



NOTICE OF PUBLIC HEARING

In Connection with Proposed Increases to
RATES FOR WATER, WASTEWATER AND REFUSE SERVICE FEES

NOTICE IS HEREBY GIVEN that the City of Shafter ("City") will hold a **Public Hearing** on **Tuesday, June 20, 2017, at 7:00 p.m.** in the City Council Chamber, 336 Pacific Ave., Shafter, CA 93263, to consider the adoption of increases to the rates for its water, wastewater and refuse service fees to the parcel for which you are shown as the record owner or customer of record. The City rates proposed to be imposed on your parcel are provided in this notice.

The purpose of the hearing is to consider all written protests against the rate increases to the City's water, wastewater and refuse fees proposed to be imposed on parcels within the City service area. As the record owner or customer of record of a parcel identified to be subject to the imposition of the proposed rate increases, you may submit a written protest against the proposed rate increases. Provided, however, if the identified parcel has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must (1) be in writing; (2) state the specific rate increase (water, wastewater, refuse, or any combination thereof) for which the protest is being submitted in opposition; (3) provide the location of the identified parcel (by street address or assessor's parcel number); and (4) include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail or in person to the **City Clerk, City of Shafter, 336 Pacific Ave., Shafter, CA 93263**, or in person at the public hearing, so long as they are received prior to the conclusion of the public comment portion of the public hearing. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the City Clerk, that the enclosed letter is for the Public Hearing scheduled for June 20, 2017.

At the conclusion of the public hearing, the City Council will consider adopting the proposed rate increases to the water, wastewater and refuse service fees. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed rate increases as outlined above are not presented by a majority of the record owners or customers of record of the identified parcels upon which they are proposed to be imposed, the City Council will be authorized to impose the respective rate increases. If adopted, the rate increases for the water, wastewater and refuse service fees are proposed to be effective for services provided on or after July 1, 2017, on each July 1, thereafter, and through and including July 1, 2021.

PUBLIC WORKSHOP

A public workshop will be held prior to the protest hearing described above to allow the public to have their questions answered and voices heard regarding the proposed rate increases and changes. Shafter utility customers are invited and encouraged to attend the **workshop on Thursday, May 18, 2017, 4 p.m. to 6:30 p.m.**, at the **Shafter Veterans Hall, 309 California Ave., Shafter, CA 93263**. Presentation begins at 5:15 p.m.

PROPOSED RATE INCREASES

The current rate plan for water, wastewater, and refuse services was approved in January 2010. Since then, there have been annual rate adjustments for water and refuse service, with the last increase taking place in January 2014. Wastewater rates have not been adjusted since 2000. New rate increases for all three City services are now necessary in order to: (1) recover current and projected increases in the costs of operating and maintaining the water, wastewater, and refuse utilities; (2) construct capital infrastructure improvements needed to repair, replace and update the City's water and wastewater systems; (3) repair and replace refuse trucks and equipment; (4) maintain the operational and financial stability of the utilities; (5) avoid operational deficits and depletion of reserves; and (6) comply with regulatory requirements. The proposed increases to water, wastewater and refuse services have been developed to be equitable to all customers and proportionate to the cost of providing the services.

