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CITY OF REDDING
REPORT TO THE CITY COUNCIL

MEETING DATE:	September 5, 2023	**FROM:**	Chuck Aukland, Public Works Director
ITEM NO.	9.11(e)		

*****APPROVED BY*****

Chuck Aukland, Public Works Director 8/24/2023	Barry Tippin, City Manager 8/29/2023
caukland@ci.redding.ca.us	**btippin@cityofredding.org**

SUBJECT: 9.11(e)--Consider setting a Public Hearing regarding a four-year service rate package for the City of Redding Solid Waste, Water, and Wastewater Utilities.

Recommendation

Approve the following regarding proposed service rates for the City of Redding Solid Waste, Water, and Wastewater Utilities:

(1) Approve the Protest Notice format;

(2) Approve adding a new rate for the Solid Waste Utility for commercial source-separated food waste collection; and

(3) Approve setting a Public Hearing on November 7, 2023, 6:00 p.m., in the City Council Chambers, 777 Cypress Avenue, Redding, California, to consider the four-year package of rates for Solid Waste, Water, and Wastewater Utilities proposed for implementation on or about January 1, 2024.

Fiscal Impact

The proposed new monthly service rate and annual utility rate increases for Solid Waste, Water and Wastewater over the next four years are provided in the Background below. For comparison purposes, a typical single-family residential customer uses a yearly average of 2,100 cubic feet of water per month, is connected to the City's sewer system, and utilizes a single 96-gallon refuse cart. On or about January 1, 2024, the total impact for the typical household will be approximately $16.83 per month. For years two, three and four, annually, service rates would increase by approximately $10 per month for a total increase above current rates of $47.73 per month in year four.

The rate package for Solid Waste includes the addition of a new rate proposed for the collection of commercial source-separate food waste to support the implementation of a new service for businesses subject to the food waste diversion requirements of Senate Bill 1383.

Utility customer revenue may not be used for other general government purposes.

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Alternative Action

Alternatives for the Council to consider are:

1. Modify and approve the protest notice thereby adjusting the proposed rate increases (up or down) and set the public hearing for November 7, 2023. The implication of this alternative is that staff will, to the extent practical, adjust utility expenses (capital project schedules and programs) to match revenues. If proposed rates are adjusted downward the ability to properly maintain the utility systems may be compromised; or

2. The Council may decline to set a public hearing at this time and direct staff to come back at a later date to show additional justification for any rate adjustments. The implication of this alternative is that the Council determines no rate adjustments are necessary at this time but would consider adjustments at a later date.

Background/Analysis

Rate Update Process. The City of Redding (City) retained NBS Consultants to undertake the necessary cost-of-service studies and utility-rate analyses used to prepare a new service rate for the implementation of commercial source-separated food waste collection and rate adjustment recommendations for the Solid Waste, Wastewater, and Water Utilities. The recommended rates take into consideration the maintenance and operation of each utility, such as purchasing raw water, electricity, supplies, rehabilitation and replacement of equipment and infrastructure, personnel costs, and regulatory compliance.

As part of the update process, staff asked a number of citizens to sit as an "advisory group" (AG) to assist staff and the consultant. Public Works often uses AGs to ensure staff understands the impacts of decisions on various utility and infrastructure users in the community. The AG for this effort was composed of the following individuals who are utility rate customers through their home and/or business in Redding:

- Cindy Fisher – Vice President of Cornerstone Community Bank;
- Trisha Funk – Financial Counselor and Advisor;
- Larry Olmstead – President & CEO of United Way of Northern California;
- Cameron Tiraterra – Restaurant Owner;
- Janice Cunningham – Real Estate Consultant; and
- Sami Kader – Business Owner/Consulting (Civil) Engineer.

The focus of the AG was to ensure that the methodology used in the analyses was appropriate, function as a "sounding board" regarding options to modify the rate structures, and provide personal input on the reasonableness of the rates and fees. The AG met six times between May and August 2023, and provided extremely valuable input regarding financial stability, capital improvement program time frames, potential adjustments to the rate structures, and a host of other items.

Recent Rate Adjustments. The City Council last considered water, wastewater, and solid waste rate adjustments during a public hearing in February, 2020. At that time, the Council approved increases for the three Utilities as follows:

UTILITY	2020*	2021*	2022*	2023*
Solid Waste	3% $0.89	3% $0.78	3% $0.80	3% $0.82
Wastewater	4% $2.19	4% $2.28	4% $2.37	4% $2.47
Water	4% $0.60	4% $2.11	4% $2.18	4% $2.22
TOTAL	**$3.68**	**$5.17**	**$5.35**	**$5.51**

*Monthly increase for typical single-family home using 96-gallon solid waste service and 2,100 cubic feet of water per month.

In order to maintain adequate financial operating reserves and relative rate stability through time, it is appropriate that the Council consider adopting Water, Wastewater, and Solid Waste (collectively referred to as Utilities) rate adjustments incrementally to avoid potential future "rate shock," while maintaining the financial integrity of the City's Utilities.

Proposed Rate Increases. The following table shows the proposed four years of rate increases for the Utilities. The amounts shown are the proposed monthly increases for a typical single-family residence for each year of the program, which would become effective on or about January 1, 2024.

UTILITY	2024*	2025*	2026*	2027*
Solid Waste	15% $4.29	8% $2.61	8% $2.82	6% $2.28
Wastewater	5% $3.21	5% $3.37	4% $2.83	4% $2.94
Water	12% / 18%** $9.33	6.5% $4.35	6.5% $4.68	6.5% $5.02
TOTAL	**$16.83**	**$10.33**	**$10.33**	**$10.24**

*Monthly increase for typical single-family home using 96-gallon solid waste service and 2,100 cubic feet of water per month.
**Monthly increase for the fixed meter charge is 12% and the increase for the variable/commodity charge is 18% for a single-family home

Need for Rate Increases. The City provides various Utility services for its citizens and some select areas outside the City. The day-to-day operations of each utility are funded through monthly service rates and are not supported by property taxes or sales taxes paid by residents. The City's utility operations must be financially self-sufficient and fiscally responsible, and must provide reliable services to prevent impacts to customers as a result of deferred maintenance or lack of system capacity. While the Water, Wastewater and Solid Waste Utilities have been

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highly successful in containing costs, there are ongoing fiscal challenges that must be addressed, including:

- Expanding environmental and regulatory mandates associated with water quality, waste diversion (increased recycling), air quality, endangered-species protection, and more;
- Increasing fuel, energy, chemical, material, equipment, and labor costs in all utilities exacerbated by the recent inflationary pressure nationwide;
- Needed upgrades to Foothill Treatment Plant, new source water wells and replacement of Pump Station No. 1 in the Water Utility;
- Critical aging pipe-replacement needs in the Water distribution and Wastewater collection systems;
- Meeting debt service associated with the critical past upgrades to the Clear Creek Wastewater Treatment Plant and the Stillwater Wastewater Treatment Plant; and
- Needed upgrades and expansion of the City of Redding Transfer and Recycling Facility.

These challenges place continuous upward pressure on rates, and they will continue to do so into the foreseeable future for the Utilities. By proactively anticipating these future needs, the City and its Utilities strive to prevent dramatic and unanticipated increases in rates and disruption to services and maintain a reasonable level of operating funds using the lowest responsible rates. However, with unanticipated increased inflationary pressure, major capital requirements and new regulatory requirements, particularly in the Water and Solid Waste Utilities, there is a need to reset rates higher than typical before they stabilize into modest annual adjustments.

Because each Utility is fundamentally different, detailed information and the recommended rates are summarized for each Utility in Attachments B, C, and D.

Public Participation in Rate Setting Process. To ensure public participation in the rate-setting process and implement the requirements of Proposition 218, a Notice of Public Hearing and Protest Procedures (Notice) will be mailed to every property owner as well as each Water, Wastewater, and Solid Waste Utility customer in the City/service area receiving one or more of these services in accordance with Resolution 2019-93 adopted on September 17, 2019. The notice will be mailed a minimum of forty-five days prior to the date of the public hearing. This will involve noticing to over 32,000 utility account holders and parcel owners within the City and another 1,000 outside the City. If the total protest forms representing a simple majority (50 percent plus one) of the properties are returned against the proposed rate adjustments, the Council will not be able to enact any rate increases.

In order to reduce costs, the proposal is to consolidate the hearings and notices for the Water, Wastewater and Solid Waste Utilities into one combined notice and hearing, and establish rate adjustments for a four-year period. Additional notification of the public hearing and proposed rate increases will include postings on the City's website and social media outlets, and coverage in the newspaper and other local media sources. Staff hosted a public informational workshop in the City’s Community Room on August 31, 2023.

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Environmental Review

This activity is not a project as defined by the California Environmental Quality Act, and no further action is required.

Council Priority/City Manager Goals

- **Communication and Transparency** – "Improve the quality of communication with the public and City employees to enhance knowledge and increase transparency to improve public trust."
- **Budget and Financial Management** – "Achieve balanced and stable 10-year Financial Plans for all funds."
- **Government of the 21st Century** – "Be relevant and proactive to the opportunities and challenges of today's residents and workforce. Anticipate the future to make better decisions today."

