



City of Placentia  
401 East Chapman Avenue  
Placentia, CA 92870

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ANAHEIM, CA

**CITY OF PLACENTIA**  
**NOTICE OF PUBLIC HEARING FOR**  
**PROPOSED SEWER SYSTEM RATES**

**To Property Owner:**

**NOTICE IS HEREBY GIVEN** that on **Tuesday, July 6, 2021, at 7:00 p.m.**, at or as soon thereafter as may be heard, the City Council of the City of Placentia will hold a Public Hearing in the Council Chambers of the Placentia City Hall located at 401 E. Chapman Avenue to consider proposed increases to the City's sewer system rates. If approved by the City Council, the proposed rate increases will be effective for sewer system collection services provided on or after July 6, 2021.

This notice is being provided to you pursuant to Article XIID, Section 6 of the California Constitution (Proposition 218), adopted by the electorate in 1996 as part of Proposition 218 which requires that notification be sent 45 days in advance of the public hearing to all affected property owners with respect to the proposed increases to the City's sewer system rates and to inform you of opportunity to protest the rate increase by submitting a written protest prior or during this public hearing.

The public also receives wastewater treatment services from Orange County Sanitation District's (OCSD), which is responsible for setting its own rates, sending separate notices of public hearings, and holding a separate public hearing.

**WHY ARE RATE CHANGES BEING CONSIDERED?**

The City of Placentia provides wastewater collection services to the majority of parcels within the 6.6 square mile City limits through approximately 84 miles of gravity sanitary sewer pipelines. The City's wastewater collection system conveys untreated wastewater to OCSD's trunk sewer mainlines via 35 separate connections. OCSD conveys, treats, and disposes of the City's wastewater flows via OCSD Plants.

The operation and maintenance of the City's sewer system is funded through the Sewer Enterprise Fund which is separate from the City's General Fund. The City has not adjusted the sanitary sewer fee rates since March 2005 when the existing rates were first established. The cost to operate and maintain the City's sewer system has increased over the past 16 years. Since March 2005, the cumulative annual price change has increased by a factor of 37.2% and revenues have not kept pace with the capital needs of the system. The current rates are insufficient to fund ongoing services. Without a sanitary sewer service adjustment, the City's Sewer Enterprise Fund will not have adequate revenues to cover operations and maintenance of the sewer system and conduct necessary capital improvements and repairs.

**BASIS OF PROPOSED RATES**

The City is required by State Law, City standards and practices, and Enterprise Fund requirements, to collect revenues sufficient to fund current and future costs of operating, maintaining, and administering the existing sewer facilities, and fund capital improvements and infrastructure replacement programs. These revenues allow the City to protect public health and safely and reliably collect and convey wastewater for treatment. By State law, the City may not collect more revenue than is necessary to recover the total costs of providing services. The proposed rates were developed through a comprehensive Sewer Cost Recovery Fee Rate Study designed to meet all legal requirements and fairly and equitably recover the required revenue from all customer classes. The 2020 Sewer Cost Recovery Fee Rate Study is available for review at [www.placentia.org/sewerrates](http://www.placentia.org/sewerrates).

**2020 SEWER COST RECOVERY FEE RATE STUDY**

During the last two (2) fiscal year reviews of the City's Comprehensive Annual Financial Report (CAFR), the City's Financial Audit Oversight Committee (Committee) has noted that the Sewer Enterprise Fund has a structural deficit. The Committee also noted that actions should be taken by the City to ensure there are sufficient funds to properly administer the City's sewer system. In 2018, the City completed a Sewer Master Plan (Master Plan) which identified \$15.9 million in needed sewer system rehabilitation and capacity improvement projects. The City recently completed the 2020 Sewer Cost Rate Study and develop a financial plan that guides investment in the City's sewer system over the next five years. The Study recommends the implementation of an updated sewer service fee structure that includes two (2) separate fees: maintenance fee and capital fee. The maintenance fee will fund operating and maintenance costs of the sewer system. The capital fee will fund sewer replacement, rehabilitation, and capacity enhancement improvements through a series of capital projects that are necessary to replace and upgrade an aging sewer collection system.

The proposed rate changes are needed to continue the safe operation of the City's sewer system and will 1) fully fund operations and maintenance costs and 2) support necessary capital improvement projects to upgrade the City's aging sewer system and meet the future system capacity needs of the City.

**PROPOSED SEWER RATES:**

Currently, the City currently charges a per hundred cubic feet (ccf) volumetric fee for all customers. This fee is based on a customer's water usage and it is included in your monthly water bill from Golden State Water Company or Yorba Linda Water District. The proposed rates will continue to be a volumetric fee for all customers based on how much water is used and how it is used. For example, in a multi-family residential property, a greater percentage of the water consumed on the property goes down the drain than in a single-family residential property where more of the water is used on outdoor uses such as landscape and swimming pools. The following tables show the proposed sewer service rates for the next five fiscal years. The rates reflect the sewer discharge rate for each user. The total proposed sewer rate will consist of two components: a sewer maintenance fee and a capital fee.

