

ATTACHMENT 3

PROPOSITION 218 NOTICE CITY OF MANTECA WATER AND SEWER RATES UPDATE

NOTICE IS HEREBY GIVEN that on March 18, 2025, at or after 6:00 P.M. in the City Council Chambers, City Hall, 1001 W. Center Street, Manteca, California, a Public Hearing will be conducted by the City Council of the City of Manteca at which time and place all persons may attend and be heard upon:

PROJECT: **City Council Consideration of Adopting Ordinances and Resolutions Updating Monthly Water and Sewer Rates**

DESCRIPTION: **The City has prepared a Water Rate Cost of Service Study and Sewer Rate Cost of Service Study setting forth a five year schedule of proposed, updated charges for the City's Monthly Water and Sewer Rates and the City Council will consider whether to update its Municipal Code and adopt updated rates, for all water and sewer customers, for Fiscal Years ending in 2025, 2026, 2027, 2028, and 2029.**

LOCATION: **Citywide**

The purpose of this notice is to describe the proposed rate updates and increases, and to notify you of the public hearing. At the public hearing, the City Council will consider all written protests, written objections and the City's responses to those objections, and written and verbal comments. The procedures for submitting a written protest or a written objection are detailed below.

The City of Manteca ("City") has prepared a City of Manteca 2024 Water Rate Study ("Water Rate Study") and 2024 Sewer Rate Study ("Sewer Rate Study"), which provides the written basis for the proposed Monthly Water Rate and Monthly Sewer Rate updates. The Water Rate Study and Sewer Rate Study are available, pursuant to Article XIII-D, Section 6 of the California Constitution ("Proposition 218") and California Government Code section 53759.1, in the Engineering Department located at 1001 W. Center St., Suite E, Manteca, CA 95337. The City will also mail the Studies to anyone upon request and they are available on the City's website at:

<https://www.manteca.gov/departments/engineering/water-system>

and

<https://www.manteca.gov/departments/engineering/sanitary-sewer-system>

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call (209) 456-8017. Notification 48 hours prior to the

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meeting will enable the City to make reasonable arrangements to ensure accessibility. For TTY/Speech-to-Speech users, dial 7-1-1 for the California Relay Service, offering free text-to-speech, speech-to-speech, and Spanish-language services 24 hours a day, 7 days a week. You may also contact the City Clerk at mayorcouncilclerk@manteca.gov for more information.

WATER RATES PROPOSAL

The proposed water rates are calculated to recover and proportionately allocate the City's cost of providing water services to each customer class. The proposed water rate updates are designed to ensure that the revenue collected from the water rates is sufficient to cover, but does not exceed, the City's costs of providing water services to its customers. The City's cost of providing water services were proportionately allocated to each customer class based on the costs of serving that customer class. The basis upon which the proposed water rates were calculated is set forth, in further detail, in the Water Rate Study, which can be found on the City's website, will be mailed to any person, upon request, and is available upon request in the Engineering Department.

The City updated and adopted the Water Master Plan in March 2024. The Water Master Plan identified over \$67 million in capital improvements needed to replace aging infrastructure and required upgrades to better serve current and future customers. The full Water Master Plan can be found on the City's website at: <https://www.manteca.gov/departments/engineering/water-system>. The current water rates have not changed since 2009 and are in dire need of an increase to pay for system improvements, increases in Operations and Maintenance costs, increases in compliance costs, increases in material costs, increases in labor costs, and to replenish account reserves.

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The City Council will consider the following proposed water rate updates, set forth in the table below, at the City Council meeting on March 18, 2025:

Description	FY 2025 Current	FY 2025 Proposed	FY 2026 Proposed	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed
Effective Date		5/15/2025		7/1/2026	7/1/2027	7/1/2028
Monthly Fixed Charge (per meter size)						
¾"	\$17.15	\$21.23	\$21.23	\$27.6	\$32.57	\$34.53
1"	\$26.50	\$30.95	\$30.95	\$40.24	\$47.49	\$50.34
1½"	\$49.65	\$55.26	\$55.26	\$71.84	\$84.78	\$89.87
2"	\$77.55	\$84.43	\$84.43	\$109.76	\$129.52	\$137.30
3"	\$142.70	\$176.79	\$176.79	\$229.83	\$271.20	\$287.48
4"	\$235.80	\$312.91	\$312.91	\$406.79	\$480.02	\$508.83
6"	\$468.20	\$784.46	\$784.46	\$1,019.80	\$1,203.37	\$1,275.58
8"	\$747.25	\$1,367.81	\$1,367.81	\$1,778.16	\$2,098.23	\$2,224.13
Volume Charge (per hcf¹)						
All Volume	N/A	\$2.47	\$2.47	\$3.22	\$3.80	\$4.03
Tier 1 (1-20 hcf)	\$1.03	N/A	N/A	N/A	N/A	N/A
Tier 2 (21-300 hcf)	\$1.35	N/A	N/A	N/A	N/A	N/A
Tier 3 (over 300 hcf)	\$2.72	N/A	N/A	N/A	N/A	N/A