Attachments

^2023 Prop 218 Notice
^2023 Solid Waste System Overview and Proposed Rates
^2023 Wastewater System Overview and Proposed Rates
^2023 Water System Overview and Proposed Rates
^Resolution 2019-93 Procedures for Protest Hearings

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Notice of Public Hearing On Proposed Rate Increases for Water, Wastewater, and Solid Waste Utilities

NOTICE IS HEREBY GIVEN that the City of Redding will hold a public hearing on Tuesday, November 7, 2023, at 6 p.m., in the City Council Chambers at 777 Cypress Avenue, Redding, California, to consider adoption of new rates and proposed increases to existing rates for Water, Wastewater, and Solid Waste Utility services.

Reasons for the proposed rates are described in more detail below. For additional information, please visit the City of Redding Utility website at: www.reddingutilities.com.

This notice explains proposed Water, Wastewater, and Solid Waste Utility service rate increases for City of Redding customers. The proposed rate increases will only apply to utilities provided by the City, not services provided by other entities, such as the Bella Vista Water District or Centerville Community Services District. Please review your City utility bill to determine services received.

What Do Water, Wastewater, and Solid Waste Rates Fund? The City provides water, wastewater (sewer), and solid waste (refuse and recycling) services to residential and commercial customers in the Redding area. These Municipal Utilities are not-for-profit and are operated to be financially self-sufficient. Monthly rates paid by customers are the primary source of revenue. Utility rates are calculated to cover the costs for the maintenance and operation of each Utility, such as purchasing raw water, electricity, supplies, rehabilitation and replacement of equipment/infrastructure, employee costs, and regulatory compliance. **Ratepayer revenue is not used for other general government purposes.** For more information about water and wastewater rates and services, please call (530) 224-6068, and for solid waste rates and services, please call (530) 224-6201. Visit www.reddingutilities.com for additional information, including City Council reports, utility master plans, and other related materials.

Why are rate increases being proposed? An increase in the rates is necessary in order to cover increased costs associated with operating and maintaining the City's water, wastewater, and solid waste systems. Specifically, the unexpected and significant inflationary cost increases of energy, fuel, chemicals, rehabilitation/replacement of equipment, employee costs, and California State regulatory compliance mandates. Funding is also needed to replace significant portions of the City's aging water and sewer infrastructure network. This is necessary if the City is to continue to provide reliable service to its customers and comply with the requirements of various regulatory agencies including the replacement of the City's main water pump station built over 85 years ago, miles of pipeline replacement, and installation of a biosolids processing system to divert organic material from the landfill to comply with California Senate Bill 1383. A new commercial rate for businesses is being introduced to provide hauling and disposal services for source separated food waste; a new requirement imposed by the State of California through passage of Senate Bill 1383. If approved, the proposed rate increases will become effective January 1, 2024.

Utility rate increases are subject to Proposition 218 requirements approved by California voters in 1996. The City must: (1) inform property owners of the new rates and proposed rate increase(s), (2) clearly demonstrate the basis on which the rates are calculated, and (3) hold a public hearing at least 45 days after public notification. If written protests are received representing a majority of properties receiving the utility service, the proposed rate increase(s) will not be imposed. If a sufficient number of protests are not received, the rate increases may be approved by the City Council.

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The property owner and the utility account holder (ratepayer) subject to the proposed rate changes may submit a protest against any or all of the proposed rate changes by filing a written protest with the City Clerk at or before the time set for the public hearing.

Please be advised: (1) More than one notice may be sent for a single property because the City sends notices to both property owners and ratepayers. (2) Property owners may receive more than one copy of this notice if they own multiple properties and/or have multiple City of Redding utility accounts. (3) While the City may receive multiple protests for a given property, only one protest can be counted for each property. (4) Not all utility services apply to each property, for example, some residents receive water from other providers. (5) A Public Hearing and Majority Protest is not an election, there are no "yes" and "no" votes.

If you object to the proposed increase in utility rates for a property you own and/or a utility service you receive, you may submit a written protest against any or all of the proposed rate increases by providing the following information: (1) the property address and/or Shasta County Assessor's Parcel Number where the service is received; (2) the utility account holder or property owner's printed name and signature; and (3) listing the proposed utility increase(s) being protested. Then place your written protest notice in an envelope and submit to the City of Redding-City Clerk, 3rd floor, at 777 Cypress Avenue, Redding, California via one of the following methods: (1) U.S. mail, (2) hand-deliver to the City Clerk's Office, or (3) in person prior to the close of the public hearing. In order for the written protest to be counted as a valid protest, it must contain all the information noted above and be received (not postmarked) by the City Clerk no later than the end of the public hearing noticed above on **November 7, 2023.**

Please be advised, if the proposed utility rates do not pass, services may be scaled back or modified accordingly to continue operations and comply with regulatory requirements.

You may prepare a written protest as instructed above or use this form to protest the proposed utility rate increases.

I, _____, protest the proposed rate increase(s) for the following utilities:
(Print first and last name, must be legible)

_____
(Print Water, Wastewater, and/or Solid Waste)

Property Address or Assessor's Parcel Number: _____
(Please Print legibly)

Please sign here: _____

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

City of Redding, City Clerk, 777 Cypress Avenue, Redding, CA, 96001

If you are satisfied with the level of utility services provided and do not object to the proposed rate increases to fund the operation, maintenance, and replacement costs relating to providing Water, Wastewater, and Solid Waste utilities services, **you do not need to take any action.**

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Proposed rates for Solid Waste services:

The proposed single-family residential rates for the various size solid waste carts are depicted in Table 1. Proposed new rates for collection of source-separated food waste from commercial customers are depicted in Table 2. In addition to the rate tables shown below, commercial accounts have a recommended increase of same percentages shown in Table 1 for each fiscal year. Because of the diverse nature of commercial collection, such as varying number of pickup days per week, size of containers, etc., it is not practical to list all charges and estimated rate changes for this Utility in this rate hearing notice. However, those charges are listed online at www.reddingutilities.com and are available by calling customer service at (530) 224-6201.

TABLE 1 – Proposed Rates for Residential Solid Waste Services

SOLID WASTE RATE SCHEDULE	Current Rates (2023)	Proposed Rates			
		2024	2025	2026	2027
Annual Rate increases as shown in Financial Plan:		*15.00%*	*8.00%*	*8.00%*	*6.00%*
Residential Wheeled Cart Monthly Rate [1]					
45-Gal Container	$25.30	$25.90	$27.97	$30.21	$32.02
64-Gal Container	$26.45	$28.34	$30.61	$33.06	$35.04
96-Gal Container	$28.30	$32.59	$35.20	$38.02	$40.30
Additional Green Waste Container	$4.00	$4.60	$4.97	$5.37	$5.69
Landfill Monitoring		*($0.22/month - no increases)*			

1. Residential Service includes trash, recycling, and green waste containers.

New Proposed Rates for Commercial Solid Waste Food Waste Services

A new commercial rate for businesses is being introduced to provide hauling and disposal services for source separated food waste; a new requirement imposed by the State of California through passage of Senate Bill 1383. If approved, the proposed rate increases will become effective January 1, 2024. This portion of the proposed increase does not apply to residential customers.

TABLE 2 – New Proposed Rates for Commercial Solid Waste Food Waste Services

2024 Food Waste Rate Schedule	Proposed Commercial Rates					
	Monthly Rates by Number of Pickups Per Week					
Container Type	1	2	3	4	5	6
45-Gal Container	$29.91	$59.82	$89.72	$119.63	$149.54	$179.45
64-Gal Container	$33.49	$66.98	$100.46	$133.95	$167.44	$200.93
1-Yard Container	$187.74	$374.22	$560.71	$747.19	$933.67	$1,120.15
2-Yard Container	$314.10	$625.95	$937.81	$1,249.67	$1,561.52	$1,873.38

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Proposed rates for Water and Wastewater services:

Water and wastewater rates vary by size of water meter and type of wastewater effluent (i.e., rates are higher for restaurants and similar "high-strength" users). The complete schedule of rate increases under consideration is shown in Tables 3 and 4.

TABLE 3 – Proposed Rates for Water Services

Water Rate Schedule	Current Rates	Recommended Rates			
		2024	2025	2026	2027
Proposed Annual Rate Increases		*12%/18%**	*6.50%*	*6.50%*	*6.50%*
Fixed Service Charge - Based on Meter Size					
Monthly Fixed Service Charge - Standard Meters:					
*** SFR 5/8 and 3/4 inch**	**$24.92**	**$27.92**	**$29.73**	**$31.67**	**$33.73**
3/4 inch	**$33.30**	**$39.41**	**$41.97**	**$44.70**	**$47.60**
1 inch	**$50.08**	**$62.38**	**$66.44**	**$70.76**	**$75.36**
1.5 inch	**$92.01**	**$119.82**	**$127.61**	**$135.91**	**$144.74**
2 inch	**$142.32**	**$188.75**	**$201.02**	**$214.08**	**$228.00**
3 inch	**$276.50**	**$372.55**	**$396.77**	**$422.56**	**$450.03**
4 inch	**$427.45**	**$579.33**	**$616.99**	**$657.10**	**$699.81**
6 inch	**$846.76**	**$1,153.72**	**$1,228.72**	**$1,308.58**	**$1,393.64**
8 inch	**$1,349.93**	**$1,842.99**	**$1,962.79**	**$2,090.37**	**$2,226.24**
10 inch	**N/A**	**$4,829.82**	**$5,143.76**	**$5,478.10**	**$5,834.18**
Commodity Charges for All Water Consumed per CCF					
Uniform Rate	**$1.59**	**$1.88**	**$2.00**	**$2.13**	**$2.27**

