



NOTICE OF PUBLIC HEARING PROPOSED SEWER SERVICE RATE CHANGES

PUBLIC HEARING
June 5, 2018 @ 6:00 p.m.
Victorville City Hall Council Chambers
14343 Civic Drive, Victorville, California 92392

<<Name>>
<<Address>>
<<City/State>> <<Zip>>

RE: <<Location>>

APN: <APN>

PROPOSITION 218 NOTICE OF PUBLIC HEARING

PLEASE TAKE NOTICE THAT the City Council of the City of Victorville (the “City”) will hold a Public Hearing on Tuesday, June 5, 2018 at 6:00 p.m., or as soon thereafter as the matter can be heard, at the location stated above **to consider adopting changes to the rates and fees the City charges its customers for sewer/wastewater services (“Sewer Service Rates”)**. This notice is being sent to all property owners of record who receive sewer/wastewater services (“Sewer Services”) from the City to describe the proposed rate changes and why they are needed.

Toda esta información puede ser encontrada en Español en la pagina web de la Ciudad de Victorville www.victorvilleca.gov/ratestudy. Si tiene preguntas adicionales por favor llame a Maria Villagomez al 760-955-5200.

WHY ARE SEWER RATE CHANGES NEEDED?

The City strives to provide its customers with the most efficient and cost effective Sewer Services possible. The revenue derived from Sewer Service Rates are used to: (1) adequately fund sewer system operations to provide safe and reliable Sewer Services to City residents and businesses; (2) maintain operational and financial stability; (3) comply with state and federal regulatory sewer treatment and disposal requirements; (4) fund sewer infrastructure; (5) provide timely maintenance of existing facilities; and (6) provide adequate sewer fund reserves for emergencies and unforeseen costs.

The Victor Valley Wastewater Reclamation Authority (“VWVRA”) provides wastewater treatment services to the City and its other member agencies for a fee. Between 2002 and 2012 the City only raised its Sewer Service Rates by passing through to customers the increased fees charged by the VWVRA (except for an additional monthly charge in 2008 to finance sewer capital replacements). Since 2012, the City has not raised its Sewer Service Rates, but the VWVRA has increased its sewer treatment rates by over 38% since 2012.

The City engaged an independent consultant to perform a comprehensive cost of service/rate study to examine and project the City’s sewer utility system revenue needs (the “Rate Study”). The Rate Study revealed that the City needs to raise its Sewer Service rates over the next five years to ensure continued proper operation and maintenance of the sewer system; cover increased VWVRA sewer treatment costs and other inflationary impacts; meet debt service requirements; rehabilitate and replace aging sewer system assets; and maintain appropriate operating reserves. The Rate Study also recommended modifying how the City calculates certain Sewer Service Rates to ensure costs are borne proportionally by customers according to use.

A copy of the Rates Study, including the data used to calculate the proposed changes to Sewer Service Rates, is available for review in-person at the office of the City Clerk at City Hall and online at www.victorvilleca.gov/ratestudy. For questions or more information regarding the proposed Sewer Service Rates call Maria Villagomez at 760-955-5200.

CURRENT AND PROPOSED SEWER SERVICE RATES

All properties to which sewer services are made available are subject to Sewer Service Rates. Sewage is not metered for specific flows. Sewer Service Rates are currently calculated based upon Equivalent Dwelling Units (“EDU”) assigned based on customer type, plus surcharges for user-specific customers (shown as Industrial Customers) dependent on the concentration factors of control parameters, including biochemical oxygen demand (“BOD”), chemical oxygen demand (“COD”), suspended solids (“SS”), ammonia (“NH₃”) and fixed dissolved solids (“FDS”). These calculation methods will change as follows:

- Single-family customers will be billed a fixed monthly service charged for each dwelling unit.

- Multi-family customers will be billed a fixed monthly service charge for each dwelling unit. This rate is lower than single-family so as to account for lower standard usage.
 - A dwelling unit is an individual living unit; for single-family residential customers, this is a single family home and for multi-family customers, this would be an individual unit such as an apartment unit, or one of the living units in a duplex or triplex.
- Commercial customers will be billed a fixed monthly service charge for each account, plus a volumetric charge based on the amount of domestic water used at the property. This method is more accurate than the current method wherein EDUs are assigned based on customer type.
- Industrial Customers (user-specific) will be billed fixed monthly charges and surcharges.

