

May 3, 2023



City of Tracy

Notice of Public Hearing

Aviso de Audiencia Pública

Proposed Wastewater (Sewer) Rate Increases

Propuesta de Aumento de las Tarifas de Aguas Residuales (Alcantarillado)

7 p.m. Tuesday, June 20, 2023 | 7 p.m. martes, 20 de junio de 2023

City of Tracy Council Chambers | Cámaras del Consejo de la Ciudad de Tracy
333 Civic Center Plaza, Tracy, CA 95376



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Reuniones del Ayuntamiento

Please Take Notice That

The Tracy City Council will conduct a Public Hearing to consider proposed rates for wastewater (sewer) services. Sewer rates were last increased 10 years ago. If adopted, the proposed rate adjustments would become effective on August 1, 2023, with annual rate increases through 2028.

All those interested are invited to appear at the time and place of the Public Hearing (7 p.m. June 20, 2023, in the Tracy Council Chambers at 333 Civic Center Plaza, Tracy, CA 95376), to give oral or written testimony or to submit written protests regarding the proposed rate adjustments. The City Council will hear and consider oral testimony and written materials submitted regarding the proposed rate increases at the Public Hearing. The City Council has the authority to adjust the proposed rate increases in response to oral testimony and written materials submitted for consideration, provided that any adjustments cannot increase rates beyond those listed in this Notice.

Overview of the City's Wastewater (Sewer) Services:

The City's Utilities Department maintains, repairs, and operates Tracy's water, wastewater, and stormwater infrastructure in an efficient and cost-effective manner while preserving the environment and ensuring the health, safety, and economic vitality of our community.

What is Wastewater? Wastewater, sometimes referred to as sewage, is water that has been impacted from ordinary living processes, including household, commercial, and industrial uses. It is essentially "used" water, containing materials and particles that would negatively impact people and the environment if left untreated. Wastewater entering a treatment plant is also called "influent," and treated wastewater is called "effluent."

As with most municipalities in California, the City's collection and storm drain systems are separate. Wastewater flows from the drains and toilets of homes and businesses to the wastewater treatment plant via the collection system, and stormwater flows directly to local waterways, untreated.

The Wastewater Collection System: The City's wastewater collection system serves a population of about 97,000 people in Tracy's 26-square-mile service area. The system serves 25,800 single-family and multi-family residential connections and 766 commercial, industrial, and institutional customers.

Components of the Wastewater Collection System:

- 465 miles of gravity sewers (approximately 1,500 line segments) ranging in size from 4 to 42 inches in diameter to transport the wastewater to the pump stations
- 3,100 manholes
- 9 pump stations
- 10 miles of force mains ranging in size from 4 inches to transport the wastewater from the pump stations
- 26,150 wastewater (sewer) laterals, which are the pipes that carry water and waste from homes and businesses to the public wastewater main line

Wastewater Treatment Plant: The City's Wastewater Treatment Plant (WWTP) treats collected wastewater (sewage) to federal and state standards so it may be discharged safely to surface waters, like Old River. The WWTP removes solids and

pollutants, breaks down organic matter, and restores the oxygen content of the treated wastewater. The City meets or exceeds stringent state and federal standards for treating and recycling wastewater to be used as nonpotable water for landscape irrigation and dust control at construction sites.

Why is a Wastewater (Sewer) Rate Increase Needed?

The Tracy City Council will consider rate changes that will affect the sewer rate on your utility bill. The last wastewater (sewer) service rate increase was 10 years ago in 2013. The City charges these rates to its wastewater (sewer) customers in order to fund the cost of safe and reliable wastewater operations. The costs include operating and maintaining the wastewater (sewer) system, reinvesting in system infrastructure, and paying off debt used to rehabilitate the system.

The City is considering wastewater (sewer) rate adjustments in 2023 for Fiscal Years 2024-2028 due to inflation and rising costs of operations, maintenance, and environmental and regulatory compliance. Per State law, revenues generated from sewer rate increases must only be used to fund the actual costs to operate and maintain the system including infrastructure projects and the cost of debt to finance capital improvement projects.

With help from an independent consultant, a rate study was performed to assess the revenue needs. The proposed rates are determined based on the projected revenue needed to fund:

- Operations and maintenance expenses: labor, supplies, chemicals, electricity, etc.
- Capital: large projects to repair/replace pipes and treatment plant processing equipment
- Debt service to pay back loans
- Reserve funding



The enclosed rate recommendations were presented to the Tracy City Council on April 18, 2023. A video of the meeting is available on the City's website. The Cost of Service Study also is available on our website at www.cityoftracy.org under "2023 Wastewater Rate Study." Scan this code to be taken directly to the web page.

You are receiving this Notice in compliance with Proposition 218, which requires the City to inform property owners and wastewater customers that proposed rate increases are being considered.