** Single Family Residents (SFR) Meters are 12% Increase, Commodity Charge is 18% Increase.*
Larger Meter Fixed Charges Percent Increases Vary.
CCF = Hundred Cubic Feet (748 gallons)

TABLE 4 – Proposed Rates for Wastewater Services

SEWER RATE SCHEDULE	Current Rates	Proposed Rates			
		2024	2025	2026	2027
Proposed Annual Rate increases :		*5.00%*	*5.00%*	*4.00%*	*4.00%*
Monthly Service Charges:					
Single Family Dwelling ($/residence)	$64.17	$67.38	$70.75	$73.58	$76.52
Multi Family Dwelling ($/unit)	$47.49	$49.86	$52.35	$54.44	$56.62
Standard Commercial billed monthly ($/ccf)	$6.59	$6.92	$7.27	$7.56	$7.86
Standard Commercial calculated annually ($/# HE) [2]	$64.17	$67.38	$70.75	$73.58	$76.52
Commercial Food Preparation billed monthly ($/ccf)	$13.20	$13.86	$14.55	$15.13	$15.74
Commercial Food Preparation calculated annually ($/# HE)	$128.36	$134.78	$141.52	$147.18	$153.07

HE = Household Equivalent

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Exhibit B

Solid Waste Overview

The City of Redding collects refuse and recycling, produces recycled product, transports to the landfill, and buries waste for over 30,000 residential and commercial customers. In terms of tonnage of material handled, the Solid Waste Utility handled the following volumes in Fiscal Year 2022-2023.

Activity	Weight 2022-2023
Waste collected	67,171
Self-haul waste	24,702
Household Hazardous	283
Recyclables	12,918
Green waste	17,125
Other waste-sweeping	1,131
Total Tons	123,330

The City also operates the Richard W. Curry West Central Landfill (West Central Landfill) for Shasta County and buried a total of 164,053 tons of waste from both jurisdictions. To help meet diversion requirements, the City operates a Household Hazardous Waste Facility, compost operation, vehicle tire recycling, mixed recyclables collection operation, green-waste collection operation, recycling drop-off center, reuse facility, used motor oil and filter recycling program, and mattress recycling program; pulls recyclables off the floor of the Transfer Station; and operates an appliance program for residents. The Solid Waste Utility is experiencing increased operating costs associated with state regulations related to: (1) stormwater pollution prevention, (2) commercial and multi-family recycling, (3) air quality regulations related to diesel emissions, and (4) mandatory organics recycling and diversion.

Existing Rates

Because it serves a wide variety of customers, the Utility has 19 different service rates for different types and sizes of containers and the number of pickups per week. Built into these service rates are the costs of operation of the particular service and the shared cost of operation of other services, such as street sweeping, litter abatement and shopping cart removal, street maintenance (as a result of heavy truck use), storm drain waste disposal, and charges from other agencies or departments. These costs of operation vary by size of container, type of container, and frequency of collections (in terms of the volume of material handled, the residential and nonresidential sectors are about equal). To keep rates as low as possible and provide beneficial programs, the e-waste diversion and household hazardous waste programs receive funds from a supplemental charge to users of the West Central Landfill.

Also included within the Solid Waste Utility rate is a Benton Landfill monitoring charge. This is a state requirement mandating funds to monitor and maintain the closed and inactive City owned landfill. The monitoring surcharges that affect all customers are not proposed to be changed.

Proposed Rates

The attached 10-Year Financial Plan (Figure SW-1) summarizes the current Solid Waste Utility budget and projects what the expenditures and revenues will be over the next 10 years. The Plan

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also shows the recommended increases necessary for the next four years and possible increases for the remaining six years of the 10-year projection. The public hearing will only address the rates for the first four years of the 10-Year Financial Plan.

The following table shows the existing rate and what is proposed for a typical single-family home:

SOLID WASTE RATE SCHEDULE	Current Rates (22/23)	Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Annual Rate increases as shown in Financial Plan:		*15.00%*	*8.00%*	*8.00%*	*6.00%*	*4.00%*
Residential Wheeled Cart Monthly Rate [1]						
45-Gal Container	$25.30	$25.90	$27.97	$30.21	$32.02	$33.30
64-Gal Container	$26.45	$28.34	$30.61	$33.06	$35.04	$36.44
96-Gal Container	$28.30	$32.59	$35.20	$38.02	$40.30	$41.91
Additional Green Waste Container	$4.00	$4.60	$4.97	$5.37	$5.69	$5.91
Landfill Monitoring		*($0.22/month - no increases)*				

Summary of 2023/24 Commercial CONTAINERS (Scheduled & Unscheduled):							
Container Type [1]	Size (CY)	Monthly Rates for 2 CY Foodwaste by No. of Pickups Per Week					
		1	2	3	4	5	6
Commercial Bin	**1.0**	$92.20	$183.56	$274.91	$366.27	$457.63	$548.99
Adjustments for Foodwaste Collection							
Adjusted 1 CY Rates for Foodwaste Collection:		**$187.74**	**$374.22**	**$560.71**	**$747.19**	**$933.67**	**$1,120.15**
% Increase over Non-Foodwaste		*103.6%*	*103.9%*	*104.0%*	*104.0%*	*104.0%*	*104.0%*
Front Load Compactor	**2.0**	$208.17	$414.66	$621.15	$827.64	$1,034.13	$1,240.62
Adjustments for Foodwaste Collection							
Adjusted 2 CY Rates for Foodwaste Collection:		**$314.10**	**$625.95**	**$937.81**	**$1,249.67**	**$1,561.52**	**$1,873.38**
% Increase over Non-Foodwaste		*50.9%*	*51.0%*	*51.0%*	*51.0%*	*51.0%*	*51.0%*

Summary of 2023/24 48- and 65-gal. Carts for Foodwaste:		*Monthly Rates for 48- and 65-Gal. Foodwaste Carts by No. of Pickups Per Week*					
Container Type [1]	Proposed Resid. Rate	1	2	3	4	5	6
Foodwaste 48-Gal. Cart	$25.90	$29.91	$59.82	$89.72	$119.63	$149.54	$179.45
Foodwaste 65-Gal. Cart	$28.34	$33.49	$66.98	$100.46	$133.95	$167.44	$200.93

Cost Increases and Programs

Tipping-fee (landfill charge) increases, truck and equipment costs, fuel costs to operate vehicles and equipment, planned transfer station facility expansion and maintenance projects, charge for street maintenance, customer service costs, labor and contract costs, health and maintenance costs, increased recycling programs and monitoring, and other charges have all increased for the Utility. The net effect is that the Utility increase rates over the next four years to cover projected cost increases, and prevent a rapid reduction of the reserve and its depletion. The proposed rates will allow the reserve to be maintained at a level that declines sharply in the beginning but then meets or exceeds 90 days cash on hand for the remainder of the Plan. The effects of Assembly Bill 1826 (a bill that is a mandate to divert organics), Assembly Bill 341 (a bill to increase diversion from 50 percent to 75 percent by increasing the focus on commercial and multi-family dwellings) and Senate Bill 1383 (a bill to reduce disposal of organics in landfills including source separated food waste and increase edible food recovery) have resulted in upward cost pressure. Additionally, a new commercial fee is proposed in order to address the costs associated with fully implementing a new program that meets the regulatory requirements of collecting source separated food waste and diverting it form landfills.

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The Utility expects to expand some current programs and investigate the addition of new programs during the next several years. However, the Utility will need to increase public education, continue to improve route efficiency, add equipment and resources to meet mandatory diversion requirements, and monitor staffing levels in order to facilitate daily routes and collections. The Utility uses revenues from the sale of recyclables to offset a portion of the cost of collection and diversion of recyclables and organics from the landfill. The State has continued to increase emphasis on recycling and mandate the implementation of organics diversion programs as part of the plan to reduce greenhouse gas emissions.

Attachments:

Figure SW-1 Proposed Ten-Year Financial Plan with recommended rates

RATE REVENUE REQUIREMENTS SUMMARY [1]	Budget	Projected									
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Sources of Solid Waste Funds											
Rate Revenues:											
Residential Rate Revenue	$ 9,942,670	$ 10,011,595	$ 10,081,039	$ 10,148,617	$ 10,216,299	$ 10,282,633	$ 10,348,034	$ 10,412,088	$ 10,475,313	$ 10,537,087	$ 10,598,239
Commercial Rate Revenue	7,691,470	7,744,789	7,798,510	7,850,787	7,903,144	7,954,459	8,005,052	8,054,603	8,103,513	8,151,300	8,198,606
Roll-Off Rate Revenue	2,633,490	2,651,746	2,670,139	2,688,039	2,705,965	2,723,535	2,740,858	2,757,824	2,774,570	2,790,932	2,807,129
Non-Rate Revenues:											
Transfer Station Gate Fees	2,385,000	2,761,764	3,003,394	3,265,409	3,484,417	3,647,323	3,817,342	3,994,610	4,179,621	4,330,397	4,486,194
Recycling Materials Revenues	992,901	999,784	1,006,719	1,013,468	1,020,227	1,026,851	1,033,382	1,039,779	1,046,092	1,052,261	1,058,368
Misc. Other Revenues [2]	163,600	182,010	193,892	206,754	217,538	225,608	234,018	242,775	251,903	259,373	267,084
Total Sources of Funds	**$ 23,809,131**	**$ 24,351,689**	**$ 24,753,693**	**$ 25,173,073**	**$ 25,547,590**	**$ 25,860,409**	**$ 26,178,687**	**$ 26,501,679**	**$ 26,831,013**	**$ 27,121,350**	**$ 27,415,620**
Uses of Solid Waste Funds											
Operating Expenses:											
Solid Waste Administration	$ 3,536,040	$ 3,657,090	$ 3,504,070	$ 3,623,001	$ 3,746,262	$ 3,874,052	$ 4,006,513	$ 4,143,816	$ 4,286,081	$ 4,433,548	$ 4,586,410
Residential Collection Expenses	3,509,660	3,992,580	4,088,820	4,220,440	4,356,330	4,496,650	4,641,560	4,791,240	4,945,850	5,105,560	5,270,580
Commercial Collection Expenses	3,388,110	3,684,650	4,047,680	4,180,860	4,318,430	4,460,570	4,607,420	4,759,190	4,916,010	5,078,090	5,245,600
Roll-Off Collection Expenses	1,528,340	1,645,300	1,721,680	1,703,400	1,761,580	1,821,790	1,884,060	1,948,520	2,015,200	2,084,220	2,155,670
Resource Recovery Expenses	5,928,560	7,711,910	8,003,440	8,258,820	8,590,070	8,935,300	9,295,100	9,670,150	10,061,100	10,468,680	10,893,630
Transfer Station Expenses	4,149,480	4,452,820	4,703,820	4,251,956	4,375,517	4,503,758	4,636,839	4,774,930	4,940,410	5,111,780	5,289,270
Hazardous Household Waste Expenses	751,240	814,100	909,000	836,480	869,710	904,360	940,410	977,940	1,017,040	1,057,770	1,100,110
Street Sweeping Expenses	1,387,470	1,498,310	1,782,480	1,759,870	1,841,400	1,929,600	1,946,540	1,977,470	1,912,420	1,945,420	1,979,540
Subtotal: Operating Expenses	$ 24,178,900	$ 27,456,760	$ 28,760,990	$ 28,834,827	$ 29,859,299	$ 30,926,080	$ 31,958,442	$ 33,043,256	$ 34,094,111	$ 35,285,068	$ 36,520,810
Other Expenditures:											
Future Debt Service	-	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Future Expansion Projects	-	-	-	-	-	-				3,000,000	3,000,000
Rate-Funded Capital Expenses [3]	1,658,350	-	-	-	-	-	-	-	-	-	-
Subtotal: Other Expenditures	$ 1,658,350	$ -	$ -	$ -	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 5,000,000	$ 5,000,000
Total Uses of Solid Waste Funds	**$ 25,837,250**	**$ 27,456,760**	**$ 28,760,990**	**$ 28,834,827**	**$ 31,859,299**	**$ 32,926,080**	**$ 33,958,442**	**$ 35,043,256**	**$ 36,094,111**	**$ 40,285,068**	**$ 41,520,810**
plus: Revenue from Rate Increases	-	1,530,610	4,973,025	7,061,865	8,785,023	10,034,172	11,345,671	12,721,517	14,164,851	15,320,214	16,519,517
Annual Surplus/(Deficit) After Rate Increases	**($2,028,119)**	**($1,574,462)**	**$965,728**	**$3,400,111**	**$2,473,315**	**$2,968,501**	**$3,565,915**	**$4,179,940**	**$4,901,753**	**$2,156,495**	**$2,414,327**
Net Revenue Req't. (Total Uses less Non-Rate Revenue)	**$ 11,970,789**	**$ 23,513,202**	**$ 24,556,985**	**$ 24,349,197**	**$ 27,137,117**	**$ 28,026,298**	**$ 28,873,700**	**$ 29,766,092**	**$ 30,616,494**	**$ 34,643,037**	**$ 35,709,164**
Total Rate Revenue After Rate Increases	**$ 20,267,630**	**$ 21,938,741**	**$ 25,522,713**	**$ 27,749,308**	**$ 29,610,432**	**$ 30,994,799**	**$ 32,439,615**	**$ 33,946,032**	**$ 35,518,247**	**$ 36,799,532**	**$ 38,123,491**
Projected Annual Rate Increase [4]	***0.00%***	***15.00%***	***8.00%***	***8.00%***	***6.00%***	***4.00%***	***4.00%***	***4.00%***	***4.00%***	***3.00%***	***3.00%***
Cumulative Increase from Annual Rate Increases	*0.00%*	*15.00%*	*24.20%*	*34.14%*	*42.18%*	*47.87%*	*53.79%*	*59.94%*	*66.34%*	*71.33%*	*76.47%*

Figure SW-1

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Exhibit C

Wastewater Utility Overview

The Wastewater Utility funds and operates two regional wastewater treatment plants. It also manages over 442 miles of sewer collection line and 18 lift stations serving approximately 39,380 connections. The utility's rates do not fund maintenance of lateral lines from the sewer line to a building. The wastewater treatment plants process the wastewater and discharge to the Sacramento River. Of the wastewater collected and treated by the utility, about 70 percent is from residential customers and 30 percent is from nonresidential or commercial customers.

Peak hydraulic loads for the Wastewater Utility are just the opposite of those of the Water Utility due to the intrusion of storm water into the sewer system. The terms for this are inflow and infiltration (I&I) and there is an ongoing effort of the utility to reduce the flow due to this. For illustrative purposes, in the summer, peak dry weather flows to the two treatment plants are about 10 million gallons per day (MGD) in a normal year. In the winter, peak wet weather flows can reach 50 MGD or a five-fold increase. In order to prevent overflows into the river, the utility must be able to process these flows.

Like the other utilities, the Wastewater Utility has been affected by cost increases for continued environmental and regulatory mandates, materials and chemicals, fuel, salaries, health and retirement costs, and capital construction. These pressures are projected to continue into the foreseeable future.

One of the key challenges for the wastewater system is I&I. As the physical integrity of a sewer system deteriorates over time, I&I increases. The resulting hydraulic loads reduce available capacity, increase treatment costs, and increase the likelihood of sanitary sewer overflows (SSO's). Some of the City's sewer lines are more than 100 years old. The Capital Improvement Plan for the next ten years includes a significant pipe replacement program, pipe and manhole rehabilitation projects, and storm drain improvements.

Another significant challenge for the wastewater utility is the regulatory driven requirements dealing with the diversion of organics from landfill disposal. Currently, biosolids from both treatment plants are disposed of at the West Central Landfill. California Senate Bill 1383 has strict requirements regarding the disposal of organic material, which is requiring the Solid Waste utility to find a diversion program for food waste. These additions have driven the adoption of new technologies and other biosolid management practices. One such project is the new Pyrolysis process at the Clear Creek plant, which is currently under construction. Moving forward with the reception of food waste at the wastewater plant will require the expansion of the Pyrolysis system to accept additional biosolids loading.

The Clear Creek Wastewater Treatment Plant was built in 1966 and expanded in 1979 to treat a peak wet weather flow of 16.2 MGD. In 2014, an $83 million rehabilitation and expansion project was completed that increased the peak wet weather capacity to 40 MGD. The Stillwater Wastewater Treatment Plant was put into operation in 1991 to treat a peak flow of 8.7 MGD. A $13 million rehabilitation and expansion project was also completed in 2014 that increased the peak wet weather capacity to 14.4 MGD. The majority of the funding for the plant rehabilitations and expansions was from low-interest loans from the State. Both projects were funded by a combination of connection fees paid by new development and monthly rates.

The table below shows planned capital projects of more than $500,000 planned in the next five years for the Wastewater Utility along with the projected cost and the source of funding. "Rates"

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represent the portion of funding from monthly sewer rates. "Fees" are revenue from the connection fees paid by new development.

Wastewater Utility Capital Improvements 2024-2030

Capital Projects	Cost	Funding Source
Inflow and Infiltration Reduction	$10,260,823	Rates 100%
West Side Interceptor Phase III	$10,000,000	Fees 100%
6-8" Line Repair/Replacement	$24,250,881	Rates 100%
Lift Station Improvements	$1,812,000	Rates 100%
Miscellaneous Treatment Plant Improvements	$2,725,000	Rates 100%
Magnolia Sewer Phase II	$7,000,000	Rates 100%
Lake Redding Interceptor I	$4,975,000	Rates 91% and Fees 9%
Biosolids Pyrolysis	$19,000,000	Rates 100%
Mercury Drive Sewer	$1,450,000	Rates 100%
Clear Creek Wastewater Treatment Plant	$4,079,146	Rates 100%
Stillwater Wastewater Treatment Plant	$2,719,524	Rates 100%
Sludge Lagoons & Drying Beds	$8,500,000	Rates 100%
Buenaventura Sewer	$5,200,000	Rates 91% and Fees 9%
Sulphur Creek	$2,931,430	Fees 100%
Clear Creek Pond Upgrades	$3,413,095	Rates 75% and Fees 25%

Rates fund a significant portion of the costs associated with maintaining the sanitary sewer system. Whether or not the City will be able to accomplish all of these projects depends on the number of new connections, rates, and the actual construction costs. If an identified capital improvement cannot be funded, it will be deferred until funding is available and will then compete with other new needs.

Proposed Rates

Wastewater rates are predicated on the expense to maintain and expand the system needed to collect, transport, and treat wastewater. The flow produced by a typical single-family residence is expressed as a "household equivalent" (HE) and is the basis for rate charges. For example, a single-family household is expressed as one HE, and one HE is equivalent to 240 gallons per day of wastewater. An apartment is slightly less, and commercial, industrial, and public uses are calculated based on the number of household equivalents they generate each day. Industrial users have not only the volume of discharge calculated, but the strength of that discharge as well. Some commercial customers also have a rate that reflects the strength of discharge. The strength of the wastewater is measured as the amount of solids and organics in the wastewater. For example, typical food preparation facilities (restaurants) will discharge higher strength wastewater than a retail store.

