

## **NOTICE OF PUBLIC HEARING CONCERNING PROPOSED RATE INCREASES TO SEWER, SALTWATER, AND SOLID WASTE SERVICE FEES**

The City Council of the City of Avalon (the “City”) invites the public to attend a Public Hearing to be held on **June 1, 2021, at 5:00 p.m., in the City Council Chambers at City Hall, located at 410 Avalon Canyon Road, Avalon, California 90704**, or as soon thereafter as the matter may be heard. The purpose of the public hearing is for the City Council to consider adopting increases in the current rates for its sewer, saltwater, and solid waste service fees.

The public may participate in the Public Hearing and address the City Council on the Public Hearing in person by practicing social distancing while waiting in the City Hall Court Yard and entering the Chambers one at a time at the appropriate time. A signup sheet will be provided online prior to the meeting and no one will be admitted who is ill or exhibiting symptoms of COVID-19. Additionally, the general public may participate in the Public Hearing and address the City Council by providing comments via e-Comment. Please use the link below to provide comments via e-Comment.

**To submit comments using eComment, please follow this link:**

<https://avalon.granicusideas.com>

Click the Meetings tab and then Post to comment on the 06/01/2021 meeting.

### **REASONS FOR THE PROPOSED RATE INCREASES**

The City is committed to providing the highest quality utility services at the lowest possible rates for our customers, maintaining financially sound and fiscally responsible sewer, saltwater, and solid waste programs, all while keeping pace with inflation and other cost increases. To meet this commitment, the City engaged an independent consultant to evaluate the infrastructure needs, programs, and operations and maintenance costs of its sewer, saltwater, and solid waste utilities. This review assessed the adequacy of rate revenues to operate and maintain the utilities and comply with all state and federal regulations. Based on this evaluation, it has been determined that rate increases are necessary to enable the City to: (1) recover current and projected increases in the costs of operating and maintaining the sewer, saltwater, and solid waste systems; (2) construct capital infrastructure improvements needed to repair, replace and update City’s aging sewer and saltwater systems; (3) comply with recent unfunded mandates in solid waste; (4) maintain operational and financial stability of the utilities; (5) comply with state and federal regulatory requirements; and (6) meet and comply with annual debt service requirements. The City’s sewer, saltwater, and solid waste service fees are all billed on an annual basis and collected on the property tax roll. Detailed descriptions of the proposed rates for each of the utilities are provided below.

### **PROPOSED SEWER SERVICE FEES**

The proposed rate structure for the City’s sewer service fees has various customer classes: residential, public showers, hotels, laundries, shops/offices, combined shops/offices, take-out restaurants, churches, bars/restaurants with up to 100 seats, and bars/restaurants with more than 100 seats. For residential customers, the fee is determined on a per dwelling unit basis. For public shower customers, the fee is calculated on the basis of the number of showers located at the parcel. For hotel customers, the fee is calculated on the basis of the number of rooms within the hotel property. For laundry customers, the fee is calculated on the basis of the

number of washing machines/units located at the property. For combined shops/offices, the fee is calculated on a per 1,000 square foot basis, with a 1,000 square foot minimum, rounded down in 500 square foot increments above 1,000 square feet. For all other non-residential customers, the fee is a flat, fixed charge per account basis. Within each customer class, the sewer service fee to be imposed is calculated to proportionately allocate the cost of providing sewer services to each parcel based on the estimated amount of wastewater discharged. If adopted, the proposed rates will be in effect beginning July 1, 2021, and will be increased each July 1 thereafter through, and including, July 1, 2025. The current and proposed rates and the annual increases in the rates resulting from the proposed rates for the sewer service fees are as set forth in the table below.

