



## **Notice of a Public Hearing on Proposed Water and Sewer Rate Increases**

The City of Lindsay will hold a public hearing to consider adopting a series of water and sewer rate increases over the next five years. The City's current water and sewer rates have been in effect since 2009 and have not been increased in over fifteen years. The proposed rates are based on a recently updated Water and Sewer Rate Study, developed by an independent rate consultant, and reflects substantial input from City Staff. The proposed rate increases are needed to provide adequate funding for operating and maintenance costs and high-priority capital improvements to aging water and sewer infrastructure to support safe and reliable service. The Water and Sewer Rate Study Report, which includes the detailed calculations showing the basis for the proposed rates, is available at: <https://www.lindsay.ca.us/finance/page/draft-water-sewer-rate-study>

The City's water and sewer utilities are designed to be financially self-supporting and rely primarily on rates to fund the costs of providing service. In conformance with California law, all water and sewer rate revenues may only be used to fund costs for providing water and sewer service.

The City will hold a public hearing on the proposed water and sewer rate increases at its regularly scheduled City Council Meeting as follows:

**Date:** October 22, 2024  
**Time:** 6:00 p.m.  
**Place:** City of Lindsay  
251 E. Honolulu St.  
Lindsay, CA 93247

### **Why are rate increases needed?**

The water and sewer utilities are facing financial challenges that will require the City to raise rates in upcoming years to keep rates aligned with the cost of providing service.

- **Financial Sustainability**  
The City's water and sewer utilities are designed to be financially self-supporting. The rates proposed are set to levels that cover the costs of water and sewer operations and provide funding for necessary improvements to infrastructure. Currently, the annual operating costs for the water enterprise are greater than annual revenues. It is critical for the enterprises to have revenue sufficient to fund both operations and critical infrastructure improvements.
- **Improve and Repair Aging Water and Sewer System Infrastructure**  
The City's water and sewer systems include a substantial number of aging pipelines and other infrastructure. The City conducted a Water Feasibility study which identified a number of deficiencies which need to be addressed. Capital improvements over the next five years are needed to address existing deficiencies, improve reliability, and replace aging infrastructure to support safe and reliable service.

### **Proposed Water Rates**

The City is proposing to phase in a series of annual water rate increases over the next five years as shown in the following table. If approved, these rates will be adopted as maximum rates for the next five years. The first-year rates proposed for January 1, 2025 also include some adjustments to the water rate structure designed to keep rates aligned with the cost of service. These adjustments include applying water quantity charges to every unit used and removing the fire stand-by charge. Water rates include the following components:

- **Fixed Monthly Charge:** This charge is billed per each meter based on American Water Works Association (AWWA) meter demand factors and helps recover a portion of the City’s costs of providing service.
- **Water Quantity Charges:** These charges are billed based on metered water use. Proposed Water Quantity Charges are billed according to a uniform rate structure with all water used billed under a single rate. These charges are billed per hundred cubic feet (CCF), with one CCF equal to approximately 748 gallons of water.

Proposed Water Rates								
	Current Rates	Proposed Rates Effective On or After						
		Jan. 1, 2025	Jan. 1, 2026	Jan. 1, 2027	Jan. 1, 2028	Jan. 1, 2029		
<b>Fixed Monthly Charge</b>								
<i>Billed based on meter size</i>								
	<u>Meter Size</u>							
	5/8" or 3/4"	\$19.97	\$24.44	\$29.33	\$30.80	\$32.34	\$33.96	
	1"	\$27.53	\$40.73	\$48.88	\$51.32	\$53.89	\$56.58	
	1.5"	\$35.71	\$81.47	\$97.76	\$102.65	\$107.78	\$113.17	
	2"	\$50.00	\$130.35	\$156.42	\$164.24	\$172.45	\$181.07	
	3"	\$69.19	\$260.69	\$312.83	\$328.47	\$344.89	\$362.13	
	4"	\$85.88	\$407.33	\$488.80	\$513.24	\$538.90	\$565.85	
	6"	\$102.55	\$1,059.07	\$1,270.88	\$1,334.42	\$1,401.14	\$1,471.20	
	8"	\$121.68	\$1,303.47	\$1,564.16	\$1,642.37	\$1,724.49	\$1,810.71	
	Fire Stand-By	\$13.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
<b>Water Quantity Charges</b>								
<i>Billed per hundred cubic feet of metered water use (\$/CCF)</i>								
	<u>Tier</u>	<u>Use in Tier</u>						
	Tier 1	0 - 5 CCF	\$0.00	\$1.71	\$2.06	\$2.17	\$2.28	\$2.40
	Tier 2	6+ CCF	\$1.02	\$1.71	\$2.06	\$2.17	\$2.28	\$2.40

Note: First year rate increases also include adjustments to the water rate structure designed to keep rates aligned with cost of service. Going forward fixed monthly rates are based on meter size and quantity charges will be applied to each unit of water used.