Sewer Rate Schedule	Current Rates	Proposed Sewer Service Rates ¹				
		8/1/2018	7/1/2019	7/1/2020	7/1/2021	7/1/2022
Residential Customers						
<u>Monthly Fixed Service Charge per Dwelling Unit</u>						
Single-Family Residential	\$26.89	\$33.03	\$37.98	\$40.83	\$43.89	\$47.18
Multi-Family Residential	\$24.63	\$24.25	\$27.88	\$29.97	\$32.22	\$34.64
Commercial Customers						
<u>Monthly Fixed Service Charge per Account</u>						
Volumetric Charge, per hcf	\$26.89/EDU	\$33.03	\$37.98	\$40.83	\$43.89	\$47.18
	-	\$2.81	\$3.23	\$3.48	\$3.74	\$4.02
Industrial Customers (user specific)						
<u>Federal Corrections Complex (FCC)</u>						
Monthly Fixed Charge Per EDU	\$26.89	\$33.24	\$38.22	\$41.09	\$44.17	\$47.48
BOD Charge, per lb	\$0.3323	\$1.39	\$1.60	\$1.72	\$1.85	\$1.99
SS Charge, per lb	\$0.2262	\$1.40	\$1.61	\$1.73	\$1.86	\$1.99
<u>Dr. Pepper/Snapple (DPSG)</u>						
Monthly Min Charge (excluding capital recovery)	\$113,614	\$166,100	\$191,016	\$205,342	\$220,742	\$237,298
Volumetric Charge, per 1,000 gal	\$0.37	\$0.92	\$1.06	\$1.14	\$1.23	\$1.32
COD Charge, per lb	\$0.13	\$0.16	\$0.19	\$0.20	\$0.22	\$0.23
SS Charge, per lb	\$0.22	-	-	-	-	-
FDS Surcharge	-	\$2.62	\$2.69	\$2.76	\$2.84	\$2.91
<u>Plastipak</u>						
Monthly Fixed Charge	\$26.89/EDU	\$118.93	\$136.77	\$147.02	\$158.05	\$169.91
Volumetric Charge, per hcf	-	\$7.95	\$9.14	\$9.82	\$10.56	\$11.35

¹Future rate increases imposed by VVRA may be passed through to customers as additional adjustments to the rates shown above.

PUBLIC HEARING AND PROTEST

Any property owner of record (per San Bernardino County Tax Roll) of a parcel identified as subject to the current and proposed Sewer Service Rates may submit a written protest against the proposed rate changes. **In order to be valid, each written protest must:** (1) state that the protest is being submitted in opposition to the proposed Sewer Service Rate changes; (2) provide the identified assessor's parcel number (APN) for which the protest is being submitted; and (3) include the printed name and original signature of the property owner of record submitting the protest. Only one written protest per identified parcel will be counted.

Written protests may be submitted by mail or personal delivery to: Victorville City Clerk, 14343 Civic Drive, Victorville, California 92392. **On the front of each envelope in which a protest is submitted, please write or type "Sewer Rate Protest" and the Assessor's Parcel Number (APN) to which the enclosed protest relates.** Protests submitted by email or other electronic means will not be accepted. Written protests may also be submitted at the June 5, 2018 Public Hearing; however, in order to be counted, all written protests, whether mailed or delivered in person, must be received by the City Clerk prior to the close of the public testimony portion of the Public Hearing.

At the Public Hearing on June 5, 2018, the City Council will consider all written protests timely submitted and hear all public comment on the Proposed Sewer Service Rates. Oral comments will not be counted as protests unless accompanied by a written protest. If, at the close of the Public Hearing, valid written protests are submitted by the owners of record of the majority of the identified parcels subject to the proposed Sewer Service Rates (50% plus one, a "Majority Protest"), the City Council will not impose the proposed Sewer Service Rates.

If, at the close of the Public Hearing, a majority protest does not exist, the City Council may consider for introduction and the first reading a Sewer Rate Ordinance to impose the Sewer Service Rates up to the maximum amounts proposed in this notice. If the Sewer Rate Ordinance is adopted for final passage, the Sewer Service Rates will become effective for all billings made on or after August 1, 2018 and for each July 1 thereafter for the years of 2019, 2020, 2021 and 2022.