| <b>CURRENT AND PROPOSED ANNUAL RATES FOR SEWER SERVICE FEES</b> |                |                 |                 |                 |                 |                 |
|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Customer Class</b>   | <b>Current</b> | <b>7/1/2021</b> | <b>7/1/2022</b> | <b>7/1/2023</b> | <b>7/1/2024</b> | <b>7/1/2025</b> |
| <b>Residential (\$/ Dwelling Unit)</b>                          | \$873.00       | \$934.10        | \$999.50        | \$1,034.50      | \$1,065.55      | \$1,097.50      |
| <b>Public Showers (\$/Shower)</b>                               | 289.80         | 310.10          | 331.80          | 343.40          | 353.70          | 364.30          |
| <b>Hotels (\$/Room)</b>   | 480.15         | 513.75          | 549.70          | 568.95          | 586.05          | 603.60          |
| <b>Laundries (\$/Wash Unit)</b>                                 | 1,178.55       | 1,261.05        | 1,349.30        | 1,396.55        | 1,438.50        | 1,481.60        |
| <b>Shops/Offices (\$/Acct.)</b>                                 | 873.00         | 934.10          | 999.50          | 1,034.50        | 1,065.55        | 1,097.50        |
| <b>Combined Shops/Offices (\$/1,000 sq. ft.)</b>                | 558.70         | 597.80          | 639.65          | 662.05          | 681.95          | 702.35          |
| <b>Take-out Restaurants (\$/Acct.)</b>                          | 1,325.20       | 1,417.95        | 1,517.20        | 1,570.35        | 1,617.50        | 1,666.00        |
| <b>Churches (\$/Acct.)</b>                                      | 1,764.90       | 1,888.40        | 2,020.65        | 2,091.40        | 2,154.15        | 2,218.75        |
| <b>Bars / Restaurants (up to 100) (\$/Acct.)</b>                | 2,624.95       | 2,808.65        | 3,005.30        | 3,110.55        | 3,203.90        | 3,300.00        |
| <b>Bars / Restaurants (&gt;100) (\$/Acct.)</b>                  | 3,925.05       | 4,199.75        | 4,493.80        | 4,651.15        | 4,790.75        | 4,934.40        |

### **PROPOSED SALTWATER SERVICE FEES**

The rate structure for the City's saltwater service fees has 3 customer classes: residential, hotel, and commercial customers. For residential customers, the amount of the fee to be imposed is determined on a per dwelling unit basis. The proposed fees for hotel and commercial customers are determined on the basis of the number of toilets and urinals within the hotel or commercial property. Within each customer class, the amount of the saltwater service fees to be imposed are calculated to proportionately allocate the cost of providing saltwater services to each parcel based on the estimated amount of saltwater used. If adopted, the proposed rates will be in effect beginning July 1, 2021, and will be increased each July 1 thereafter through, and including, July 1, 2025. The current and proposed rates for the saltwater service fees are as set forth in the table below.

| <b>CURRENT AND PROPOSED ANNUAL RATES FOR SALTWATER SERVICE FEES</b> |                |                 |                 |                 |                 |                 |
|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Customer Class</b>   | <b>Current</b> | <b>7/1/2021</b> | <b>7/1/2022</b> | <b>7/1/2023</b> | <b>7/1/2024</b> | <b>7/1/2025</b> |
| <b>Residential (\$/ Dwelling unit)</b>                              | \$265.60       | \$272.30        | \$279.10        | \$286.10        | \$293.25        | \$300.60        |
| <b>Commercial (\$/Toilet &amp; Urinal)</b>                          | \$265.60       | \$272.30        | \$279.10        | \$286.10        | \$293.25        | \$300.60        |
| <b>Hotel (\$/Toilet &amp; Urinal)</b>                               | \$146.10       | \$149.75        | \$153.50        | \$157.35        | \$161.30        | \$165.35        |

## PROPOSED SOLID WASTE SERVICE FEES

The proposed rate structure for the City’s solid waste service fees has 10 customer classes: residential, residential with more than 10 dwelling units, hotels, gathering spaces (which include churches, public showers, schools, and the casino building), shops/offices (which include hospitals), grocers, restaurants with up to 100 seats, restaurants with more than 100 seats, and take out restaurants. For residential customers, the amount of the fee to be imposed is determined on a per dwelling unit basis; however, residential properties with 10 or more dwelling units are billed at a different rate per dwelling unit to reflect the shared solid waste facilities of these customers. The amount of the fee imposed on hotel customers is determined on the basis of the number of rooms within the hotel property. The amount of the fees imposed on gathering spaces, shops/offices, and grocers is determined on a square footage basis. The amount of the fees imposed on restaurants is determined on an account basis. Restaurants are also required to pay an additional grease disposal charge which is imposed on a per gallon basis. Within each customer class, the amount of the solid waste service fees to be imposed are calculated to proportionately allocate the cost of providing solid waste services for each parcel based on the estimated amount of solid waste generated. If adopted, the proposed rates will be in effect beginning July 1, 2021, and will be increased each July 1 thereafter through, and including, July 1, 2025. The current and proposed rates are as set forth in the table below.

