

Sewer Rate Adjustment



CITY of CHICO

City Council Meeting
Public Hearing

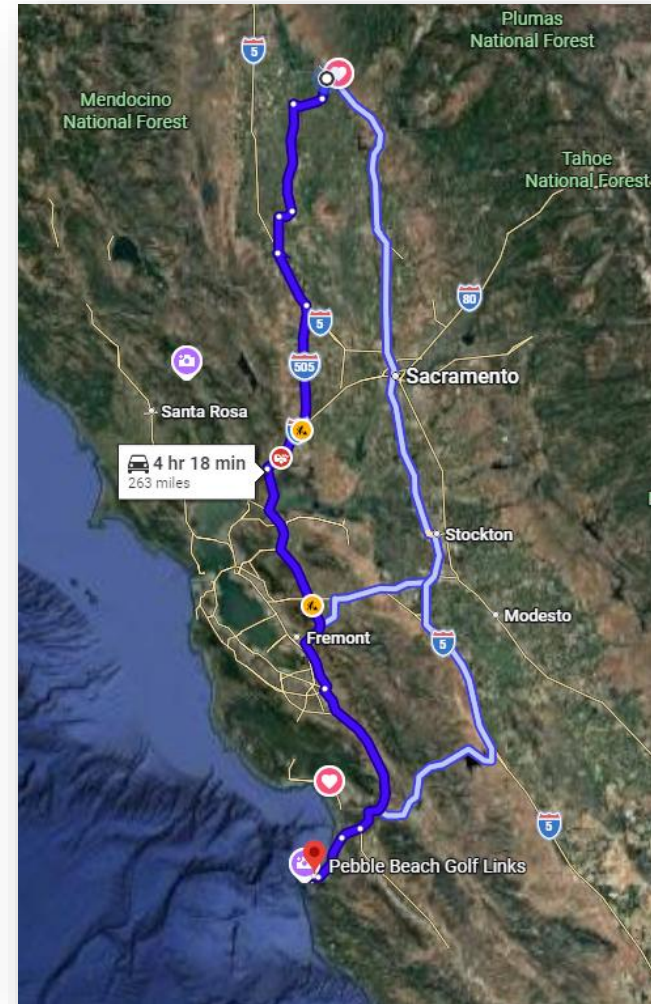
September 15, 2026

David Kehn
Deputy Director
Public Works - Engineering

**“A safe place to raise a family, an ideal location for business,
and a premier place to live.”**

Overview

- Background
- Capital Improvement Plan
- Proposed Rates
- Public Outreach
- Proposition 218
- Billing Methodology