What Happens if We Do Not Raise Rates? If rates are not raised, the City would need to review the pressing needs of our aging systems and prioritize those that are most critical to ensure public and environmental health. These investments are needed now. Deferring until later will only guarantee higher costs and possible increased regulatory oversight by permitting agencies. We would be forced to defer major infrastructure projects, which would, in turn, leave our existing systems vulnerable in the following ways:

- More frequent service disruptions caused by failed facilities
- Infrequent maintenance of pipelines potentially impacting service
- Critical capital projects go unfunded
- City won't meet its debt coverage requirements
- Emergency Reserves are depleted
- Increased costs for emergency construction
- City's ability to secure grants and other funding sources may be limited

Proposed Wastewater (Sewer) Rates

Customer Class Clase de cliente	Current Actual	FYE 2024 Año fiscal 2024	FYE 2025 Año fiscal 2025	FYE 2026 Año fiscal 2026	FYE 2027 Año fiscal 2027	FYE 2028 Año fiscal 2028
Fixed Charges Cargos Fijos						
Single Family Residential <i>Residencia unifamiliar</i>	\$34.00	\$48.05	\$53.34	\$58.14	\$63.37	\$68.44
Multi-Family Residential <i>Residencia multifamiliar</i>	\$28.75	\$4.05	\$4.49	\$4.90	\$5.34	\$5.77
Commercial I <i>Comercial I</i>	\$28.75	\$27.46	\$30.48	\$33.22	\$36.21	\$39.10
Commercial II <i>Comercial II</i>	\$28.75	\$27.46	\$30.48	\$33.22	\$36.21	\$39.10
Commercial III <i>Comercial III</i>	\$28.75	\$27.46	\$30.48	\$33.22	\$36.21	\$39.10
Volumetric Rate Tarifa Volumétrica						
Single Family Residential <i>Residencia unifamiliar</i>	NA	NA	NA	NA	NA	NA
Multi-Family Residential <i>Residencia multifamiliar</i>		\$4.38	\$4.86	\$5.29	\$5.77	\$6.23
Commercial I <i>Comercial I</i>	\$1.98	\$3.52	\$3.91	\$4.26	\$4.65	\$5.02
Commercial II <i>Comercial II</i>	\$2.91	\$6.26	\$6.95	\$7.57	\$8.26	\$8.92
Commercial III <i>Comercial III</i>	\$4.89	\$10.21	\$11.33	\$12.35	\$13.46	\$14.54
Septage (\$ / hcf)		\$75.89	\$110.05	\$122.15	\$133.15	\$145.13

*Proposed Multi-Family Residential charge is per dwelling unit
 *Average dwelling units per apartment complex is 7z
 *hcf = hundred cubic feet

*La tasa residencial multifamiliar propuesta es por unidad de vivienda.
 *La media de unidades de vivienda por complejo de apartamentos es de 7
 *hcf significa = cien pies cúbicos

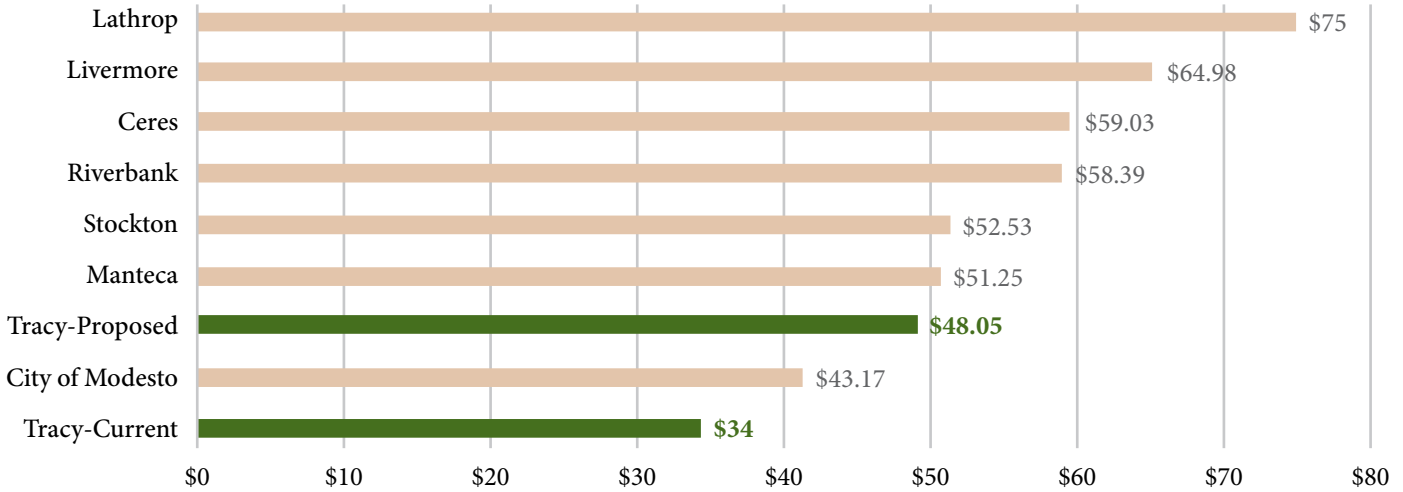
Sample Bill

The following table provides the estimated Utility bill for wastewater (sewer) on average, per customer class, for the first year of the proposed rate change effective August 1, 2023.