¹ hcf = hundred cubic feet = 748 gallons

SEWER RATES PROPOSAL

The proposed sewer rates are calculated to recover and proportionately allocate the City's cost of providing sewer services to each customer class. The proposed sewer rate updates are designed to ensure that the revenue collected from the sewer rate is sufficient to cover, but does not exceed, the City's costs of providing sewer services to its customers. The City's cost of providing sewer services were proportionately allocated to each customer class based on the costs of serving that customer class. The basis upon which the proposed sewer rates were calculated is set forth, in further detail, in the Sewer Rate Study, which can be found on the City's website, will be mailed to any person, upon request, and is available upon request in the Engineering Department.

The City updated and adopted the Sewer Master Plan in March 2024. The Sewer Master Plan identified over \$79 million in immediate upgrades needed at the wastewater treatment plant and over \$222 million in improvements needed in the collection system to upgrade and replace aging infrastructure. The full Sewer Master Plan can be found on the City's website at: <https://www.manteca.gov/departments/engineering/sanitary-sewer-system>.

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The Sewer Rate Study includes the City's 10-year capital improvement program (CIP) for sewer system improvements, which includes approximately \$223 million in projects to be completed over the five years between fiscal year (FY) 2025 and FY 2030, including the Wastewater Quality Control Facility (WQCF) Phase IV Stage 1 Expansion Project totaling \$151M as well as sewer system improvement projects. The current sewer rates have not changed since 2010 and are in dire need of an increase to pay for system improvements, increase in Operations and Maintenance costs, increase in compliance costs, increase in material costs, increases in labor costs, and to replenish account reserves.

The City Council will consider the following proposed sewer rate updates, set forth in the table below, at the City Council meeting on March 18, 2025:

Description	FY 2025 Current	FY 2025 Proposed	FY 2026 Proposed	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed
Effective Date		5/15/2025		7/1/2026	7/1/2027	7/1/2028
Customer Class						
Single-Family Residential (per unit)	43.30	\$58.60	\$58.60	\$64.50	\$68.40	\$72.50
Multi-Family Residential (per unit)	N/A	\$41.70	\$41.70	\$45.90	\$48.70	\$51.60
Mobile Home (per unit)	N/A	\$37.20	\$37.20	\$40.90	\$43.40	\$46.00
Commercial Low-Strength (per 1,000 CF ¹)	N/A	\$45.70	\$45.70	\$50.30	\$53.30	\$56.50
Commercial Mid-Strength (per 1,000 CF ¹)	N/A	\$55.40	\$55.40	\$60.90	\$64.60	\$68.50
Commercial High-Strength (per 1,000 CF ¹)	N/A	\$104.60	\$104.60	\$115.10	\$122.00	\$129.30
Industrial Class						
Volume (per MG ²)	\$2,023.24	\$3,872.20	\$3,872.20	\$4,259.40	\$4,515.00	\$4,785.90
BOD ³ (per lb.)	\$0.404	\$0.70	\$0.70	\$0.80	\$0.80	\$0.80
TSS ⁴ (per lb.)	\$0.765	\$1.00	\$1.00	\$1.10	\$1.17	\$1.24
Nitrogen (per lb.)	\$2.866	\$3.10	\$3.10	\$3.41	\$3.61	\$3.83

¹ CF = Cubic Foot

² MG = Million Gallons

³ BOD = Biological Oxygen Demand

⁴ TSS = Total Suspended Solids

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The table below shows the relationship between land use and customer class. If you have any questions regarding your customer classification or how these proposed rates will impact your sewer bills, please contact the City's Engineering Department.