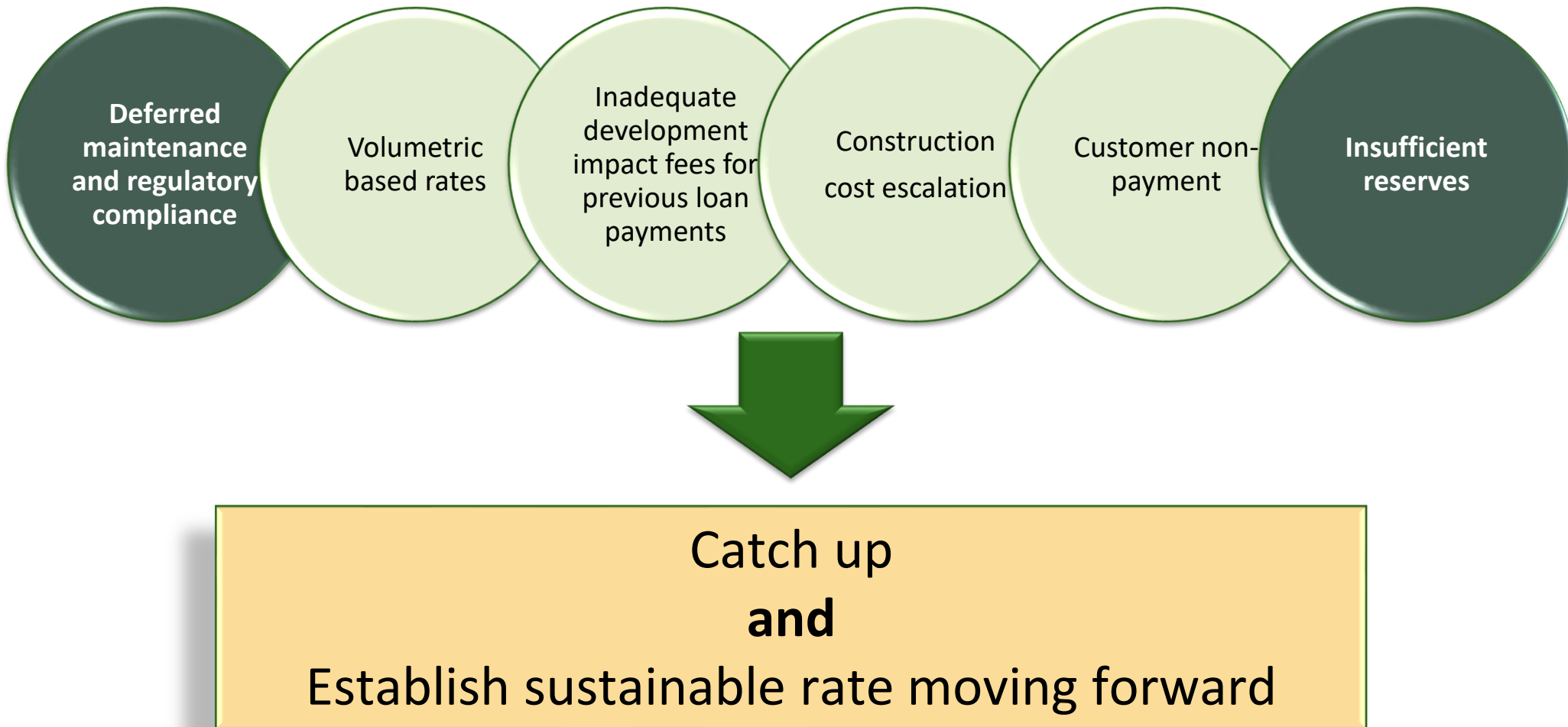


Chico maintains ~288 miles of pipe
(Chico to Monterey)