CURRENT AND PROPOSED WATER RATES

For Non-Metered (Flat Rate) Properties			Proposed Rates & Effective Dates				
Customer Class	Note	Current Rates	7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021
Residential							
Small House (lot width <50 feet)		\$28.03	\$32.23	\$37.07	\$39.29	\$40.47	\$41.69
Medium House (lot width 50-80 feet)		\$42.83	\$49.25	\$56.64	\$60.04	\$61.84	\$63.70
Large House (lot width over 80 feet)		\$55.61	\$63.95	\$73.54	\$77.96	\$80.30	\$82.70
Apartment / Mobile Home / Trailer		\$28.03	\$32.23	\$37.07	\$39.29	\$40.47	\$41.69
Pool Surcharge		\$5.57	\$6.41	\$7.37	\$7.81	\$8.04	\$8.28
Commercial							
Bar/Restaurant		\$157.25	\$180.84	\$207.96	\$220.44	\$227.05	\$233.86
Bars		\$55.70	\$64.06	\$73.67	\$78.09	\$80.43	\$82.84
Salon/Barber Shop		\$41.64	\$47.89	\$55.07	\$58.37	\$60.13	\$61.93
Churches		\$34.79	\$40.01	\$46.01	\$48.77	\$50.24	\$51.74
Fast Food		\$55.61	\$63.95	\$73.55	\$77.96	\$80.30	\$82.71
Restaurants		\$100.45	\$115.52	\$132.84	\$140.81	\$145.04	\$149.39
Office/Public Building							
1-8 Employees		\$27.40	\$31.50	\$36.23	\$38.40	\$39.56	\$40.74
9-16 Employees		\$41.64	\$47.89	\$55.07	\$58.37	\$60.13	\$61.93
17-24 Employees		\$53.88	\$61.96	\$71.25	\$75.53	\$77.79	\$80.13
25-32 Employees		\$69.86	\$80.34	\$92.39	\$97.93	\$100.87	\$103.89
33-40 Employees		\$84.29	\$96.93	\$111.47	\$118.16	\$121.70	\$125.35
Schools							
Richland School District		\$2,924.34	\$3,362.99	\$3,867.44	\$4,099.49	\$4,222.47	\$4,349.15
Kern High School		\$2,924.34	\$3,362.99	\$3,867.44	\$4,099.49	\$4,222.47	\$4,349.15

For Metered Properties		Proposed Rates & Effective Dates					
Meter Size	Note	Current Rates	7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021
Fixed Meter Service Charge							
3/4" or Smaller Meter		\$32.14	\$34.00	\$39.10	\$41.45	\$42.69	\$43.97
1" Meter		\$43.83	\$56.78	\$65.30	\$69.21	\$71.29	\$73.43
1.5" Meter		\$73.05	\$113.22	\$130.20	\$138.02	\$142.16	\$146.42
2" Meter		\$160.72	\$181.22	\$208.40	\$220.91	\$227.53	\$234.36
3" Meter		\$365.27	\$396.78	\$456.30	\$483.67	\$498.19	\$513.13
4" Meter		\$840.12	\$680.00	\$782.00	\$828.92	\$853.79	\$879.40
6" Meter		\$2,556.88	\$1,416.78	\$1,629.30	\$1,727.05	\$1,778.87	\$1,832.23
8" or Larger Meter	*	-	\$2,266.67	\$2,606.67	\$2,763.07	\$2,845.96	\$2,931.34
	Note	Charge (\$/1,000 Gallons)					
All Metered Connections		\$0.58	\$0.70	\$0.81	\$0.86	\$0.89	\$0.92
North Kern Surcharge	*	-	\$1.05	TBD	TBD	TBD	TBD

TBD - To Be Determined

(*) - New rate category. Year 1 will be the initial use of the category and rate adjustments take effect starting at Year 2.

Some new rates replace lump sum charges with unit charges for existing categories.

The City is required by law to convert all unmetered water customers to metered. That conversion is being phased in over several years, but is anticipated to be completed by 2020. Until all water customers are metered, the City has two customer classes—non-metered and metered—and different subclasses of customers within the two customer classes. For unmetered customers the rate is a flat, monthly service charge. For metered customers, the rate structure is comprised of two components—a fixed meter service charge and a variable volumetric charge. The fixed meter charge is determined on the basis of the size of the meter serving the property. The volumetric charge is imposed per 1,000 gallons water delivered to a property during a billing period. The proposed water rates are designed to proportionately allocate the costs of providing water service among metered and unmetered customers and the customer classes within each of these categories.