Customer Class	Example Land Use
Single-Family Residential	Single Family Homes
Multi-Family Residential	Two or more units
Mobile Home	Mobile Home Parks and Trailer Parks
Commercial (Low-Strength)	Car Washes/Laundromats, Service Stations, Office/Light Industrial, Schools, Churches, and Non-Profits
Commercial (Mid-Strength)	Commercial/Retail, Hotel/Motel, Hospitals, and Commercial Mixed Use
Commercial (High-Strength)	Hotel/Motel with Kitchen, Restaurants, Markets, and Mortuaries
Industrial Class	Industrial users

IMPACT ON AVERAGE SINGLE FAMILY RESIDENTIAL USER

The average single family residential user consumes 16 hundred cubic-feet of water (approximately 12,000 gallons) each month. For the average single family residential customer, the proposed rates would result in an increase of \$27.12 each month starting in FY 2025.

Description	FY 2025 Current	FY 2025 Proposed	FY 2026 Proposed	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed
Effective Date		5/15/2025		7/1/2026	7/1/2027	7/1/2028
Average Monthly Residential Bill (16 hcf ¹)	\$33.63	\$60.75	\$60.75	\$78.98	\$93.19	\$98.78
Average Monthly Residential Bill Increase		\$27.12	-	\$18.23	\$14.22	\$5.59

¹ hcf = hundred cubic foot = 748 gallons

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The average single family residential user generates approximately 6,000 gallons of sewage each month. For the average single family residential customer, the proposed rates would result in an increase of \$15.30 each month starting in FY 2025.

Description	FY 2025 Current	FY 2025 Proposed	FY 2026 Proposed	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed
Effective Date		5/15/2025		7/1/2026	7/1/2027	7/1/2028
Average ¹ Monthly Residential Bill	\$43.30	\$58.60	\$58.60	\$64.50	\$68.40	\$72.50
Average ¹ Monthly Residential Bill Increase		\$15.30	-	\$5.90	\$3.90	\$4.10

¹ Average = approximately 6,000 gallons

IMPORTANT DATES

January 29, 2025, 2:00 pm, City will host the first Community Meeting at the Transit Center, 220 Moffat Blvd., Manteca CA, 95366.

February 26, 2025, 2:00 pm, City will host the second Community Meeting at the Transit Center, 220 Moffat Blvd., Manteca CA, 95366.

March 3 2025, 5:00 pm, deadline for written objections to be submitted to City Clerk.

March 5, 2025, 2:00 pm, City will host the Third Community Meeting at the Transit Center, 220 Moffat Blvd., Manteca CA, 95366.

March 18, 2025 Public Hearing on proposed rate increase City Council Chambers

May 15, 2025 new fees in place.

PROTESTS AND OBJECTIONS TO THE PROPOSED RATES

At the March 18, 2025 Public Hearing, the City Council will consider oral and written testimony, as well as written protests and written objections by property owners and customers of record against the proposed water and/or sewer rates. Property owners or customers of record subject to the proposed water or sewer rate increases may file a written protest and/or a written objection to the water rates, the sewer rates, or both the water and sewer rates. The requirements for filing a protest and an objection are detailed below. While the same person or entity may submit both a protest and an objection, to be valid, protests and objections must be submitted separately, as clearly labeled, distinct documents.

Protests:

If you wish to file a written protest, please submit a letter addressed to Protest of Water Rate Increase or Protest of Sewer Rate Increase, directed to the City Council through the City Clerk at 1001 W. Center St., Suite G, Manteca, CA 95337.

Written protests must:

- (i) Include a statement that it is a protest against the proposed change in water or sewer rates or both;
- (ii) Provide the name of the record owner or customer of record submitting the protest;
- (iii) Identify the affected parcel by assessor's parcel number or service address associated with the person submitting the protest; and
- (iv) Include the original signature of the record owner or customer of record that is submitting the protest.

Protests will not be counted if any of the required elements (i through iv) are omitted. Written protests must be received by the City Clerk at City Hall by 5:00 p.m. on March 18, 2025 if delivered by U.S. Mail or submitted in person prior to the public hearing. Written protests may also be hand delivered, to the City Clerk at the City Council meeting on March 18, 2025, up until the close of the public input portion of the public hearing on the matter.

