



"Preserving Our Past, Enriching Our Present, Building Our Future"

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Dear Sewer Customers,

This is a notice to inform you of a public hearing scheduled on **Tuesday, October 18, 2014**, to consider rate increases for the City of Jackson's sewer system. This public hearing will take place at **7:00 p.m.** in the City Council Chambers, 33 Broadway, in Jackson.

Pursuant to the requirements of Proposition 218 and the California Constitution Article XIII D, this notice provides information regarding proposed rate increases for City of Jackson sewer services. The sewer fund is an enterprise fund that is completely paid for by those using the system. There are no General Fund monies used to support the enterprise funds. Unfortunately, when the City's costs increase, the rates must be raised to prevent using the other funds to make the improvements.

The City's last increase of sewer rates was back in 2009 when rates went up to the current amount of \$29.35. Since then, the City has been very involved with the State Regional Water Quality Control Board regarding issues related to its permit and the final requirements are now known. There will be a significant change in the rate structure this time, particularly for the commercial customers, and five years of rate increases are proposed.

Proposed Rate Increase Summary

With the proposed rate increases, the average monthly residential sewer bill will increase to **\$36.61 effective January 1, 2015**, then increase each of the following four years on July 1 to the following amounts: **\$42.17 per month, effective 7/1/15; \$48.28 per month, effective 7/1/17; \$55.94 per month, effective 7/1/18; and \$57.05, effective 7/1/19.** The commercial rates will be calculated by the type of business and the amount of water consumed during the wet months (when the City is getting precipitation) so it should reflect the amount of water used by the business, not the irrigation usage. As a result of this new plan, the commercial rates will vary significantly and increase based on the strength of flow that comes from a particular business.

Sewer Fund Needs

The wastewater division of the Public Works Department is responsible for operating and maintaining the City's wastewater treatment plant and wastewater collection system. Treatment plant operations include treatment of sewage, sludge production and discharge of the treated effluent into Jackson Creek. Treatment involves a variety of laboratory tests conducted by staff and by private contractors to monitor effluent discharges for compliance with regulatory standards. Staff is also responsible for completing State mandated reporting requirements. Treatment plant maintenance includes all plant facilities, machinery, grounds, vehicles and equipment. Maintenance and repair of the wastewater collection system includes hydraulic cleaning of sewer lines, repairing manhole covers and line breakage leaks, maintaining and repairing sewer lift stations and force mains, and monitoring flows and

discharges. Program costs also include billing, collection, and accounting activities required to support the wastewater enterprise.

The City's wastewater discharge permit (National Pollutant Discharge Elimination System) with the Regional Board was renewed in December 2013. This permit includes several significant requirements that are impacting the cost of operating the wastewater plant.

At one point in time, it looked as though the City would be required to discontinue discharging to Jackson Creek during the dry months of the year. The cost of this system was demonstrated to the Regional Board and the requirement to discharge on land was not included in the new permit. Several expensive projects, however, are included in the 2013 NPDES Permit and will require the City to impose higher wastewater service rates to fund them.

The City intends to borrow \$12 million to fund the required improvements that included a Ultra-Violet disinfection system, a new denitrification facility, existing aeration system improvements, return activated sludge pump improvements, flocculation/coagulation improvements, filtration improvements, and solids handling improvements.

The following two pages detail the increases that are proposed over the next five years. As noted, the first would take effect in January 2015, then the other rate increases would all take effect on July 1, beginning with 2015 as well. A summary of the current and calculated residential and commercial sewer rates that are included in the report presented to the City Council (the full report is viewable on the City website – <http://ci.jackson.ca.us>). Additional information contained in a PowerPoint show is also on the website.

PROTEST PROCEDURES

Under Proposition 218, if you are the owner of record for a parcel or parcels or a tenant/property manager directly responsible for payment of the fees subject to the proposed rate increases, you may submit a written protest letter regarding the proposed rate increases. Protests must be filed in writing with the City Clerk of the City of Jackson. It may be filed with the City Clerk at any time before the close of the public hearing. Written protests may be mailed or hand delivered to the City Clerk at 33 Broadway, Jackson, CA 95642.

Any written protest must be signed by the property owner or the customer responsible for payment of the fees and it must include service address or assessor's parcel number (APN). Only one protest may be filed per parcel.

The public hearing scheduled on **Tuesday, October 14, 2014, at 7:00 p.m.** is intended to provide an opportunity for citizens to obtain more information about these proposed increases and comment on the proposals. If you have any questions related to the material in this public notice, please contact City Hall at 223-1646 or e-mail your comments or questions to us at cinfo@ci.jackson.ca.us.