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The following table shows the recommended rate increases for all customer classes:

Comparison of Existing to Proposed Rates

SEWER RATE SCHEDULE	Current Rates	Proposed Rates			
		2024	2025	2026	2027
Proposed Annual Rate increases :		*5.00%*	*5.00%*	*4.00%*	*4.00%*
Monthly Service Charges:					
Single Family Dwelling ($/residence)	$64.17	$67.38	$70.75	$73.58	$76.52
Multi Family Dwelling ($/unit)	$47.49	$49.86	$52.35	$54.44	$56.62
Standard Commercial billed monthly ($/ccf)	$6.59	$6.92	$7.27	$7.56	$7.86
Standard Commercial calculated annually ($/# HE)	$64.17	$67.38	$70.75	$73.58	$76.52
Commercial Food Preparation billed monthly ($/ccf)	$13.20	$13.86	$14.55	$15.13	$15.74
Commercial Food Preparation calculated annually ($/# HE)	$128.36	$134.78	$141.52	$147.18	$153.07

HE=Household Equivalent

The attached Ten-Year Financial Plan, Figure WW-1, summarizes the current Wastewater Utility budget and future expenditures and revenues with the recommended increases. The public hearing only addresses the rates for the first four years of the Ten-Year Financial Plan.

It is the recommendation of the Wastewater Utility that the proposed rate increases are approved to fund the ongoing maintenance and upkeep of the sanitary sewer system for the benefit of citizens of the City of Redding.

Attachments:

Figure WW-1 Proposed Ten-Year Financial Plan with recommended rates

RATE REVENUE REQUIREMENTS SUMMARY[1]	Budget FY 2022/23	Budget FY 2023/24	Projected FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Sources of Wastewater Funds												
Rate Revenue Under Prevailing Rates	$ 34,060,526	$ 34,060,526	$ 34,060,526	$ 34,060,526	$ 34,060,526	$ 34,060,526	$ 34,060,526	$ 34,060,526	$ 34,060,526	$ 34,060,526	$ 34,060,526	$ 34,060,526
Non-Rate Revenues	78,537	78,357	81,842	85,499	89,335	93,359	97,582	102,012	106,660	111,538	116,657	122,029
Interest Earnings (in O&M, Capital and Debt reserves)[2]	479,699	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Funds	**$ 34,618,762**	**$ 34,138,883**	**$ 34,142,368**	**$ 34,146,025**	**$ 34,149,861**	**$ 34,153,885**	**$ 34,158,108**	**$ 34,162,538**	**$ 34,167,186**	**$ 34,172,064**	**$ 34,177,183**	**$ 34,182,555**
Uses of Wastewater Funds												
Operating Expenses (*Divisions less Interdepart. Charges*):												
WW - Industrial Pretreatment (Division 870)	$ 835,347	$ 938,850	$ 988,253	$ 1,037,665	$ 1,089,548	$ 1,144,026	$ 1,201,227	$ 1,261,288	$ 1,324,353	$ 1,390,571	$ 1,460,099	$ 1,533,104
WW - System-Administration (Division 871)	$ 586,049	$ 593,790	$ 618,836	$ 649,778	$ 682,267	$ 716,380	$ 752,199	$ 789,809	$ 829,299	$ 870,764	$ 914,303	$ 960,018
WW - Stillwater Treatment Plant (Division 872)	$ 2,366,627	$ 2,478,850	$ 2,575,743	$ 2,704,530	$ 2,839,756	$ 2,981,744	$ 3,130,831	$ 3,287,373	$ 3,451,741	$ 3,624,328	$ 3,805,545	$ 3,995,822
WW - Collection Systems (Division 874)	$ 2,559,357	$ 2,740,780	$ 2,858,444	$ 3,001,366	$ 3,151,435	$ 3,309,006	$ 3,474,457	$ 3,648,179	$ 3,830,588	$ 4,022,118	$ 4,223,224	$ 4,434,385
WW - Clear Creek Treatment Plant (Division 875)	$ 3,706,410	$ 3,764,390	$ 3,831,825	$ 3,986,916	$ 4,148,681	$ 4,317,423	$ 4,493,457	$ 4,677,114	$ 4,868,740	$ 5,068,698	$ 5,277,367	$ 5,495,146
Interdepartmental Charges	$ 6,048,612	$ 6,852,280	$ 7,194,894	$ 7,554,639	$ 7,932,371	$ 8,328,989	$ 8,745,439	$ 9,182,711	$ 9,641,846	$ 10,123,938	$ 10,630,135	$ 11,161,642
Subtotal: Operating Expenses	$ 16,102,402	$ 17,368,940	$ 18,067,994	$ 18,934,893	$ 19,844,058	$ 20,797,568	$ 21,797,609	$ 22,846,474	$ 23,946,568	$ 25,100,417	$ 26,310,673	$ 27,580,117
Other Expenditures:												
Existing Debt Service (funded by rates)[3]	$ 10,173,269	$ 7,290,393	$ 6,171,887	$ 6,172,887	$ 6,174,637	$ 6,171,637	$ 6,173,637	$ 5,899,897	$ 5,583,637	$ 3,239,750	$ 3,051,250	$ 2,490,250
New Debt Service (to be funded by rates)	-	-	-	-	-	-	-	-	-	-	-	-
Rate-Funded Capital Expenses	22,745,832	13,422,336	8,397,640	13,932,691	9,603,251	11,779,649	11,345,220	13,418,858	17,658,450	21,262,825	24,357,673	20,147,007
Subtotal: Other Expenditures	$ 32,919,101	$ 20,712,728	$ 14,569,527	$ 20,105,577	$ 15,777,888	$ 17,951,285	$ 17,518,857	$ 19,318,755	$ 23,242,087	$ 24,502,575	$ 27,408,923	$ 22,637,257
Total Uses of Wastewater Funds	**$ 49,021,504**	**$ 38,081,668**	**$ 32,637,521**	**$ 39,040,471**	**$ 35,621,945**	**$ 38,748,853**	**$ 39,316,466**	**$ 42,165,228**	**$ 47,188,655**	**$ 49,602,993**	**$ 53,719,596**	**$ 50,217,374**
plus: Revenue from Rate Increases	-	851,513	3,491,204	4,993,273	6,555,425	8,180,063	9,869,687	11,626,895	13,454,392	15,354,989	17,331,609	19,387,295
Annual Surplus/(Deficit)	**$ (14,402,742)**	**$ (3,091,272)**	**$ 4,996,051**	**$ 98,827**	**$ 5,083,341**	**$ 3,585,095**	**$ 4,711,328**	**$ 3,624,205**	**$ 432,924**	**$ (75,939)**	**$ (2,210,804)**	**$ 3,352,476**
Net Revenue Req't. *(Total Uses less Non-Rate Revenue)*	**$ 48,463,268**	**$ 38,003,311**	**$ 32,555,679**	**$ 38,954,972**	**$ 35,532,610**	**$ 38,655,494**	**$ 39,218,884**	**$ 42,063,216**	**$ 47,081,994**	**$ 49,491,454**	**$ 53,602,939**	**$ 50,095,345**
Total Rate Revenue After Rate Increases	**$ 34,060,526**	**$ 34,912,039**	**$ 37,551,730**	**$ 39,053,799**	**$ 40,615,951**	**$ 42,240,589**	**$ 43,930,213**	**$ 45,687,421**	**$ 47,514,918**	**$ 49,415,515**	**$ 51,392,135**	**$ 53,447,821**
Projected Annual Rate Increase	***0.0%***	***5.00%***	***5.00%***	***4.00%***	***4.00%***	***4.00%***	***4.00%***	***4.00%***	***4.00%***	***4.00%***	***4.00%***	***4.00%***
Cumulative Increase from Annual Rate Increases	*0.00%*	*5.00%*	*10.25%*	*14.66%*	*19.25%*	*24.02%*	*28.98%*	*34.14%*	*39.50%*	*45.08%*	*50.88%*	*56.92%*
Coverage After Rate Increase	*(0.42)*	*0.58*	*1.81*	*1.02*	*1.82*	*1.58*	*1.76*	*1.61*	*1.08*	*0.98*	*0.28*	*2.35*

1. Revenue and expenses are per the City's Proforma (Source file: *Redding_ WW proforma Budget Version 2023 - FINAL VERSIONv.xlsx*
2. Refers to the City's budget for interest earnings in FY 2022/23. For all future years, interest earnings are calculated here based on the City's Pooled Cash Interest Rate. Source file: *REDDING_ Pooled Cash Interest Rate Dec 2018.xlsx*.
3. Debt service that cannot be fully paid through the Impact Fee Reserve Fund has been added to Debt Service to be funded by rates.