If, prior to the close of the public input portion of the public hearing, written protests are presented by a majority of parcels that receive water or sewer services, the City Council will not increase the water and/or sewer rates from their existing level. While oral and written testimony will be considered, only written protests will be counted toward the majority protest threshold, and only one written protest per parcel will be counted in calculating a majority protest. Written submissions labeled as "Objections" will not be counted toward the majority protest threshold.

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Objections:

Pursuant to Assembly Bill 2257, if the City complies with the requirements in Government Code section 53759.1, then any property owner or ratepayer desiring to bring a judicial action or proceeding to review, invalidate, challenge, set aside, rescind, void, or annul the water or sewer rates must submit an objection regarding the proposed water and/or sewer rates to the City Council's attention prior to the deadline established by the Council. Any judicial action or proceeding shall be subject to the requirements set forth in Government Code section 53759.2.

If you wish to file an objection, please submit a letter addressed to Objection to the Water Rate Increase or Objection to the Sewer Rate Increase, Attention to the City Clerk at 1001 W. Center St., Suite G, Manteca, CA 95337.

Requirements for a Valid, Written Objection:

- (i) A clear statement that it is an objection to the proposed water or sewer rates or both. Objections must be filed separately from protests.
- (ii) The name of the record owner or customer of record and the assessor's parcel number or service address associated with the objector's parcel that is subject to the proposed water or sewer rate increase.
- (iii) The specific subsections of California Constitution Article XIII D, Section 6(b) or any other applicable law that the objector believes would be violated by the approval of the proposed water or sewer rates.
- (iv) A detailed explanation, with references to the Water Rate Study and/or the Sewer Rate Study, legal authority, and any additional data or evidence that the objector chooses to present, that would enable the City to understand the grounds for the objector's claim that the proposed rates do not comply with Proposition 218 or any other applicable law. An objection may also include expert analysis in support of the objection. However, if such analysis is included, the objector must also include the expert's contact information and a statement of their qualifications.
- (v) The objector's original signature.

To be valid, all written objections must include the information identified above and be received by the City Clerk by 5:00 p.m. on March 3, 2025. Failure to timely object in writing bars any right to challenge the proposed water or sewer rates through a legal proceeding and any such action may be limited to issues identified in the challenger's objection.

If any of the requirements for a valid, written objection are not met, then the objection will be deemed invalid and will not be considered by the City. Objections must be submitted separately from protests and any written submission labeled as both a protest and an objection shall be deemed invalid. Before or during the Public Hearing, the City Council shall consider and the City shall respond in writing to, any timely, valid written objections. The City's responses shall explain the substantive basis for retaining or altering the proposed water or sewer rates in response to written objections, and, if applicable, the grounds for not making any amendments in response to a valid, written objection.

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In exercising its legislative discretion, the City Council shall determine whether:

- a. The written objections and the City's response warrant clarifications to the proposed water or sewer rates.
- b. To reduce the proposed water or sewer rates.
- c. To further review the proposed water or sewer rates before determining whether clarification or reduction is needed.
- d. To proceed with the protest hearing and consider adopting the rates, to continue it, or to abandon the proposal.

If you would like additional information on the proposed rates, including the Water Rate Study or the Sewer Rate Study, you can request a copy of either of the Studies by asking the City to send it to you by mail, visiting the Engineering Department located at 1001 W. Center St., Suite E, Manteca, CA 95337, or visiting the City's website below:

For Water Rate Study

<https://www.manteca.gov/departments/engineering/water-system>

For Sewer Rate Study

<https://www.manteca.gov/departments/engineering/sanitary-sewer-system>

The proposed water and sewer rates are subject to Government Code, section 53759. You are hereby notified, pursuant to Government Code, section 53759, that any judicial action or proceeding to attack, review, set aside, void, validate, or annul the City Council's adoption of the proposed water or sewer rates must be commenced within 120 days of the effective date or of the date of the final passage, adoption, or approval of the ordinance or resolution adopting the water or sewer rates, whichever is later. Additionally, no person may bring a judicial action or proceeding alleging that the water or sewer rates do not comply with the California Constitution or other applicable law, unless that person submitted to the City Clerk a timely, written objection to the water or sewer rates specifying the grounds for alleging noncompliance. The issues raised in any such action or proceeding shall be limited to those raised in such an objection unless a court finds the issue could not have been raised in such an objection by those exercising reasonable diligence.

Date: January 15, 2025

Signed:

Cassandra Candini-Tilton
City Clerk