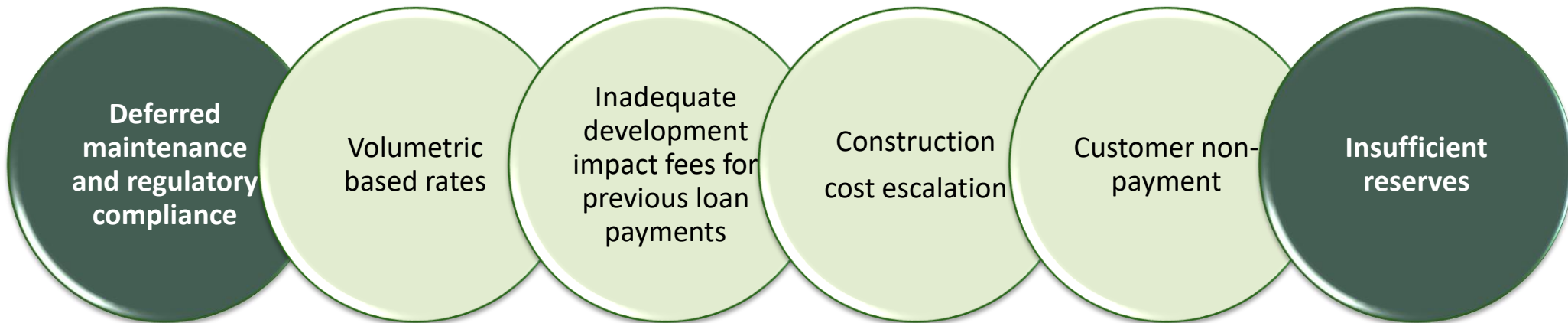
Background

Sewer Fund - Challenges



Background

Sewer Fund - Challenges

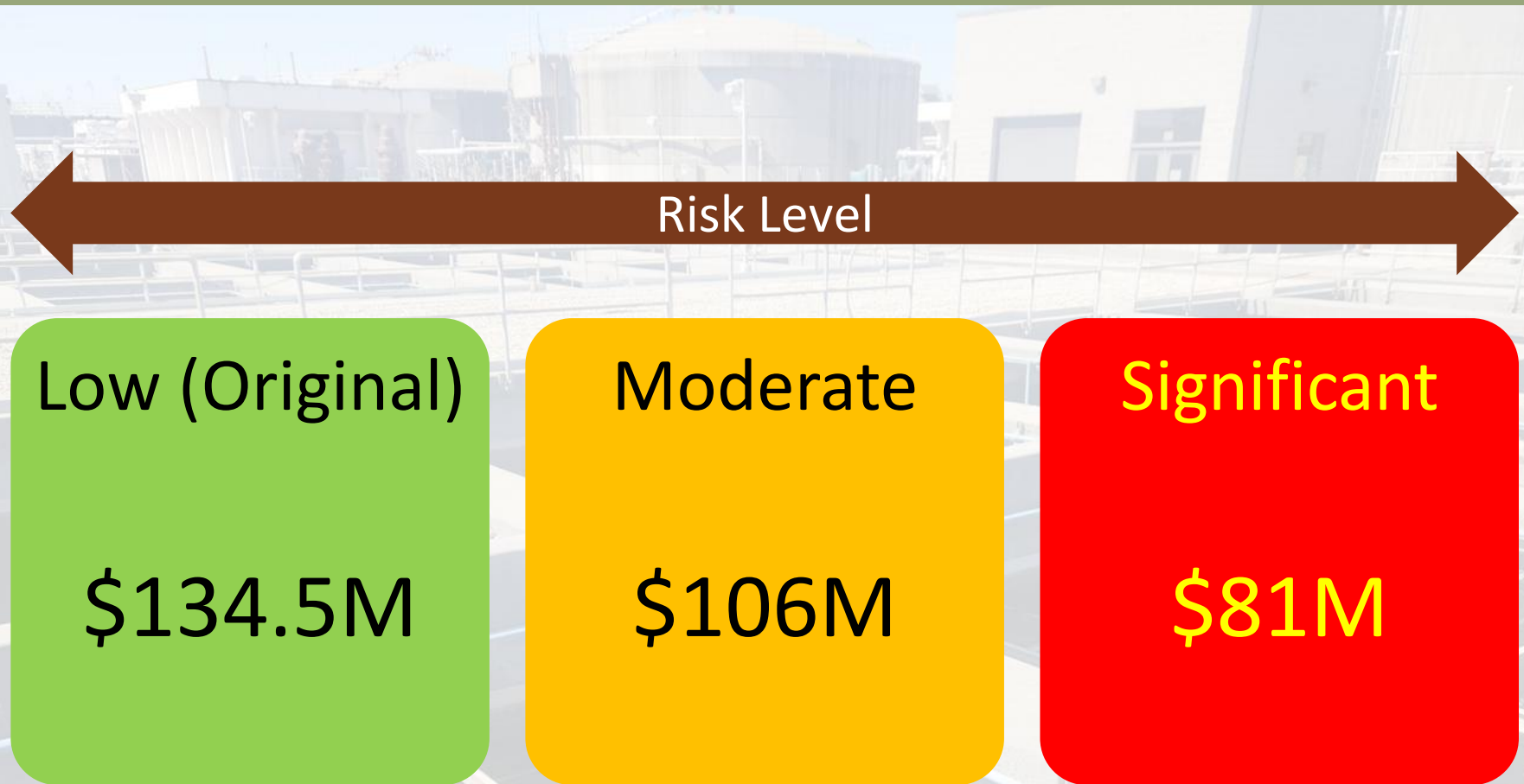


**Catch up
and
Establish sustainable rate moving forward**



Capital Improvement Plan

Reduced 5-Year CIP Scenarios



Capital Improvement Plan

Reduced 5-Year CIP Scenarios

The **Moderate Risk** scenario was selected by Council on June 16, 2026.

Moderate

\$106M

This scenario lowers the near-term rate impact but accepts greater emergency-repair and future financial risk.



Proposed Rates

Proposed Revenue Increase

Cash-Funded

FY 2027*	FY 2028	FY 2029	FY 2030	FY 2031
55%	55%	3%	3%	3%

Individual sewer bills will vary based on customer class and average winter water consumption.