PROPOSED SEWER RATE SCHEDULE FOR FY 2021-22 (\$/ccf)				
User Class	Current Rates (FY 2020-21)	Sewer Maintenance Fee	Sewer Capital Fee	Total Sewer Fees
Single-Family Residential	\$0.35	\$0.32	\$0.42	\$0.72
Multi-Family Residential	\$0.39	\$0.36	\$0.46	\$0.82
Commercial	\$0.37	\$0.42	\$0.54	\$0.96
Industrial	\$0.37	\$0.42	\$0.54	\$0.96
Institutional	\$0.25	\$0.23	\$0.30	\$0.53
Government & Public	\$0.35	\$0.23	\$0.40	\$0.72

PROPOSED FIVE-YEAR SEWER RATE SCHEDULE (\$/ccf)						
User Class	Current Rates (FY 2020-21)	Proposed FY 2021-22	Proposed FY 2022-23	Proposed FY 2023-24	Proposed FY 2024-25	Proposed FY 2025-26
Single-Family Residential	\$0.35	\$0.72	\$0.74	\$0.76	\$0.79	\$0.81
Multi-Family Residential	\$0.39	\$0.82	\$0.84	\$0.87	\$0.89	\$0.92
Commercial	\$0.37	\$0.96	\$0.99	\$1.02	\$1.05	\$1.08
Industrial	\$0.37	\$0.96	\$0.99	\$1.02	\$1.05	\$1.08
Institutional	\$0.25	\$0.53	\$0.54	\$0.56	\$0.58	\$0.59
Government & Public	\$0.35	\$0.72	\$0.74	\$0.76	\$0.79	\$0.81

**HOW WILL THE PROPOSED RATES IMPACT PROPERTY OWNERS?**

The City estimates that for a typical single-family residential customer using 16 ccf of water per month, their monthly sewer fee will increase by \$5.81. For a typical multi-family residential customer using 152 ccf of water per month, their monthly sewer fee will increase by \$65.29. Below is a table that summarizes the monthly bill impact for the various customers based on average water consumption.

AVERAGE MONTHLY SEWER FEE (\$/CCF)			
User Class	Average Monthly Water Consumption in CCF	Current Average Monthly Sewer Fee	Proposed Average Monthly Sewer Fee
Single-Family Residential	16 ccf	\$5.50	\$11.31
Multi-Family Residential	152 ccf	\$59.81	\$125.10
Commercial	66 ccf	\$24.48	\$63.50
Industrial	63 ccf	\$23.57	\$61.13
Institutional	430 ccf	\$101.67	\$214.65
Government & Public	42 ccf	\$14.66	\$30.16

**HOW CAN I PROTEST?**

Proposition 218 allows **property owners** to respond to the proposed fees prior to or during the public hearing. Consistent with Proposition 218 and California Government Code § 53755, this notice has been mailed to all property owners within the service area based on the most current information published by the Orange County Assessor. Any record owner of a parcel upon which the Sewer Rates are proposed for imposition and any tenant directly liable for the payment of Sewer Rates (i.e., a customer of record) may submit a written protest to the proposed rate increases; provided, however, only one written protest will be counted per identified parcel. If you object to the proposed fees as described in this Notice you may file a written protest with the City Clerk at or before the time set for the public hearing. Written protest may be hand delivered or mailed to the City Clerk at 401 East Chapman Avenue, Placentia, CA 92870. To be valid, written protests must include the following:

1. The name of the record owner or owners of the property
2. Service address and assessor's parcel number (APN)
3. A statement of protest/opposition to the proposed increase ("I protest" will suffice); and
4. The original signature of the protesting owner or owners (photocopies will not be accepted).

If the City receives timely written protests in excess of 50 percent of the parcels receiving sewer service from the City, the City will not adopt the proposed rates. Please note that each property will be counted as a single vote, regardless of the number of owners. If there are two record owners, both must sign the written protest. If there are more than two owners, the protest must be signed by a majority of the owners. Multiple protests returned for a single property will be disallowed and the City Clerk will only accept one protest per property. Email, fax, telephone, or oral protests of any kind will not be counted. Mailed protests received after the close of the public hearing will not be counted, even if they were postmarked earlier.

**WHERE DO I FIND ADDITIONAL INFORMATION REGARDING THE PROPOSED RATES?**

Additional information regarding the basis for the public hearing, proposed rate increase are set forth in the Study, staff reports, and supporting documents provided to the City Council for its meetings on March 16, April 20, and May 4, 2021 is available for public review at the City's website at: [www.placentia.org/sewerratess](http://www.placentia.org/sewerratess).

For further information about the proposed rate increase, please contact the Public Works Department at (714) 993-8189.

**EN ESPAÑOL:** Para recibir una copia de este aviso en español sobre los aumentos propuestos a la tarifa de servicio de alcantarillado, llame al (714) 993-8189, de lunes a jueves de 7:30 a.m. a 6:00 p.m.