Figure WW-1

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Exhibit D

Water Utility Overview

The City of Redding Water Utility provides water service to more than 88,000 people in what the United States Bureau of Reclamation (Reclamation) recognizes as the Redding Water Service Area. This approved service area includes nearly all of the incorporated area of the City of Redding and a small area of the County in northwest of Redding. It does not include portions of northeast Redding served by the Bella Vista Water District and the southwest served by Centerville Community Service District. The annual demand of nearly 25,000-acre feet of water is largely met from the 27,000 plus acre feet of historic and post Shasta Dam water contracts. This surface water comes from Whiskeytown Reservoir via the Spring Creek conduit and the Sacramento River via Pump Station No. 1 (PS-1) located along the south side of the Sacramento River Trail. In addition, the City utilizes and has the capacity to draw nearly 11,000 acre-feet of groundwater from 17 wells located in the Enterprise area and southwest portions of town.

Water System Infrastructure

The infrastructure required to meet the demands can be divided into two key areas including:

Treatment - The City's water treatment infrastructure consists of the Foothill Water Treatment Plant, Buckeye Water Treatment Plant, 17 wells located in the Enterprise and Cascade areas and the supporting facilities. The Foothill Treatment Plant is the system's workhorse treating 40 percent of the City's water which is pumped from PS-1 located along the Sacramento River. The Buckeye Treatment Plant, which is located west of Keswick Lake along the Spring Creek Conduit, meets approximately 30 percent of the water demand for the City. The 17 Enterprise and Cascade wells meet the remaining 30 percent of Redding's water demand.

Distribution - Following treatment, the City's water is stored in 12 reservoirs throughout Redding and supplied to the utility's customers through over 560 miles of water main and 30,500 service connections. In addition, there are 11 booster pumps located throughout the city to maintain water pressure within the various pressure zones.

The 2023 Water Master Plan presents a review of the City's water system and provides planning direction for the system through 2045, including water demand forecasts, required water supply, and recommended capital improvements to needed to maintain and grow the system.

Water System Preservation Needs

Much of the existing water system infrastructure is dated and in need of preservation efforts to continue meeting Redding water demands. Key areas of need are summarized as follows:

- **Treatment** - following are key water treatment preservation-related facility's needs:
    - **Foothill Water Treatment Plant** - The Foothill Treatment Plant was initially constructed in 1920, went through a significant upgrade in 1979 that added additional capacity, and has had several smaller upgrades since to meet growing population and regulatory standards. In 2011, PACE Engineering prepared a Facilities Plan that provided a number of preservation related recommendations including a new control building and replacement of the supervisory control and data acquisition (SCADA)

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systems to better automate and ensure continued plant operation, electrical system upgrade, construction of a second clarifier to allow for adequate storage, replacement of the aging flocculator basins, and other various piping upgrades. The total cost of remaining preservation related improvements is estimated at $16 million by 2035.

- **Enterprise Wells** - The Enterprise wells in particular have identified concerns with arsenic at two wells and iron/manganese at several other wells. It is recommended that wells with high arsenic levels remain offline as the resolution of the arsenic issues is substantial and water supply needs for the City can be met without these wells producing water. It is recommended, based on continued community interest in resolving the iron/manganese issue, that well head treatment at EW12, the highest producing well, be implemented to blend and dilute constituent levels to below their respective MCLs. It is also noted that the utility has made relatively significant operational changes with very positive results that have minimized the concerns including implementation of a more aggressive water main flushing program as well as "pushing" treated water from the Buckeye Treatment plant to east Redding allowing reduced water use from iron/manganese problematic wells.

- **Pump Station No. 1** - PS-1 was constructed in 1937 on the south side of the Sacramento River Trail just upstream of the Diestelhorst Bridge. The intake is influenced dramatically by river elevation levels dictated by downstream Anderson Cottonwood Irrigation District's diversion program. It has been a target of concern with the National Oceanic and Atmosphere Administration (NOAA) Fisheries due to potential pump impacts on salmon migration in the Sacramento River. Jacobs Engineering updated the feasibility study in 2022 and has begun the environmental clearance and engineering design process for a new pump station at a location upriver. Construction of a new pump station upstream is estimated at $40 million within the next 6 years.

- **Distribution** - following are key preservation recommendations concerning water distribution related facilities:

  - **Storage** – Additional storage is necessary under existing conditions in the Hill 900 and Buckeye Pressure Zones to meet standard storage criteria for the combination of Equalization, Fire Service, and Emergency Storage. New 2.0MG and 2.0MG storage facilities are recommended to address the current conditions and provide for ultimate build-out and replacement of aging facilities. Additional pump station upgrades to meet ultimate build-out demands in the Buckeye and Cascade Pressure Zones, and replacement of older reservoirs is also identified.

  - **Pipe Replacement** - As noted above, the City has over 560 miles of water main with much of it cast iron or steel, typically 50 to 80 years old. In addition, the city has grown to where demands are being met in some of the pipes by increasing velocities which shorten the life of the pipe. Water pipe failures have become relatively common as highlighted by several failures of water lines in the last ten years. It is recommended to expand the City's pipe replacement program to meet pipe age, material, and existing capacity issues at between $5 and $20 million per year over the next 10 years.

Water System Future Growth Needs

The City of Redding's water demands will continue to increase as the population in Redding

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grows. Growth rates, developed by Itron Inc. for the Redding Electric Utility, project growth rates at 0.7 percent thru 2027. Other factors that may affect water demand include State water conservation mandates and California Green Building Code requirements. The master plan analysis reviewed projected needs in the Short Term (five-year outlook), a 10- and 20-year outlook, and Ultimate Build Out (50 to 70 years). Following are highlights of the projected water infrastructure projected needs:

- **Treatment** - No additional growth-related capacity needs are identified in the City's treatment facilities over the next 10 years. It is expected that two additional wells will need to be added to the system, or two wells rehabilitated and reactivated, in the next 10 years to meet projected demands.

- **Distribution** - Additional water main capacity will be needed to distribute water to areas of Redding where growth is being considered and capacity is not available or old, high velocity mains need replacement and larger pipes are recommended to meet additional demands. Additional water main capacity to meet east Redding demands for Buckeye water is currently under construction with a new 24" water main in Lake Boulevard.

The table below shows planned capital projects of more than $1,000,000 for the Water Utility for the next five years, along with the projected cost and the source of funding. "Rates" represent the portion of funding from monthly water rates. "Fees" are revenue from the connection fees paid by new development:

Water Utility Capital Improvement Projects 2024-2030

Capital Projects	Cost	Funding Source
Water Main Replacement	$36,000,000	Rates 100%
Pump Station No. 1 Relocation	$40,000,000	Rates 100%
Foothill WTP Control Building & SCADA	$5,000,000	Rates 100%
Buckeye Reservoir Booster Pump Station	$1,500,000	Rates 100%
Cypress Booster Pump Station	$5,000,000	Rates 100%
S. Bonnyview & Railroad Pump Station Upgrades	$2,000,000	Rates 100%
Ranchettes 12" Water Main	$1,500,000	Rates 100%
Buckeye Reservoir - New 2MG	$5,000,000	Rates 100%
Hill 900 Reservoir Rehab and New 2MG	$6,000,000	Rates 100%
New Enterprise Well	$4,300,000	Rates 100%

Rates fund a significant portion of the costs associated with maintaining the water system. Whether or not the City will be able to accomplish all of these projects depends on the number of new connections, rates, and the actual construction costs. If an identified capital improvement cannot be funded, it will be deferred until funding is available and will then compete with other new needs.

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Proposed Rates

Water rates are predicated on the expense to maintain and expand the system needed to treat, pump, transport, and distribute water. The proposed water rate schedule includes a *fixed meter charge* to cover the majority of the cost of delivering water to the customer, as well as a *variable (commodity) charge* based on the actual amount of water consumed. Water consumption is measured in units of one hundred cubic feet (ccf), which is equal to 748 gallons. The following table shows the recommended rate increases for all customer classes:

Comparison of Existing to Proposed Rates

Proposed - Rate Design (40% Fixed / 60% Variable)					
Water Rate Schedule	Current Rates	Recommended Rates			
		2024	2025	2026	2027
Projected Increase in Rate Revenue per Financial Plan:		*12%/18%**	*6.50%*	*6.50%*	*6.50%*
Fixed Service Charge					
Monthly Fixed Service Charge - Standard Meters:					
5/8 inch	**$24.92**	**$27.91**	**$29.72**	**$31.66**	**$33.71**
3/4 inch	**$33.30**	**$39.41**	**$41.97**	**$44.70**	**$47.61**
1 inch	**$50.08**	**$62.42**	**$66.48**	**$70.80**	**$75.40**
1.5 inch	**$92.01**	**$119.93**	**$127.73**	**$136.03**	**$144.87**
2 inch	**$142.32**	**$188.95**	**$201.23**	**$214.31**	**$228.24**
3 inch	**$276.50**	**$372.99**	**$397.24**	**$423.06**	**$450.56**
4 inch	**$427.45**	**$580.04**	**$617.75**	**$657.90**	**$700.66**
6 inch	**$846.76**	**$1,155.18**	**$1,230.27**	**$1,310.23**	**$1,395.40**
8 inch	**$1,349.93**	**$1,845.35**	**$1,965.29**	**$2,093.04**	**$2,229.08**
10 inch	**N/A**	**$4,836.06**	**$5,150.41**	**$5,485.18**	**$5,841.72**
Commodity Charges for All Water Consumed					
Uniform Rate	**$1.59**	**$1.88**	**$2.00**	**$2.13**	**$2.27**
** Single Family Residents (SFR) 5/8" Meters are 12% Increase, Commodity Charge is 18% Increase.*					
Larger Meter Fixed Charges Percent Increases Vary.					