**FY 27 will be effective November 2026.*



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Public Outreach

Home > Departments > Public Works > Sewer/Storm Drain Engineering > Public Process Timeline

Public Process Timeline

PUBLIC PROCESS TIMELINE

This page provides a history of public meetings and information throughout the Sewer Rate Study development process.

Note that any references to Sewer Enterprise Study in City Council documents are referring to the Sewer Rate Study.

The City of Chico City Council received a presentation on June, 16 2026. (Item 5.1 Sewer Enterprise Study)

- Meeting Materials
- Meeting Agenda
- Video
- Presentation

The City of Chico City Council received a presentation on March 17, 2026. (Item 5.1 Sewer Enterprise Study)

- Meeting Materials
- Meeting Agenda
- Video
- Presentation

The Finance Committee received a second presentation on March 5, 2026.

Proposed Changes to Sewer Service Charges

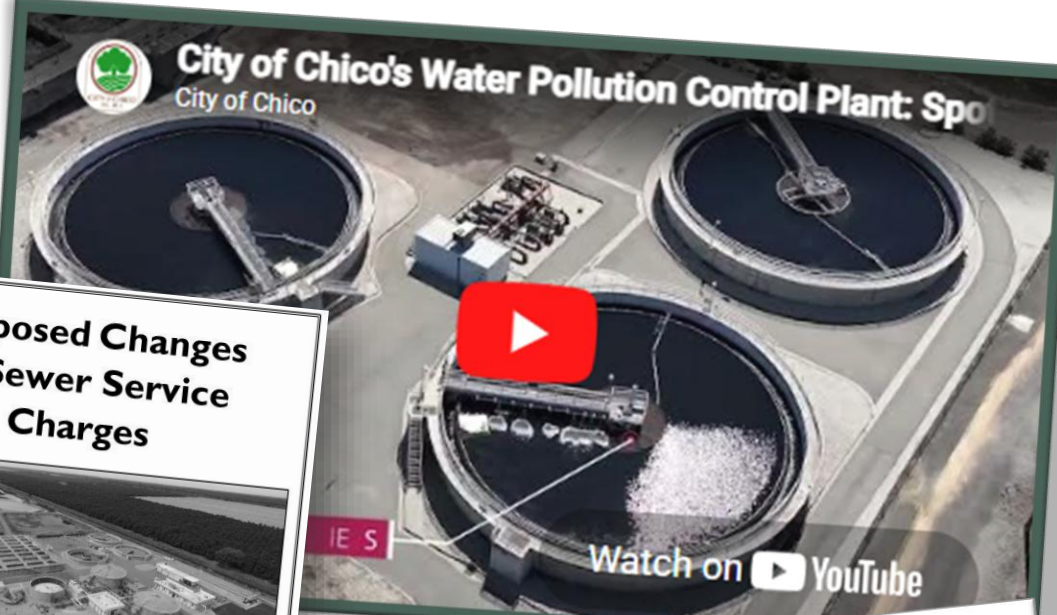


Chico Water Pollution Control Plant

Notice of Public Hearing

September 15, 2026
6:00 PM

Chico City Council Chambers
421 Main Street
Chico, CA 95928



City of Chico's Water Pollution Control Plant: Sp

City of Chico

Watch on YouTube

COVERAGE YOU CAN COUNT

NEW DETAILS

5-YEAR SEWER RATE PLAN

CITY OF CHICO

CHICO 59° 6:03

Chico Estimated Sewer Bill Calculator

Class (EDU)	×	\$/EDU	=	Fixed Charge
1.00		\$49.60		\$49.60
Winter Average (hcf)	×	\$/hcf	=	Variable Charge
7.20		\$4.82		\$34.70
Total Monthly Sewer Bill				\$84.31

Winter Average (hcf)
7.2
Average winter water use (Dec-Mar), in hcf.



Proposition 218

Majority Protest

Public hearing notices mailed
to all customers.

Public Hearing Notice
establishes the max rates that
can be adopted.

If a majority protest is received,
the proposed rates cannot be
adopted.

If a majority protest
is not received,
Council may approve, modify, or
reject the proposed rates.
Adopted rates must be equal or
less than noticed.

