

**Notice to Property Owners of Public Hearing
Regarding Proposed Wastewater Rate Changes
Hearing Date & Time: July 17, 2018 at 7:00 p.m.
Hearing Location: City of Pinole Council Chambers
2131 Pear Street, Pinole, CA 94564**

Why are you receiving this notice?

The City of Pinole (the “City”) is mailing this notice to you because you are a wastewater customer directly liable for payment of a wastewater service fees, or are the owner of record of a property that receives the services. This notice describes proposed **rate changes** to be implemented to recover cost of providing wastewater service to City customers, and provides a notice of a public hearing to be held on **July 17, 2018** regarding these proposed changes.

Annual wastewater service fees charged to system users (customers) are the primary source of revenue to operate the sewer system, and are used solely for this purpose. Expenses for wastewater services include, but are not limited to, operations and maintenance, debt service, major and minor capital improvements, administration, as well as costs related to prudent long-term operational, capital planning and financial management of the systems. Financial management would include maintaining adequate fund reserves and planning for contingencies.

The proposed rates are based on a comprehensive rate study and financial plan. The City of Pinole will annually review revenues and expenditures for the sewer fund to ensure that sufficient and appropriate revenues are collected to effectively provide for the short and long-term sewer service needs of the community.

Why are Rate Increases needed?

The City of Pinole is committed to providing high quality, reliable wastewater service at the lowest possible rates for our customers. 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. These costs include operating, maintaining, repairing and replacing infrastructure. The proposed wastewater rates will ensure that the utilities collect sufficient revenue to cover fixed expenses, pay for debt service, fund capital improvements and build up cash reserves to fund ongoing repair and replacement of the wastewater systems to address aging system components.

Over the next five years, the City has planned capital improvements to replace, repair and refurbish the wastewater treatment plant, mains and pipes as well as equip wells to provide for ongoing wastewater service. In addition, the City has planned capital improvements to other aspects to aid the City’s needs.

The proposed rates are calculated using the costs associated with providing the service to each customer class. Required revenue is based on projected expenses for operations, maintenance, and required repairs and/or replacement for capital facilities and equipment. Since some costs are fixed in nature and some costs fluctuate based on system demands, there are two types of revenue rates: fixed costs and variable/volumetric costs. The rate structure was designed so that each system user will be charged an amount that is proportional to the cost of serving that user.

The monthly service charge recovers the costs of providing wastewater services, including collection and treatment of sewer flows, and are allocated based on number of accounts, size of a customer’s water meter and water usage.

Attention Commercial Owners

This proposed rate structure differs from the previous methodology, in that customer land use class will no longer be a factor in calculating customer bills. This updated rate structure is instead based upon the size of commercial customer meters, along with the total annual water usage. .

What do the new rates look like?

The following **Table 1** identifies the proposed rates. **If approved, the rates will be implemented annually each July 1, starting July 1, 2018, and moving forward until 2023. At that time, no further rate increases may be implemented until a new rate study is completed and a new Prop 218 Mailed Notice and Public Hearing process conducted.**

TABLE 1 PROPOSED RATES					
Description	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Flat Fee Per Dwelling Units (Per Month):					
Single Family	\$ 65.40	\$ 67.37	\$ 69.34	\$ 71.44	\$ 73.62
Multiple Family	\$ 55.59	\$ 57.26	\$ 58.94	\$ 60.72	\$ 62.58
Flat Fee for Commercial Units (Per Month):					
5/8"	\$ 15.00	\$ 15.45	\$ 15.90	\$ 16.40	\$ 16.90
3/4"	\$ 22.50	\$ 23.18	\$ 23.85	\$ 24.60	\$ 25.35
1.0"	\$ 37.50	\$ 38.63	\$ 39.75	\$ 41.00	\$ 42.25
1.5"	\$ 75.00	\$ 77.25	\$ 79.50	\$ 82.00	\$ 84.50
2.0"	\$ 120.00	\$ 123.60	\$ 127.20	\$ 131.20	\$ 135.20
3.0"	\$ 240.00	\$ 247.20	\$ 254.40	\$ 262.40	\$ 270.40
4.0"	\$ 375.00	\$ 386.25	\$ 397.50	\$ 410.00	\$ 422.50
6.0"	\$ 750.00	\$ 772.50	\$ 795.00	\$ 820.00	\$ 845.00
8.0"	\$ 1,200.00	\$ 1,236.00	\$ 1,272.00	\$ 1,312.00	\$ 1,352.00
10.0"	\$ 1,875.00	\$ 1,931.25	\$ 1,987.50	\$ 2,050.00	\$ 2,112.50
Commercial Volumetric Fee (Per 100 cubic feet):					
	\$ 6.30	\$ 6.49	\$ 6.68	\$ 6.88	\$ 7.09

How do you file a protest or participate in the public hearing?

Any property owner of a parcel subject to City wastewater service fees, or any tenant directly responsible for the payment of wastewater service fees (i.e., a customer of record) may submit a written protest to the proposed rate changes. Only one protest will be counted per identified parcel. Should there be property owners who own multiple properties and wish to submit a protest letter, they may list those properties with the respective parcel number on one letter and each parcel will be counted provided there were no other letters received for that parcel.

Every written protest MUST include ALL of the following to be counted:

- (1) State that the identified property owner or customer of record is in opposition to the proposed rate changes;**
- (2) Provide the location of the identified parcel by including the street address or assessor's parcel number (APN);**
- (3) Include the name and signature of the property owner or customer of record submitting the protest.**

Written protests may be submitted by mail to the City Clerk at: 2131 Pear St, Pinole, CA 94564, in person to the City Clerk, or at the Public Hearing (date and time noted above). Regardless of how the written protest is submitted, it must be received by the City prior to the conclusion of the public comment portion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the City Clerk, that the enclosed protest is for the Public Hearing on the Proposed Rate Changes - Wastewater Service Fees.

The City Council will hear and consider all written and oral protests to the proposed rate changes at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, there will be no more written protests accepted, no more testimony taken, and the City Council will consider adoption of the proposed rates for water and sewer service described in this notice. If written protests the proposed rates, as outlined above, are not presented by a **majority** of property owners or customers of record, the City Council will be authorized to implement the proposed rates. If adopted, the rates for water and sewer will be in effect beginning July 1, 2018, and would be reflected on your tax bill you receive for 2018/19.

If you have any questions about the proposed rate changes or would like to see more information about data used for the study, please contact the City of Pinole at: (510) 724-9010 8:00 a.m. to 5:00 p.m. Monday through Friday. Additional information and documents related to the proposed rate changes can be found on the City of Pinole's website at www.ci.pinole.ca.us.