Sincerely,

Jackson City Council

Table 1
Rate Summary - Current vs. Calculated Rates

	Existing	Calculated				
	Rate Charge [1]	2014-15	2015-16	2016-17	2017-18	
Residential						
Step 1: Baseline O&M		\$31.07	\$31.92	\$32.79	\$33.69	\$34.61 per unit
Step 2: Capital & Reserves		\$5.54	\$5.69	\$5.84	\$5.99	\$6.15 per unit
Step 3: WTF Construction Project		\$0.00	\$4.56	\$9.65	\$16.26	\$16.28 per unit
Subtotal	\$29.35	\$36.61	\$42.17	\$48.28	\$55.94	\$57.05
Commercial [2]						
Group 1 - Fixed, Monthly Charge						
Step 1: Baseline O&M		\$21.68	\$22.27	\$22.88	\$23.50	\$24.15 per Account
Step 2: Capital & Reserves		\$3.90	\$4.01	\$4.11	\$4.22	\$4.33 per Account
Step 3: WTF Construction Project		\$0.00	\$3.22	\$6.80	\$11.45	\$11.47 per Account
Subtotal		\$25.58	\$29.49	\$33.79	\$39.18	\$39.96
Variable Charge per HCF		\$2.93	\$3.37	\$3.87	\$4.48	\$4.57 per HCF
Group 2 - Fixed, Monthly Charge						
Step 1: Baseline O&M		\$39.84	\$40.93	\$42.05	\$43.20	\$44.39 per Account
Step 2: Capital & Reserves		\$7.40	\$7.59	\$7.79	\$8.00	\$8.21 per Account
Step 3: WTF Construction Project		\$0.00	\$6.09	\$12.88	\$21.70	\$21.74 per Account
Subtotal		\$47.24	\$54.62	\$62.73	\$72.90	\$74.34
Variable Charge per HCF		\$2.57	\$2.97	\$3.41	\$3.96	\$4.04 per HCF
Group 3 - Fixed, Monthly Charge						
Step 1: Baseline O&M		\$130.81	\$134.39	\$138.07	\$141.85	\$145.74 per Account
Step 2: Capital & Reserves		\$24.58	\$25.23	\$25.89	\$26.58	\$27.29 per Account
Step 3: WTF Construction Project		\$0.00	\$20.24	\$42.80	\$72.10	\$72.22 per Account
Subtotal		\$155.39	\$179.85	\$206.76	\$240.53	\$245.24
Variable Charge per HCF		\$2.72	\$3.15	\$3.62	\$4.21	\$4.29 per HCF
Group 4 - Fixed, Monthly Charge						
Step 1: Baseline O&M		\$38.22	\$39.27	\$40.34	\$41.45	\$42.58 per Account
Step 2: Capital & Reserves		\$7.72	\$7.92	\$8.13	\$8.35	\$8.57 per Account
Step 3: WTF Construction Project		\$0.00	\$6.36	\$13.44	\$22.64	\$22.68 per Account
Subtotal		\$45.94	\$53.55	\$61.92	\$72.44	\$73.83
Variable Charge per HCF		\$5.62	\$6.55	\$7.58	\$8.86	\$9.03 per HCF
Group 5 - Fixed, Monthly Charge						
Step 1: Baseline O&M		\$404.16	\$415.21	\$426.56	\$438.25	\$450.26 per Account
Step 2: Capital & Reserves		\$82.18	\$84.35	\$86.58	\$88.87	\$91.23 per Account
Step 3: WTF Construction Project		\$0.00	\$67.67	\$143.09	\$241.07	\$241.46 per Account
Subtotal		\$486.34	\$567.23	\$656.24	\$768.19	\$782.95
Variable Charge per HCF		\$6.88	\$8.02	\$9.28	\$10.87	\$11.08 per HCF
Group 6 - Fixed, Monthly Charge						
Step 1: Baseline O&M		\$755.39	\$776.04	\$797.27	\$819.11	\$841.57 per Account
Step 2: Capital & Reserves		\$149.93	\$153.89	\$157.96	\$162.15	\$166.45 per Account
Step 3: WTF Construction Project		\$0.00	\$123.46	\$261.07	\$439.83	\$440.54 per Account
Subtotal		\$905.33	\$1,053.39	\$1,216.30	\$1,421.08	\$1,448.55
Variable Charge per HCF		\$3.78	\$4.40	\$5.08	\$5.93	\$6.05 per HCF
Group 7 - Fixed, Monthly Charge						
Step 1: Baseline O&M		\$39.51	\$40.59	\$41.71	\$42.85	\$44.02 per Account
Step 2: Capital & Reserves		\$7.05	\$7.23	\$7.43	\$7.62	\$7.82 per Account
Step 3: WTF Construction Project		\$0.00	\$5.80	\$12.27	\$20.68	\$20.71 per Account
Subtotal		\$46.56	\$53.63	\$61.40	\$71.15	\$72.56
Variable Charge per HCF		\$2.16	\$2.49	\$2.85	\$3.30	\$3.37 per HCF

[1] Commercial charge reflects rate per hcf per month. The charge based on bi-monthly water use is \$2.94/hcf. At minimum an account pays \$29.35. If the average bi-monthly water use exceeds 10 hcf. The charge would be calculated at \$2.94 times the bi-monthly winter use hcf.

[2] Groups are defined as follows:

Table 2
Commercial Customer Group Detail

	Sewer Code	Accounts
Group 1 - Low Strength/Low Flow		
Stores	26	65
Offices	27	98
Beauty/Barber Shop	30	7
Churches	38	8
Library/Museum	42	1
Lt. Industrial/Warehouse/Storage	52	4
Auto Repair [1]	A	7
Average		
Total		190
Group 2 - Medium Strength/Low Flow		
Senior Citizen Center	43	1
Gas Stations/Mini-Mart	28	8
Medical Offices/Surgery Center/Lab [1]	B	3
Community Center/Lodges [1]	C	4
Total		16
Group 3 - Medium Strength/Medium Flow		
Hotel - Motel	25	7
Restaurants & Bars	29	21
Car Wash	32	2
Laundromat	33	2
Health Club	36	2
Bed & Breakfast	40	1
Theatre	48	1
Retirement Home	50	3
Total		39
Group 4 - High Strength/Low Flow		
Commercial Cleaners/Dry Cleaners [1]	D	2
Mortuary	37	1
Total		3
Group 5 -High Strength/Medium Flow		
Full Service Grocery/Supermarkets	46	3
Average		
Total		3
Group 6 - High Strength/High Flow		
Hospitals	34	3
Detention Center	41	1
Average		
Total		4
Group 7 - Schools [4]	35	9
Total		264

[1] New sewer codes to be determined.

Single Family/EDU Rate per Month