Council may also continue the
public hearing to a specified
future date to obtain more
information.



Proposition 218

Majority Protest

26,204 Public Hearing
Notices mailed to all
customers

20,537 parcels with
owner who pays sewer
charges

Proposed Changes to Sewer Service Charges



**Notice of Public Hearing
September 15, 2026
6:00 PM**

**Chico City Council Chambers
421 Main Street
Chico, CA 95928**

**Validity of written protests not confirmed as of this presentation.*



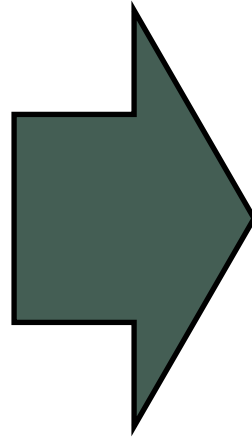
CITY of CHICO

Proposition 218

Majority Protest

26,204 Public Hearing
Notices mailed to all
customers

20,537 parcels with
owner who pays sewer
charges



10,269 valid written
protests required for
majority protest

XXXXX
written protests received

**Validity of written protests not confirmed as of this presentation.*

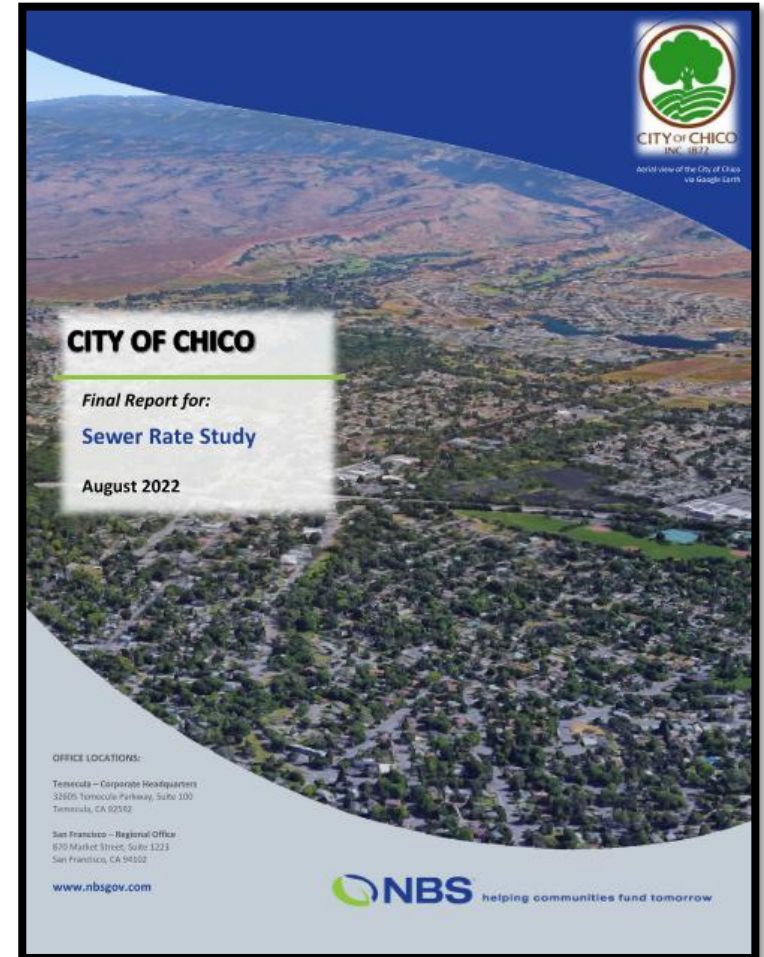


CITY of CHICO

Billing Methodology

Key Assumptions

The same billing methodology adopted in the 2022 sewer rate study was utilized in the 2026 sewer rate study.



Billing Methodology

Other Sewer Utilities

Fixed Rate

All non-residential properties receive the same monthly fixed charge.

PROPERTY TYPE	FIXED RATE (EFFECTIVE JULY 1, 2026)
Non-Residential Property	\$33.82 per month

Variable Rates

The variable charge is based on the property type and the amount of water the property uses each billing cycle. Water usage is measured in hundred cubic feet (CCF).