A typical single-family residence, using 21 ccf per month, would be as follows:

Schedule	Existing	2024	2025	2026	2027
Fixed Meter Charge + 21 ccf Commodity Charge	$58.31	$67.39	$71.72	$76.39	$81.38

The attached Ten-Year Financial Plan, Figure W-1 summarizes the current Water Utility budget and future expenditures and revenues with the recommended increases. The public hearing only addresses the rates for the first four years of the Ten-Year Financial Plan. As discussed earlier in this report, the recommended rate increases affect both the service and the commodity charge.

It is the recommendation of the Water Utility that the proposed rate increases are approved to fund the ongoing maintenance and upkeep of the water system for the benefit of citizens of the City of Redding.

Attachments:

Figure W-1 Proposed Ten-Year Financial Plan with recommended rates

RATE REVENUE REQUIREMENTS SUMMARY [1]	Actuals [2]	Budget	Projected (4-Year Rate Period)					Projected				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Sources of Water Funds												
Rate Revenue Under Prevailing Rates	$ 28,527,660	$ 28,527,660	$ 28,527,660	$ 28,527,660	$ 28,527,660	$ 28,527,660	$ 28,527,660	$ 28,527,660	$ 28,527,660	$ 28,527,660	$ 28,527,660	$ 28,527,660
Non-Rate Revenue	462,610	413,460	422,222	433,290	444,674	456,374	468,402	480,766	493,479	506,548	519,988	533,805
Interest Earnings [3]	-	-	585,903	450,983	404,016	351,247	296,817	174,458	136,437	182,449	249,035	153,732
Total Sources of Funds	**$ 28,990,270**	**$ 28,941,120**	**$ 29,535,785**	**$ 29,411,933**	**$ 29,376,350**	**$ 29,335,281**	**$ 29,292,879**	**$ 29,182,885**	**$ 29,157,576**	**$ 29,216,657**	**$ 29,296,683**	**$ 29,215,197**
Uses of Water Funds												
Operating Expenses:												
WTR - GENERAL & ADMIN (Division 861)	$ 5,985,490	$ 2,960,880	$ 3,081,358	$ 3,206,830	$ 3,337,508	$ 3,473,610	$ 3,615,367	$ 3,763,018	$ 3,916,812	$ 4,077,009	$ 4,243,880	$ 4,417,708
WTR - PRODUCTION (Division 862)	-	1,770,000	1,790,000	988,374	1,017,617	1,047,726	1,078,725	1,110,641	1,143,502	1,177,335	1,212,169	1,248,034
WATER TREATMENT (Division 863)		7,843,000	8,156,726	8,458,108	8,771,312	9,096,827	9,435,167	9,786,866	10,302,484	10,690,102	11,093,204	11,512,444
WTR - DISTRIBUTION (Division 864)	7,117,590	8,048,500	8,376,744	8,730,130	9,098,809	9,483,458	9,884,785	10,303,528	10,740,461	11,196,391	11,672,163	12,168,659
Subtotal: Operating Expenses	$ 13,103,080	$ 20,622,380	$ 21,404,828	$ 21,383,442	$ 22,225,245	$ 23,101,621	$ 24,014,044	$ 24,964,054	$ 26,103,258	$ 27,140,836	$ 28,221,415	$ 29,346,845
Other Expenditures:												
Existing Debt Service	$ 733,200	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Future Debt Service (SRF Loan)	-	-	-	2,016,471	2,016,471	2,016,471	2,016,471	2,016,471	2,016,471	2,016,471	2,016,471	2,016,471
Rate-Funded Capital Expenses	15,744,888	-	7,200,000	8,200,000	9,200,000	7,930,387	11,965,719	19,531,752	15,165,375	15,247,226	27,314,713	16,005,566
Subtotal: Other Expenditures	$ 16,478,088	$ -	$ 7,200,000	$ 10,216,471	$ 11,216,471	$ 9,946,858	$ 13,982,191	$ 21,548,223	$ 17,181,846	$ 17,263,697	$ 29,331,184	$ 18,022,038
Total Uses of Water Funds	**$ 29,581,168**	**$ 20,622,380**	**$ 28,604,828**	**$ 31,599,913**	**$ 33,441,716**	**$ 33,048,478**	**$ 37,996,234**	**$ 46,512,277**	**$ 43,285,105**	**$ 44,404,533**	**$ 57,552,600**	**$ 47,368,882**
Increase/Decrease to Reserves (Before Rate Increases)	**$ 14,298,890**	*$ 8,318,740*	*$ 930,957*	*$ (2,187,980)*	*$ (4,065,366)*	*$ (3,713,197)*	*$ (8,703,355)*	*$ (17,329,392)*	*$ (14,127,529)*	*$ (15,187,876)*	*$ (28,255,917)*	*$ (18,153,685)*
Plus: Revenue from Rate Increases [4]	-	927,149	3,842,823	5,974,339	8,259,402	10,155,065	12,157,021	14,270,269	16,501,150	18,854,765	21,338,781	23,958,097
Increase/Decrease to Reserves (After Rate Increases)	*$ (590,898)*	*$ 9,245,889*	*$ 4,773,780*	*$ 3,786,359*	*$ 4,194,036*	*$ 6,441,868*	*$ 3,453,665*	*$ (3,059,124)*	*$ 2,373,622*	*$ 3,666,889*	*$ (6,917,136)*	*$ 5,804,412*
Net Revenue Req't. *(Total Uses less Non-Rate Revenue)*	**$ 29,118,558**	**$ 20,208,920**	**$ 27,596,703**	**$ 30,715,640**	**$ 32,593,026**	**$ 32,240,857**	**$ 37,231,015**	**$ 45,857,052**	**$ 42,655,189**	**$ 43,715,536**	**$ 56,783,577**	**$ 46,681,345**
Total Rate Revenue After Rate Increases	**$ 28,527,660**	**$ 29,454,809**	**$ 32,370,483**	**$ 34,501,999**	**$ 36,787,062**	**$ 38,682,725**	**$ 40,684,681**	**$ 42,797,929**	**$ 45,028,810**	**$ 47,382,425**	**$ 49,866,441**	**$ 52,485,757**
Projected Annual Rate Revenue Increase	***0.00%***	***12%/18%****	***6.50%***	***6.50%***	***6.50%***	***5.00%***	***5.00%***	***5.00%***	***5.00%***	***5.00%***	***5.00%***	***5.00%***
Cumulative Increase from Annual Revenue Increases	*0.00%*	*12%/18%*	*13.42%*	*20.79%*	*28.65%*	*35.08%*	*41.83%*	*48.92%*	*56.37%*	*64.19%*	*72.40%*	*81.02%*
Debt Coverage Without Rate Increase [5]	*21.66*	*N/A*	*N/A*	*3.98*	*3.54*	*3.09*	*2.61*	*2.09*	*1.51*	*1.02*	*0.53*	*(0.06)*
Debt Coverage With Rate Increase [5]	*21.66*	*N/A*	*N/A*	*6.94*	*7.64*	*8.12*	*8.64*	*9.16*	*9.69*	*10.37*	*11.11*	*11.81*

**** Single Family Residents (SFR) 5/8" fixed meter charge is 12% and all variable rates are 18%. Larger meter fixed charges percent increases vary.***

Figure W-1

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RESOLUTION NO. 2019-093

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDDING RESCINDING RESOLUTION NO. 2013-041 AND RESOLUTION NO. 2016-087 AND AMENDING PROCEDURES FOR THE CONDUCT OF PROTEST PROCEEDINGS PURSUANT TO PROPOSITION 218 FOR NEW OR INCREASED PROPERTY-RELATED FEES AND CHARGES

WHEREAS, Article XIII D of the California Constitution requires that cities meet certain procedural and substantive requirements when adopting new or increased property-related fees or charges, and the Proposition 218 Omnibus Implementation Act (Government Code §§ 53750; 53755), as amended, provides additional guidance as to the procedures to be followed; and

WHEREAS, Proposition 218 requires that the record owner or ratepayer for the parcel upon which the fee or charge is proposed for imposition or increase be notified of the amount of the fee; the basis upon which the amount of the fee was calculated; the reason for the fee; and the date, time, and location of a public hearing on the fee; and

WHEREAS, Proposition 218 requires that all written protests against the fee or charge be considered at a noticed public hearing: and

WHEREAS, Proposition 218 does not clearly set forth who is allowed to submit protests, the procedure for submitting protests, or how the protests are to be tabulated; and

WHEREAS, the California Legislature in 2008 passed Government Code Section 53755(a)(1) amending the Proposition 218 Omnibus Implementation Act to clarify the notice aspect of the Proposition 218 procedures; and

WHEREAS, in order to comply with those procedures and conduct fair and accurate protest hearings, the City Council adopted Resolution No. 2013-041 and Resolution No. 2016-087 setting forth procedures to ensure the consistent and practicable application of the requirements of both Proposition 218 and with the Proposition 218 Omnibus Implementation Act; and

WHEREAS, the City wishes to amend these procedures to facilitate the methodology for collecting data for the master mailing list and tabulation of written protests;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Redding as follows:

Section 1. The City Council hereby approves the amended "Procedures for Conducting Protest Hearings for Proposed New or Increased Property-Related Fees and Charges," as set forth in Exhibit A attached to this resolution and made a part thereof.

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Section 2. The City Council hereby mandates that the form of public notice to be provided to property owners of record pursuant to the Procedures adopted herein shall be submitted to the City Council for consideration and/or approval at the time that the City Council is requested to set a public hearing for consideration of an increase in property-related fees.