| <b>CURRENT AND PROPOSED ANNUAL SOLID WASTE SERVICE FEES</b> |                |                 |                 |                 |                 |                 |
|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Customer Class</b>                                       | <b>Current</b> | <b>7/1/2021</b> | <b>7/1/2022</b> | <b>7/1/2023</b> | <b>7/1/2024</b> | <b>7/1/2025</b> |
| <b>Residential</b> (\$/Dwelling Unit)                       | \$559.51       | \$668.60        | \$799.00        | \$874.90        | \$901.15        | \$928.20        |
| <b>Res &gt; 10 Units</b> (\$/ Dwelling Unit)                | 447.69         | 535.00          | 639.35          | 700.10          | 721.10          | 742.75          |
| <b>Shops / Office</b> (\$/1,000 sq.ft.)                     | 884.15         | 1,056.55        | 1,262.60        | 1,382.55        | 1,424.05        | 1,466.75        |
| <b>Grocer</b> (\$/1,000 sq.ft.)                             | 2,652.45       | 3,169.70        | 3,787.80        | 4,147.65        | 4,272.10        | 4,400.25        |
| <b>Gathering Space</b> (\$/1,000 sq.ft.)                    | 442.10         | 528.30          | 631.30          | 691.25          | 712.00          | 733.35          |
| <b>Restaurants &gt;100 seats</b> (\$/Acct.)                 | 3,536.60       | 4,226.25        | 5,050.35        | 5,530.15        | 5,696.05        | 5,866.95        |
| <b>Restaurants up to 100 seats</b> (\$/Acct.)               | 7,073.20       | 8,452.45        | 10,100.70       | 11,060.25       | 11,392.05       | 11,733.80       |
| <b>Restaurants – Take Out</b> (\$/Acct.)                    | 1,768.30       | 2,113.10        | 2,525.15        | 2,765.05        | 2,848.00        | 2,933.45        |
| <b>Hotels</b> (\$/Room)                                     | 213.23         | 254.80          | 304.50          | 333.45          | 343.45          | 353.75          |
| <b>Grease Disposal</b> (\$/Gallon) <sup>(1)</sup>           | 2.56           | 3.06            | 3.66            | 4.01            | 4.13            | 4.25            |

(1) Restaurants must also pay a grease removal charge based on gallons removed in the prior year.

## PUBLIC HEARING AND PROTESTS

Any property owner may submit a written protest to the proposed rate increases to the City’s sewer, saltwater, and solid waste service fees; provided, however, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner is in opposition to the proposed rate increases to the sewer, saltwater, and/or solid waste service fees; (2) provide the location of the identified parcel (by street address, customer account number, or assessor’s parcel number); and (3) include the name and signature of the property owner submitting the protest. Written protests may be submitted by mail or in person to the City Clerk at 410 Avalon Canyon Road, P.O. Box 707, Avalon, California 90704, or at the Public Hearing (date and time noted above). To be counted, written protests must be received by the City Clerk prior to the conclusion of the public comment portion of the Public Hearing. Any protest submitted via e-mail, facsimile, or other electronic means will not be accepted. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the City Clerk, Attn: Public Hearing on Rate Increases.

The City Council will consider all written protests and public comments to the proposed rate increases at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, the City Council will consider adoption of a resolution authorizing the rate increases to the City's sewer, saltwater, and solid waste service fees as described in this notice. If written protests against the proposed rate increases to (1) the sewer service fees, (2) the saltwater service fees, and/or (3) the solid waste service fees as outlined above are not presented by a majority of property owners of the identified parcels upon which the fees are proposed to be imposed, the City Council will be authorized to impose the respective rate increases. If adopted, the proposed rate increases to the sewer, saltwater, and solid waste service fees will be as set forth in the tables in this notice.

**Additional information, including rate analyses, presentations, and proposed rates by year and parcel can be found at [www.cityofavalon.com/assessments](http://www.cityofavalon.com/assessments). For further questions regarding customer classifications or the proposed fees to be imposed on parcels, please contact Matthew Baker, Finance Director, at (310) 510-0220 ext. 170 or at [mbaker@cityofavalon.com](mailto:mbaker@cityofavalon.com).**