PROPERTY TYPE	VARIABLE RATE (EFFECTIVE JULY 1, 2026)
Bakeries	\$13.09 per CCF
Commercial Laundries	\$7.90 per CCF
Markets with Disposals	\$12.33 per CCF
Mortuaries	\$12.33 per CCF
Restaurants	\$13.12 per CCF
All Other Commercial Properties	\$5.63 per CCF
Schools & Institutions	\$5.47 per CCF

City of Redding Wastewater Utility Rate Schedule

Fixed Monthly Service Charge	2024 Effective January 1, 2024	2025 Effective January 1, 2025	2026 Effective January 1, 2026
Single Family Dwelling	\$67.38	\$70.75	\$73.58
Multi-Family Dwelling	\$49.86	\$52.35	\$54.44
Commercial Standard (per HE)	\$67.38	\$70.75	\$73.58
Commercial Food Preparation (per HE)	\$134.76	\$141.50	\$147.16
Variable Based on Monthly Water Consumption			
Commercial standard (\$/per CCF)	\$6.92	\$7.27	\$7.56
Commercial Food Preparation (\$/per CCF)	\$13.84	\$14.54	\$15.12

*HE = Household Equivalent

reddingsewer.com

@cityofredding

Wastewater Customer Classes

Residential Charge (per dwelling unit)	Present Wastewater Rates	Rates Effective July 1, 2026
Single-Family & Condominium	\$59.65	\$62.04
Multi-Family (including duplexes and triplexes)	\$54.97	
Apartments	\$49.47	
Commercial / Institutional		
Fixed Monthly Charges	\$27.99	
Consumption Charges (\$/HCF ¹)		
Commercial / Institutional - Low Strength	\$2.50	
Commercial / Institutional - Medium Strength	\$2.86	
Schools / Institutional - High Strength	\$4.60	
Industrial Charges		
Fixed Monthly Charges	\$1.34	
Admin / Standby Charge	\$27.99	
Industrial - Flow (\$/MG ²)	\$983.59	
Industrial - Carbonaceous Bio-Oxygen Demand (\$/Klbs ⁴)	\$159.38	
Consumption Charges		
Industrial - Flow (\$/MG)	\$117.01	
Industrial - Carbonaceous Bio-Oxygen Demand		
Industrial - Suspended Solids		