Certain City water customers are able to receive service as a result of water rights agreement reached between the City and North Kern Water Storage District (“North Kern”). Currently, groundwater is pumped by the City and delivered to certain municipal and industrial service areas customers that are also within North Kern’s operational boundaries. Generally, these City service customers are located at our industrial and business parks near Minter Field Airport and the logistics park near Seventh Standard Road and Santa Fe Way. For all water consumed in these areas by City customers connecting after 2008, the City is obligated to pay an annual fee to North Kern based on metered water delivered to certain City customers. The City is proposing to pass through this cost to customers subject to this agreement with North Kern through a surcharge (the “North Kern Surcharge”). The North Kern Surcharge is a variable charge that will be imposed in addition to the commodity charge on per 1,000 gallons of delivered water basis.

WHOLESALE WATER PASS THROUGH INCREASES

The agreement with North Kern provides that the usage charge it imposes on the City may be increased annually by the producer price index (“PPI”), a U.S. Bureau of Labor Statistic index that measures the average changes in prices received by domestic producers for their output. To ensure that there are sufficient revenues to provide water services to our customers who receive benefit from the North Kern agreement, the City is also proposing to annually pass through to these customers any increases in the rates for the pumping charges that North Kern imposes on the City (each a “North Kern Pass Through Adjustment”). Any North Kern Pass Through Adjustment will only impact the rates of the North Kern Surcharge set forth in the table below. If approved by the City Council, the City may annually implement a North Kern Pass Through Adjustment for a five-year period commencing July 1, 2018, through and including July 1, 2022. Provided, however, that (1) any increase in the rate of the North Kern Surcharge as a result of any North Kern Pass Through Adjustment shall be based on the PPI in the year in which it imposed by North Kern on the City; (2) shall not exceed 4% per year; and (3) in no event shall such rates be increased as a result of any North Kern Pass Through Adjustment by more than the cost of providing water service. Residents are assessed a separate land use fee through their property taxes to fund the operation of County disposal and recycling programs.

CURRENT AND PROPOSED RESIDENTIAL REFUSE RATES

The City provides refuse collection services to most residential properties located in the City. The rate structure for City refuse service fees has three different residential customer classes: apartments and mobile homes, single-family residential customers with alley refuse collection, and single-family residential customers without alley collection. The different rates reflect the difference in the costs to serve each of the customer classes. Any rate changes for customer classes not listed below will be addressed in a separate notice. The proposed residential refuse rate increases for residents served by the City are listed below:

Customer Class	Current Rates	Proposed Rates & Effective Dates				
		7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021
Apartments & Mobile Homes*	\$13.15	\$13.15	\$13.15	\$13.15	\$13.15	\$13.15
House with Alley Collection	\$14.63	\$14.87	\$15.32	\$15.78	\$16.25	\$16.74
House without Alley Collection	\$24.75	\$25.73	\$26.50	\$27.30	\$28.12	\$28.96
(*) - Rates for Apartments & Mobile Home accounts are still under review. Any rate adjustments will be addressed with a separate notice.						

CURRENT AND PROPOSED WASTEWATER RATES

Wastewater rates have not been adjusted in over 15 years. The proposed rate increases are needed in order to fund the operation and maintenance of the system, which includes wastewater collection, treatment, and disposal. The rate structure for wastewater service fees consists of three customer classes: residential, commercial and professional, and schools. Within the residential customer class, there are two subclasses: single-family residential, and apartments and mobile homes. The rates for residential customer classes are flat monthly fees. Within the commercial and professional customer class, there are twenty subclasses of customers. The subclasses are classified based on the type of commercial activity occurring on the property. The rates for some commercial customer subclasses are also flat monthly fees, and the rates for other commercial customer subclasses are based on specific characteristics particular to their customer subclassification. The following rate adjustments are proposed:

