2.44	\$2.44	\$2.44
2015 Retrofitted Customers	\$2.44	\$2.44	\$2.44	\$2.44	\$2.44	\$2.44

1 - 1 hundred cubic feet (hcf) = 748 gallons

## SEWER RATES

### ***Sewer System***

The City operates a 1.8 million gallon-per-day (MGD) sewer treatment plant and maintains 4 sewage lift pump stations and 37 miles of sewer pipelines to ensure the safe collection, treatment, and disposal of residential and commercial wastewater. This process is closely monitored by several State of California regulatory agencies to guarantee compliance with Federal and State mandates.

### ***Why is a sewer rate increase needed?***

The last sewer rate study was conducted in 2012. The proposed sewer rate increases reflect the needed improvements to the City’s aging wastewater collection and treatment infrastructure, and increases in operating and regulatory compliance costs. Over the next five years, the sewer system needs about \$1.7 million in improvements. The infrastructure improvements are necessary to rehabilitate the wastewater treatment plant and to replacing aging equipment and deficient sewer mains.

### ***Proposed Sewer Rates***

The non-metered sewer rates have been phased out. The City’s current sewer rate structure includes two components – 1) Sewer Rate, and 2) Debt Service Charge. Residential customers are billed a fixed monthly fee per dwelling unit. Commercial customers are charged a volume rate per hcf based on 80 percent of metered water consumption

Due to the updated cost of service allocation, the bill impact for the first year will vary based on your customer class and monthly usage. After the initial increase on July 1, 2020, rates are proposed to increase by 5% per year. The proposed monthly sewer rates are shown on the table below.

<b>PROPOSED SEWER RATES</b>						
	<b>Current</b>	<b>Proposed</b>				
		<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<b>SEWER RATES</b>						
<i>Residential (Per Dwelling Unit)</i>						
Single Family	\$25.58	\$26.28	\$27.59	\$28.97	\$30.42	\$31.94
Multi-Family/Mobile Homes	\$19.18	\$19.39	\$20.36	\$21.38	\$22.45	\$23.57
<i>Commercial Metered (Per hcf) (1)</i>						
Group 1: Extra-low Strength	\$1.78	\$2.45	\$2.57	\$2.70	\$2.84	\$2.98
Group 2: Low Strength	\$1.94	\$2.75	\$2.89	\$3.03	\$3.18	\$3.34
Group 3: Medium Strength	\$2.03	\$2.95	\$3.10	\$3.26	\$3.42	\$3.59
Group 4: High Strength	\$4.89	\$5.60	\$5.88	\$6.17	\$6.48	\$6.80
<b>DEBT SERVICE CHARGES</b>						
<i>Residential (Per Dwelling Unit)</i>						
Single Family	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41
Multi-Family/Mobile Homes	\$1.05	\$1.05	\$1.05	\$1.05	\$1.05	\$1.05
<i>Commercial (Per hcf) (1)</i>						
Group 1: Extra-low Strength	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
Group 2: Low Strength	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11
Group 3: Medium Strength	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11
Group 4: High Strength	\$0.31	\$0.31	\$0.31	\$0.31	\$0.31	\$0.31

1 - Based on 80% of consumption. 1 hundred cubic feet (hcf) = 748 gallons

Group 1 includes schools. Group 2 includes general commercial and churches. Group 3 includes hospitals. Group 4 includes restaurants.



City of Chowchilla  
130 S. Second Street  
Chowchilla, CA 93610  
(559) 665-8615

**NAME  
ADDRESS  
CITY, STATE, ZIP**

### **Notice of a Public Hearing on Proposed Solid Waste, Water, and Sewer Rate Adjustments**

The City of Chowchilla will hold a Public Hearing on the proposed solid waste, water, and sewer rates on **Tuesday, June 23, 2020 at 7:00 p.m.** at 130 S. Second Street, Chowchilla, CA 93610

#### ***Public Notice and Majority Protest Process***

In 1996, California voters adopted Proposition 218. The provisions of Proposition 218 provide that certain types of “Property Related Fees” are subject to a “majority protest” process. Under the majority protest process, any property owner or customer of record may submit a written protest for the proposed increases; provided, however, that only one protest will be counted per identified parcel.

You have the right to file written protests by mail addressed to the City Clerk, 130 S. Second Street, Chowchilla, CA 93610 **or** in person or at the public majority protest hearing on June 23, 2020 at 7:00 pm so long as they are received before the end of the hearing. A protest submitted via e-mail, fax, or other electronic means will not be accepted. A written protest must: 1) state the specific service charge increase (solid waste and/or water and/or wastewater) for which the protest is being submitted in opposition; 2) provide the location of the identified parcel (by assessor’s parcel number or street address); and 3) include the name and signature of the property owner or customer submitting the protest. If a property owner or tenant is protesting one or more increases, the property owner or tenant should identify which service charge increase or increases he or she is protesting. Only one written protest may be counted for each affected parcel.

At the public hearing, the City Council will review the amount of the rates as well as the methodology for calculating the proposed rates. At the conclusion of the hearing, protests will be counted and validated. If protests are filed on behalf of a majority of the parcels subject to the rates before the end of the public hearing, the City cannot adopt the proposed rates. If a majority of the parcels do not protest (i.e., object to) the proposed increase, the City has the authority to adopt the proposed rates. Any rate changes, if enacted, will go into effect on July 1 of each year, beginning July 1, 2020