CCF = Hundred Cubic Feet ≈ 748 gallons.

### **Proposed Sewer Rates**

The City is proposing to phase in a series of gradual annual sewer rate increases over the next five years as shown in the following table. If approved, these rates will be adopted as maximum rates for the next five years. The first-year rates proposed for January 1, 2025 include some adjustments to the sewer rate structure designed to keep rates aligned with the cost of service. Sewer rates include the following components:

- **Residential Sewer Rates:** Residential customers pay fixed monthly charges per dwelling unit.
- **Non-Residential Sewer Rates:** All commercial customers, except schools, pay fixed monthly rates per customer and quantity rates for each unit of metered water use based on sewer strength classification. Quantity charges are billed according to three wastewater strength classes. Costs for wastewater increase as wastewater strength increases since higher strength wastewater costs more to process to meet regulatory requirements. Quantity charges are billed per hundred cubic feet (CCF), with one CCF equal to approximately 748 gallons of water.

Proposed Sewer Rates						
	Current Rates	Proposed Rates Effective On or After				
		Jan. 1, 2025	Jan. 1, 2026	Jan. 1, 2027	Jan. 1, 2028	Jan. 1, 2029
<b>All Residential Users</b> <i>Billed per residential dwelling unit</i>						
Monthly Fixed Rates	\$36.88	\$36.26	\$38.80	\$41.51	\$44.42	\$47.53
<b>All School Users</b> <i>Billed per student per month</i>						
Monthly Fixed Rates	\$0.22	\$0.20	\$0.21	\$0.23	\$0.25	\$0.26
<b>All Commercial Users</b> <i>Billed per customer and per hundred cubic feet of metered water use (\$/CCF)</i>						
Monthly Fixed Rates	Various	\$26.94	\$28.83	\$30.84	\$33.00	\$35.31
<u>Sewer Quantity Rates</u>						
Low Strength Users		\$0.68	\$0.73	\$0.78	\$0.84	\$0.90
Medium Strength Users		\$0.93	\$1.00	\$1.07	\$1.14	\$1.22
High Strength Users		\$1.86	\$1.99	\$2.13	\$2.28	\$2.44

Note: First year rates only include adjustments to the sewer rate structure and are designed to keep rates aligned with cost of service. There exists a variety of non-residential customers under different strength classes that are assigned as commercial users going forward and will be subject to a uniform monthly fixed charge per customer and a quantity charge based on their wastewater strength characteristics. Industrial rates may be modified to reflect actual strength and flow into the sewer system.

CCF = Hundred Cubic Feet ≈ 748 gallons.

### Community Input & Written Protest Procedures

Utility customers, property owners, and community members are invited to attend the Public Hearing and provide input. Property owners and customers may submit written protests against the proposed Water Rates and/or Sewer Rates.

Protests must be submitted in writing and must:

1. Name of property owner or rate paying tenant;
2. Street Address or Assessor's Parcel Number of the property (which may be obtained from the Tulare County Assessor's office);
3. A statement of objection to the proposed rate increase; and
4. Original signature of the property owner or rate paying tenant submitting the protest.

Written protests must be rejected if the above information is not included.

**The proposed rates cannot be adopted if written protests are received from a majority of affected parcels with one written protest counted per parcel. Written protests can be mailed or delivered to: City Clerk, City of Lindsay, 251 E. Honolulu Street, PO Box 369, Lindsay CA 93247. Written protests can also be submitted at the Public Hearing. Protests submitted by e-mail, facsimile or other electronic means will not be counted. All protests must be submitted prior to the close of the Public Hearing.**

If you have any questions about this Notice, please contact the City office at (559) 562-7102 ext 2.

*Pursuant to California Government Code 53759, there will be a 120 day statute of limitations for challenging any new, increased, or extended fees, including water and wastewater rates.*