Section 3. The City Council hereby declares its intent in adopting this resolution to adopt amended procedures that are consistent with, and in compliance with, Article XIIID of the California Constitution and the Proposition 218 Omnibus Implementation Act.

Section 4. The City Council finds that this project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 of the CEQA Guidelines.

I HEREBY CERTIFY that the foregoing resolution was introduced at a regular meeting of the City Council of the City of Redding on the 17th day of September, 2019, and was duly adopted at said meeting by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

JULIE WINTER, Mayor

ATTEST:

PAMELA MIZE, City Clerk

APPROVED AS TO FORM:

BARRY E. DeWALT, City Attorney

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EXHIBIT
A

City of Redding Procedures for Conducting Protest Hearings for Proposed New or Increased Property-Related Fees and Charges

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City of Redding Procedures for Conducting Protest Hearings for Proposed New or Increased Property-Related Fees and Charges

A. Definitions

1. "Fee" or "rate" shall mean a property-related fee or charge subject to the requirements of Article XIII D §6 of the California Constitution.

2. "Increase" shall mean a change in an existing property-related fee or charge that is subject to the majority protest hearing requirements of Article XIII D §6.

3. "Public hearing" shall mean the noticed public hearing at which protests will be received.

4. "Property Owner" means the property owner of record or his or her legal representative who is entitled to represent the interests of the property owner, as reflected on the most recent available equalized secured tax assessment roll maintained by the Shasta County Tax Assessor-Recorder.

5. "Fee Payer" means a real property tenant directly liable for the payment of the property-related fee or charge under consideration.

B. Creation of Master Mailing List

1. The City shall prepare, or cause to be prepared, a Master Mailing List identifying each property that would be subject to the proposed new or increased fee.

2. The Master Mailing List may be based upon the City's utility account-holder records if the City is currently providing a property-related service to an address or property. The Master Mailing List may also be based upon, or include, property owner information as reflected in the last equalized secured tax assessment roll maintained by the Shasta County Tax Assessor-Recorder and provided to the City of Redding on a quarterly basis. The list shall be updated no more than 90 calendar days before the date that notices are to be mailed.

C. Noticing of Right to Protest

1. If the Master Mailing List is created from the City's property-related service accounts, notice shall be sent to the customary billing address for each and every account listed as authorized by Government Code §53755. The notice may be addressed to "Property Owner" and/or "Utility Fee Payer."

2. Where the "Property Owner" is not the "Fee Payer" of the fee or property-related charge under consideration, separate notice shall also be mailed to the address of the "Property Owner" of the property subject to the proposed fee or charge.

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3. Notice shall be sent via the United States Postal Service at least forty-five (45) days before the date set for the public hearing on the new or increased fee. Said notice may be enclosed within the regularly scheduled Utility Billing mailer to a utility account holder. When the public hearing notice and protest information is enclosed within the regularly scheduled Utility Billing mailer, the noticed public hearing shall not occur until 45 days after the last Utility Billing mailer, which contains a notice, is mailed.

4. The City Clerk may post a copy of the notice on the City's website.

5. The notice shall contain the information required by Article XIII D of the California Constitution and the Proposition 218 Omnibus Implementation Act that includes all of the following:

   a. The amount of the new or increased fee proposed to be imposed.
   b. The basis upon which the fee is calculated.
   c. The reason for the fee.
   d. The date, time, and place of public hearing on the proposed fee, and such other information as the City shall determine is useful to those receiving it.

6. As provided in Government Code §53756, the notice provided by these procedures shall supersede and be in lieu of notice required by any other statutes to levy the new or increased fees.

7. Notice of the public hearing where protest may be heard shall occur as follows:

   a. Notice of hearing shall be given by the City Clerk.
   b. The notice shall be published at least once each week for two weeks prior to the hearing in a newspaper of general circulation (the first publication must be a minimum of 15 days prior to the date of the hearing).

8. The City Clerk, or designee, may certify the proper mailing of notices by an affidavit, which shall constitute conclusive proof of mailing in the absence of fraud.

9. Failure of any person, "Fee Payer" or "Property Owner/Holder" to receive notice shall not invalidate the proceedings.

D. <u>Persons Eligible to File Protests; Right to Be Heard</u>

1. Members of the public are entitled to make comments at the public hearing whether or not they choose to submit a written protest. Property owners of record are eligible to file protests. The last assessment roll of the Shasta County Assessor-Recorder is presumptive evidence of ownership of the parcel for the purposes of filing a property-owner protest. If a person filing a property-owner protest is not listed as the property owner on the last equalized assessment roll, the protest must be accompanied by written proof that the person signing is the owner of record.

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2. When a parcel is held as community property, or in joint tenancy, or tenancy-in-common, or by a trust, any spouse or domestic partner, joint Fee Payer, Fee Payer-in-common, or trustee shall be presumed to have authority to file a record-owner protest on behalf of that parcel.

3. Executors, administrators, and guardians may sign the property-owner protest on behalf of the estate represented by them if they are shown on the latest assessment roll as paying taxes or assessments on behalf of the property owners. If not, written proof of the legal representation must be filed with the protest. Any one executor, administrator, or guardian is presumed to have authority to file a property-owner protest on behalf of such property.

4. The protest of any public or quasi-public corporation, private corporation, or any unincorporated association may be signed by any person authorized to do so in writing by the board of directors or trustees or any other managing body of it.

5. Fee Payers who are directly liable for the payment of the fee are eligible to file a Fee Payer protest. A Fee Payer listed as an account holder for the service for which the new or increased fee is proposed is presumed to be eligible to file a protest. If the City service account holder listed on the Master Mailing List has closed his or her account and a new person has qualified with the City as the account holder prior to the commencement of the public hearing, the new account holder may file a protest.

E. <u>Making and Counting Protests</u>

1. Any eligible Property Owner of record or Fee Payer may submit a written protest to the City Clerk against the new or increased fee before or during the public hearing.

2. Protests must:

   a. Be in writing with the original signature from the property owner of record, or current Fee Payer who is also the payer of the property related fee or charge.
   b. Identify the parcel for which the protest is being made by the property address or include the Assessor's Parcel Number (APN).
   c. State that the signer opposes the new or increased fee.
   d. Identify the specific fee increase which is being protested.
   e. Be received by the Office of the City Clerk before or during the public hearing.

3. Protests delivered before the public hearing shall be hand-delivered during normal business hours or mailed to the City Clerk at 777 Cypress Avenue, Redding, California 96001.

4. Protests submitted by email, fax, or telephone, and oral protests of any kind will not be considered by the City in determining whether a majority of the owners of identified parcels or the Fee Payers of the property who pay the property-related fees or charges have submitted protests.

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5. All written protests must be submitted and received by the City Clerk before the conclusion of the public hearing. The City Clerk shall not accept any protest that is received after the conclusion of the public hearing even if postmarked before that time.

6. Any person who submits a written protest may withdraw it by submitting a request that it be withdrawn before or during the public hearing in the same manner as a protest can be made. The written withdrawal of a protest shall identify the parcel by Assessor's Parcel Number or street address and shall identify the person withdrawing the protest as either the record owner of the property or the Fee Payer. The withdrawal of a protest shall only be valid if it is made by the same person who submitted the protest or by a person with legal authority to act for that person.

7. No more than one protest shall be counted per parcel.

F. Tabulation of Protests

1. The City Clerk shall take custody of written protests which shall remain confidential until after the close of the public hearing where the property-related fee or charge is acted on by the City Council. From and after the time they are tabulated and the results are submitted to the City Council after the conclusion of the public hearing, the written protests shall constitute public records as defined in Government Code §6252. The City Clerk shall establish appropriate safeguards to ensure that protests are secure and not available for examination prior to the conclusion of the public hearing. Once the protests become public records, the identities of those making protests shall be public information.

2. The City Clerk shall determine the validity of all eligible protests. The City Clerk shall not accept as valid any protest if the City Clerk determines any of the following:

   a. The protest does not identify a parcel which is subject to the new fee, either by street address or parcel number.
   b. The protest does not bear an original signature of the person submitting the protest.
   c. The person signing the protest is not eligible to do so under the rules set forth in Section D above.
   d. The protest does not state its opposition to the new or increased fee(s) by clearly indicating in the written protest the specific fee(s) or charge(s) being protested.
   e. The protest was not received by the City Clerk before the close of the public hearing.

3. The City Clerk's decision regarding the validity of a protest from an eligible party shall constitute a final action of the City and shall not be subject to the appeal to the City Council or to any other board or employee of the City.

4. A majority protest to the fee or property-related charge exists if, with respect to a majority of the parcels subject to the new or increased fee or charge, written protests which comply with each of the requirements of this resolution are timely submitted and not withdrawn.

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5. The City Council, may, if necessary, continue the tabulation to a different time or location accessible to the public providing that the City Council announces the time and location at the hearing. The City Clerk shall not commence tabulation of written protests until after the close of the public hearing and shall make best efforts to complete the tabulation of all written protests within twenty-four (24) business hours following the close of the public hearing. The City Manager may retain a private firm with demonstrated experience in tabulating written protests to assist the City Clerk when determined to be necessary.

6. If, at the conclusion of the public hearing where protests are received, a cursory review of the protests clearly demonstrates that the number received is manifestly less than one-half of the parcels that would be subject to the new or increased fee or charge, then the City Clerk may advise the City Council of the absence of a majority protest without tabulating all protests and shall announce the results to the City Council.

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