Customer Class Clase de cliente	Current Monthly Bill Factura mensual actual	Total Proposed Monthly Bill Total de la propuesta factura mensual	\$ Difference \$ Diferencia
Single Family Residential <i>Residencia unifamiliar</i>	\$34.00	\$48.05	\$14.05
Multi-Family Residential <i>Residencia multifamiliar</i>	\$201.25	\$192.19	-\$9.06
Commercial I Average Use <i>Comercial I Uso medio</i>	\$141.47	\$227.98	\$86.51
Commercial II Average Use <i>Comercial II Uso medio</i>	\$428.13	\$886.64	\$458.51
Commercial III Average Use <i>Comercial III Uso medio</i>	\$267.11	\$524.99	\$257.88

Tracy Wastewater (Sewer) Rates Compared to Neighboring Cities

Monthly Single Family Residential (SFR) Wastewater Charge



How Do I Protest the Proposed Wastewater (Sewer) Rate Increase?

You have the right to protest the proposed rate increases.

The protest must be in writing, and it must be submitted by either the property owner or a current ratepaying tenant. It must include the property service address, assessor’s parcel number, and the eligible individual’s (property owner or tenant’s) name and original signature. Written protests may be submitted by mail or in person to the Tracy City Clerk at the City Clerk’s Office, 333 Civic Center Plaza, Tracy, CA 95376, or during the Public Hearing on Tuesday, June 20, 2023. All protests must be received (not mailed) before the conclusion of this Public Hearing.

Only one written protest per affected property will be counted. Telephone, e-mail, and fax protests will not be accepted. For your convenience, you may opt to use the protest form below. Written protests must be received by the City Clerk prior to the conclusion of the Public Hearing. The Clerk will not accept or consider any protest received after the conclusion of the Public Hearing.

At the Public Hearing on June 20, the City Council will accept and consider all written protests and hear all oral comments on

the proposed changes. Oral comments will not be counted as protests unless accompanied by a written protest. At the conclusion of the Public Hearing, the City Council will consider adoption of the proposed changes as follows:

1. If fewer than a majority of property owners or ratepayers file a protest, the City Council will consider increasing wastewater (sewer) rates, effective August 1, 2023.
2. If a majority of affected property owners or ratepayers protest the increase before the conclusion of a required Public Hearing, the City is prohibited by law from increasing sewer rates.

If adopted, the proposed wastewater (sewer) rates will take effect beginning August 1, 2023. The reasons for the rate adjustments, the basis upon which they were calculated, and the amount of the proposed wastewater (sewer) rates are described in more detail in the Wastewater Rate Study, which is on file with the City Clerk and available on the City’s website at "2023 Wastewater Rate Study."

If you have questions regarding this Notice or how it may impact your bill, call (209) 831-6300 Monday through Friday between 8 a.m. and 6 p.m. or refer to the Frequently Asked Questions (FAQs) on the [City’s Wastewater Rate Study website](#).

Optional protest form. *Formulario de protesta opcional.*



If you wish to use this form as your protest, please fill out and mail in a stamped envelope to:

Si desea utilizar este formulario como su protesta, por favor, complételo y envíelo por correo o preséntelo en persona a:

Tracy City Clerk, City Clerk’s Office, 333 Civic Center Plaza, Tracy, CA 95376. All protests must be received prior to the conclusion of the Public Hearing on June 20, 2023. *Si desea utilizar este formulario como protesta, complételo y envíelo por correo o preséntelo en persona a: Tracy City Clerk, City Clerk’s Office, 333 Civic Center Plaza, Tracy, CA 95376. Todas las protestas deben ser recibidas antes de la conclusión de la audiencia pública en 20 junio 2023.*

(Print your full name / *Escriba su nombre completo*)

I, _____, protest the proposed water rate increase.

Yo, _____, protesto contra la propuesta de aumento de tarifas de aguas.

I am the: Property Owner Ratepayer (Customer)

Soy el: *Dueño de la propiedad* *Contribuyente (Cliente)*

Property Address: _____
Dirección de la propiedad:

Assessor’s Parcel Number (APN): _____ Signature: _____
Número de Parcela del Tasador (APN, por sus siglas en inglés): *Firma*