Customer Class	Note	Current Rates	Proposed Rates & Effective Dates				
			7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021
Residential							
All Houses – Single Family		\$22.40	\$24.64	\$26.86	\$28.20	\$29.05	\$29.92
Apartments & Mobile Homes		\$21.60	\$23.76	\$25.90	\$27.19	\$28.01	\$28.85
Commercial & Professional							
Fast Food		\$39.60	\$43.56	\$47.48	\$49.85	\$51.35	\$52.89
Restaurants (\$/Seat)		\$1.54	\$1.69	\$1.85	\$1.94	\$2.00	\$2.06
Bars (\$/ Seat)		\$1.04	\$1.14	\$1.25	\$1.31	\$1.35	\$1.39
Barber/Salon		\$36.40	\$40.04	\$43.64	\$45.83	\$47.20	\$48.62
Church - Flat		\$31.90	\$35.09	\$38.25	\$40.16	\$41.37	\$42.61
Car Wash (\$/Stall)		\$35.90	\$39.49	\$43.04	\$45.20	\$46.55	\$47.95
Mortuary		\$42.00	\$46.20	\$50.36	\$52.88	\$54.46	\$56.10
Hotel/Campground (\$/Room or Space)		\$7.60	\$8.36	\$9.11	\$9.57	\$9.86	\$10.15
Laundromat (\$/Washer)		\$7.20	\$7.92	\$8.63	\$9.06	\$9.34	\$9.62
Correctional Facility (\$/Inmate)	*	-	\$7.27	\$7.92	\$8.32	\$8.57	\$8.83
Dormitories (\$/Student or Occupant)	*	-	\$6.18	\$6.74	\$7.07	\$7.29	\$7.50
Medical/Dental Office (\$/Room or Chair)	*	-	\$10.91	\$11.89	\$12.49	\$12.86	\$13.25
Police/Fire Station (\$/Employee)	*	-	\$5.45	\$5.94	\$6.24	\$6.42	\$6.62
Animal Control Facility (\$/Animal)	*	-	\$1.82	\$1.98	\$2.08	\$2.15	\$2.21
Church (\$/Seat)	*	-	\$0.36	\$0.39	\$0.41	\$0.42	\$0.44
Theater (\$/Seat)	*	-	\$0.44	\$0.48	\$0.50	\$0.52	\$0.53
Gas Station/Mini Market	*	-	\$48.00	\$52.32	\$54.94	\$56.58	\$58.28
General Commercial/Business							
1-8 Employees		\$11.80	\$12.98	\$14.15	\$14.86	\$15.30	\$15.76
9-16 Employees		\$23.90	\$26.29	\$28.66	\$30.09	\$30.99	\$31.92
17-24 Employees		\$34.70	\$38.17	\$41.61	\$43.69	\$45.00	\$46.35
25-32 Employees		\$46.00	\$50.60	\$55.15	\$57.91	\$59.65	\$61.44
33-40 Employees		\$57.70	\$63.47	\$69.18	\$72.64	\$74.82	\$77.07
41-45 Employees		\$65.25	\$71.78	\$78.23	\$82.15	\$84.61	\$87.15
Over 45 Employees (\$/Emp)	*	-	\$1.60	\$1.74	\$1.83	\$1.89	\$1.94
Hospital/Assisted Living (\$/Bed)		\$5.40	\$5.94	\$6.47	\$6.80	\$7.00	\$7.21
School/Day Care (\$/Student & Employee)	*	-	\$0.73	\$0.80	\$0.90	\$1.00	\$1.10
Minter Field Airport Metered							
Monthly Service Fee	*	-	\$5,614.00	\$6,119.26	\$6,425.22	\$6,617.98	\$6,816.52
Volumetric Charge (\$/1,000 gallons)	*	-	\$0.89	\$0.97	\$1.02	\$1.05	\$1.08

(*) - New rate category: Year 1 will be the initial use of the category and rate adjustments take effect starting at Year 2. Some new rates replace lump sum charges with unit charges for existing categories.

MORE INFORMATION

The documents supporting the rate adjustments and increases, including the rate study prepared to calculate the rates described in this notice are available for review at the City Clerk's office between 8:00 a.m. and 5:00 p.m., Monday through Friday. If you have any questions regarding the information provided in this notice, or the rates applicable to your property, please contact the City Clerk by phone at 661-746-5000 or at 336 Pacific Avenue, Shafter CA 93263