



## NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING

### REGARDING PROPOSED SEWER RATE INCREASE

Hearing Date & Time: **April 21, 2020 6:30 PM**

Hearing Location: City Council Chambers

440 Civic Center Plaza, Richmond, CA

#### ***Why are you receiving this notice?***

The City of Richmond, CA (the "City") is mailing this notice to you because you are a sewer customer or are the owner of record of a property that receives sewer service. This notice describes proposed changes to the sewer rates and gives information about a public hearing to be held on April 21, 2020 at the City Council Chambers, 440 Civic Center Plaza, Richmond, CA, 94804 regarding these proposed changes.

#### ***What do sewer rates fund?***

The City provides sewer service to over 68,000 residential and commercial customers. Sewer rates charged to system users (customers) are the primary source of revenue to operate the sewer system, and are used solely for this purpose. Sewer rate revenue provides funding for costs related to system operations, capital projects, debt service, administration, as well as costs related to prudent long-term operational or financial management of the utility, such as maintaining adequate fund reserves and planning for contingencies.

The proposed rates are based on a comprehensive rate study and financial plan. The City 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?***

During the Summer and Fall of 2019, an independent consultant conducted a financial rate study that evaluated the current financial condition of the sewer utility system, and whether existing utility rates would be sufficient to provide for ongoing funding needs. This study determined that the City's existing rates were not sufficient to fund increasing costs for system operations and maintenance and planned capital projects. Based on this study, the City is considering adoption of updated sewer rates that are intended to address this deficiency.

#### ***This report is available on the City's website or in the City's Clerk's office.***

The proposed rates have been calculated based on the City's cost to provide sewer service to users. Required revenue for the system is based on projected expenses for operations, maintenance, required repairs and/or replacement for capital facilities and equipment, and maintenance of prudent financial reserves. The rates are applied annually based on the type of customer (single family, multiple family or commercial/industrial), with costs allocated based on number of accounts, dwelling units and Industrial Wastewater Units (IWUs) for non-residential customers, as well as the strength of sewer discharge by each customer type. 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 City's sewer system is facing significant future capital expenditures, increased costs related to operations, and a need to repair and replace aging infrastructure. The most significant projects facing the sewer system during the next 5 years are associated with the wastewater treatment plant including screening, grit facility and aeration upgrades (\$30.6 million), and the biosolids dewatering and side stream treatment project (\$32.0 million). These capital projects are necessary in order to meet increased regulatory and environmental requirements of both the State and the federal government. These 2 projects account for more than 43% of the sewer system's \$150 million 5-year capital improvement program. There are also additional sewer-related capital projects that are planned over the next 5 years to address rehabilitation and replacement (R&R) of aging infrastructure. The capital projects for the sewer system are planned to be funded through a combination of user rate revenues, connection fees, and future new debt.

### ***New sewer rates***

In order to provide necessary funding for the sewer system, the City is proposing to implement new sewer rates as a series of annual adjustments of approximately 7.0% on each July 1, 2020 through July 1, 2024. The following table summarizes the proposed sewer rates.

| <b>Description</b>            | <b>Existing Rates</b> | <b>July 1 2020</b> | <b>July 1 2021</b> | <b>July 1 2022</b> | <b>July 1 2023</b> | <b>July 1 2024</b> |
|-------------------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Single Family:</b>         | \$ 880.00             | \$ 940.00          | \$ 1,000.00        | \$ 1,070.00        | \$ 1,140.00        | \$ 1,210.00        |
| <b>Multiple Family (1):</b>   | \$ 707.00             | \$ 752.00          | \$ 800.00          | \$ 856.00          | \$ 912.00          | \$ 968.00          |
| <b>Commercial/Industrial:</b> |                       |                    |                    |                    |                    |                    |
| Minimum Charge                | \$ 527.00             | \$ 564.00          | \$ 600.00          | \$ 642.00          | \$ 684.00          | \$ 726.00          |
| Flow Rate Per IWU             | \$ 63.81              | \$ 67.45           | \$ 71.73           | \$ 76.76           | \$ 81.75           | \$ 86.74           |
| Per LB of BOD                 | \$ 1.35               | \$ 1.57            | \$ 1.68            | \$ 1.80            | \$ 1.93            | \$ 2.07            |
| Per LB of TSS                 | \$ 0.63               | \$ 0.71            | \$ 0.76            | \$ 0.81            | \$ 0.87            | \$ 0.93            |

(1) Per Dwelling Unit

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

The City Council will consider the new rate structure and proposed revenue increase at a public hearing on Tuesday, April 21, 2020 at 6:30 p.m. Please check the City's website for more information regarding how to call in to participate at the public hearing.

Any owner or customer of record of a parcel subject to the proposed rates may submit a written protest against the proposed rate revisions. If written protests are filed for a majority of the affected parcels, the proposed rate revisions will not be adopted.

A written protest must include the following to be counted:

- A statement indicating that the identified property owner or customer of record is in opposition to the proposed rate changes;
- The street address or Assessor's Parcel Number (APN) for the parcel(s) with respect to which the protest is made;
- The name and signature of the owner or customer.

Protests may be mailed, e-mailed to the City Clerk's Office City Hall at 450 Civic Center Plaza, Richmond, CA, 94804. Protests may also be delivered to the City Clerk at the Public Hearing. To be valid, all protests must be received by the City Clerk before the conclusion 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 - Sewer Rates.