SACSEWER ORDINANCE

Enterprise/Use Categories	ESD Equivalent Factors
Barber and Beauty Shops	0.1 ESD/barber or beautician chair
Bars	0.7 ESD/1,000 Sq Ft of gross floor area
Bowling Alleys (Including Eating Facilities)	0.4 ESD/bowling lane
Car Washes - Automatic	1.0 ESD/9,300 gallons of water used each month
Car Washes - Self-Serve	0.7 ESD/washing stall
Dry Cleaners	1.7 ESD/1,000 Sq Ft of gross floor area
Fire Stations (Including Eating Facilities)	1.0 ESD/station
Garages	0.1 ESD/1,000 Sq Ft of gross floor area
Gyms, Health Clubs, Tanning Salons	0.3 ESD/1,000 Sq Ft of gross floor area
Halls, Lodges, Auditoriums	0.3 ESD/1,000 Sq Ft of gross floor area
Hospitals	1.0 ESD/9,300 gallons of water used each month (1.1 ESD/bed ¹)
Hotels and Motels	0.4 ESD/sleeping room
Laundries - Self-Serve	0.5 ESD/washing machine
Laundries - Commercial	1.0 ESD/9,300 gallons of water used each month
Markets - High Impact	0.6 ESD/1,000 Sq Ft of gross floor area
Markets - Low Impact	0.6 ESD/1,000 Sq Ft of gross floor area
Medical, Dental, Massage Therapy Offices	0.1 ESD/1,000 Sq Ft of gross floor area
Mini-Storage Facilities - One Single-Family Residence if Public Restrooms include additional fixture units	1.0 ESD, plus 0.04 ESD/fixture unit if in public restrooms include additional fixture units
Mortuaries	0.8 ESD/lumber room
Office Buildings - Under 200,000 Sq Ft (Including Eating Facilities)	0.2 ESD/1,000 Sq Ft of gross floor area
Office Buildings - 200,000 Sq Ft and above	0.2 ESD/1,000 Sq Ft of gross floor area
Public/Private Residences	0.04 ESD/fixture unit
Places of Worship (Including Residences)	0.2 ESD/1,000 Sq Ft of gross floor area
Recreational Vehicle Park	0.4 ESD per space or lot with sewer connection
RV Sanitary Sewer Dump Station	0.4 ESD per sanitary dump station
Rest Homes, Convalescent Homes, Boarding Houses, Fraternities, Sororities, Convents, Dormitories, etc.	0.4 ESD/bed
Restaurants - Dine-In	2.0 ESD/1,000 Sq Ft of gross floor area
Restaurants - Dine-In/Patio Area	1.0 ESD/1,000 Sq Ft of gross floor area
Restaurants - Dine-In & Take-Out	1.9 ESD/1,000 Sq Ft of gross floor area
Restaurants - Take-Out	1.7 ESD/1,000 Sq Ft of gross floor area
Retail Stores - Under 100,000 Sq Ft	0.1 ESD/1,000 Sq Ft of gross floor area
Retail Stores - 100,000 Sq Ft and above	1.0 ESD/9,300 gallons of water used each month (0.2 ESD/1,000 Sq Ft of gross floor area)
Schools - Elementary Schools, Day Cares, Preschools, Nursery Schools (Including Eating Facilities)	1.0 ESD/100 Average Daily Attendance
Schools - Middle Schools, Junior High Schools, and High Schools (Including Eating Facilities)	2.5 ESD/100 Average Daily Attendance
Schools - Colleges and Universities (Including Eating Facilities)	1.0 ESD/9300 gallons of water used each month (2.2 ESD/100 Full-Time Equivalent Students ³)
Service Stations	0.1 ESD/gas pump
Theaters	0.3 ESD/100 seats
Warehouses - Under 50,000 Sq Ft	0.1 ESD/1,000 Sq Ft gross floor area

3-40

Fairfield-Suisun Sewer District Fee Schedule Effective July 1, 2026

	Rate	Billing Cycle / Unit
Sewer Service Charges		
Residential ¹	\$54.91	per month
Commercial	\$17.13	per account per month
Monthly Account Charge and Regular Strength Volumetric ² or High Strength Volumetric ³	\$4.56	per Hundred Cubic Feet
	\$7.81	per Hundred Cubic Feet



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



Billing Methodology

Chico

Residential

=

Fixed Monthly Charge
(Per Unit)
(1 SFD = 1 EDU)

and

Volumetric Rates
(per HCF)

Commercial

=

Fixed Monthly Charge
(Per EDU)

and

Volumetric Rates
(per HCF)



Billing Methodology

Chico

Residential

=

Fixed Monthly Charge
(Per Unit)
(1 SFD = 1 EDU)

and

Volumetric Rates
(per HCF)

Commercial

=

Fixed Monthly Charge
(Per EDU)

and

Volumetric Rates
(per HCF)

$$1 \text{ EDU} = 60\% \left(\frac{Volume_{COM}}{Volume_{Avg.RES}} \right) + 20\% \left(\frac{BOD_{COM}}{BOD_{Avg.RES}} \right) + 20\% \left(\frac{TSS_{COM}}{TSS_{Avg.RES}} \right)$$



Next Steps

After review of alternative billing methodologies

Proceed with rates as presented in the public hearing notice

Continue public hearing to November 17
Adopt rates equal or less than presented in the public hearing notice

Continue public hearing to November 17
Initiate new Prop 218 Notice based on a revised billing methodology
that allocates costs more equitably



Next Steps

After review of alternative billing methodologies

What won't change

\$106M Moderate Risk CIP

Operations and
Maintenance Costs

Inflationary cost increases

What could change

Billing methodology
(cost of service allocation)

Debt proposals to offset a
change in cost of service
allocation



Staff Recommendation

The Director of Public Works – Engineering recommends the City Council:

1. Open the public hearing and receive public comment regarding the proposed sewer rate adjustments; and
2. Continue the public hearing to the City Council meeting of November 17, 2026, at 6pm.