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 and no more testimony taken, and the City Council will consider adoption of the proposed sewer rates described in this notice. If written protests 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 will be in effect beginning July 1, 2020.

**SEE NEXT PAGE FOR UPDATED PROTEST OR PARTICIPATION INFORMATION**

**Public Hearing**  
**Richmond Municipal Sewer District**  
**Proposed Rate Increase**  
**April 21, 2020**

DUE TO THE SHELTER IN PLACE ORDERS, attendance at the City of Richmond City Council meeting will be limited to Council members, essential City of Richmond staff, and members of the news media. Public comment will be confined to items appearing on the agenda and will be limited to the methods provided below. Consistent with Executive Order N-29-20, this meeting will utilize teleconferencing only. The following provides information on how the public can participate in this meeting.

**How to watch the meeting from home:**

1. KCRT – Comcast Channel 28 or AT&T Uverse Channel 99
2. Livestream online at <http://www.ci.richmond.ca.us/3178/KCRT-Live>

**Public comments may be submitted in multiple ways:**

1. Via email to [cityclerkdept@ci.richmond.ca.us](mailto:cityclerkdept@ci.richmond.ca.us) by 3:00 p.m. or during the meeting as set forth below. Email must contain in the subject line **public comments – not on the agenda or public comments – agenda item #.**
2. Via mail received by 3:00 p.m. sent to 450 Civic Center Plaza, 3rd Floor, Office of the Clerk, Richmond, CA 94804.
3. Via eComment. To leave a comment, click eComment on the City's Meeting & Agenda Center webpage at <https://richmond.granicusideas.com/meetings>, select the item you wish to comment on and submit your written comment. The comment period will begin after the agenda is published and will close at 3:00 p.m. the day of the meeting.
4. Via Telephone. If you would like to give your public comment via telephone, please email your telephone number with area code to [cityclerkdept@ci.richmond.ca.us](mailto:cityclerkdept@ci.richmond.ca.us) during the public comment period. You will be called during the public comment period and you will be given the opportunity to verbally submit public comment (not to exceed the allotted time – one, two or three minutes – for such comments as provided below).

The City cannot guarantee that its network and/or the site will be uninterrupted. To ensure that the City Council receives your comments, you are strongly encouraged to submit your comments in writing in advance of the meeting  
For future meetings, the City is working on additional ways for the public to submit comments.

**Comments received by 3:00 p.m. during the day of the meeting will be handled as follows:**

Comments received via eComment will be exported into a report, distributed to the City Council and staff and published on the City's Meeting & Agenda Center under Documents Received after Published Agenda.

All email and mail comments received **by 3:00 p.m. on Tuesday, April 21, 2020**, will be provided to the City Council via e-mail or report.

**Comments received via email or telephone during the meeting will be handled as follows:**

Comments received via email during the meeting and up until the public comment period on the relevant agenda item is closed, will be read into the record and will be limited to a maximum of one to two minutes, depending on the number of commenters, as more fully described in the City Council meeting procedures below. For public hearing items, the time will be limited to a maximum of three minutes. The Clerk will stop reading comments into the record after the allotted time for such comments.

Comments received by telephone during the public comment period shall not exceed the allotted time – one, two or three minutes – for such comments as provided above.

**Record of all public comments:**

All public comments will be considered a public record, put into the official meeting record, and considered before Council action. All public comments will be available after the meeting as supplemental materials and will be posted as an attachment to the meeting minutes when the minutes are posted.

Procedures for Removing Consent Calendar Items from the Consent Calendar  
Councilmembers and members of the public who wish to remove an item from the consent calendar must comply with the following procedures in order to remove an item from the consent calendar:

1. Telephone or email a City staff member who has knowledge of the subject matter by 2:00 p.m. on the day of meeting. ***For the Sewer Rate Increase, please contact Mary Phelps at (510) 621-1269 or [mary\\_phelps@ci.richmond.ca.us](mailto:mary_phelps@ci.richmond.ca.us)***
2. Inform the City Clerk's Office by email at [cityclerkdept@ci.richmond.ca.us](mailto:cityclerkdept@ci.richmond.ca.us) or by phone at 510-620-6513, ext. 9, by 3:00 p.m. that they discussed the matter with staff with knowledge of the subject matter and that such Councilmember or member of the public, nonetheless, desires the item to be removed from the consent calendar for discussion.

Staff will be informed by the City Clerk's Office as soon as reasonably practicable after notice of the request to remove the item from the consent calendar. Staff may attend the meeting remotely.

**Accessibility for Individuals with Disabilities**

Upon request, the City will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services and sign language interpreters, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. ***Requests should be emailed to [cityclerkdept@ci.richmond.ca.us](mailto:cityclerkdept@ci.richmond.ca.us) or submitted by phone at 510-620-6513, ext. 9, or 510-620-6509.*** Requests made by mail to City Clerk's Office, City Council meeting, 450 Civic Center Plaza, Richmond, CA 94804

must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

**Effect of Advisory on In-person public participation**

During the pendency of the Executive Order N-29-20, the language in this Advisory portion of the agenda supersedes any language below in the meeting procedures contemplating in-person public comment.