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TO: **City Council**

FROM: Brendan Ottoboni, Director of Public Works – Engineering

RE: Sewer Enterprise Study – Sewer Rate Adjustment

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**REPORT IN BRIEF:**

On March 17, 2026, Council received a comprehensive presentation on a five-year sewer rate update for the City of Chico’s sewer enterprise to address critical financial, regulatory, and infrastructure needs of the Water Pollution Control Plant (WPCP) and collection system. To reduce the initially proposed sewer rate increase staff have identified two additional rate increase scenarios which reduce the proposed Capital Improvement Plan but present some level of risk. This report summarizes the reduced sewer rate increase scenarios including risks and tradeoffs.

**RECOMMENDATION:**

The Director of Public Works – Engineering recommends the City Council adopt a proposed sewer rate schedule, and direct staff to initiate the Proposition 218 process, including preparation and distribution of the public hearing notice.

**FISCAL IMPACT:**                      **Budgeted:** Yes                      **Supplemental Required:** No

The Sewer Enterprise Study itself is budgeted within Sewer Fund 850. The outcome of the Sewer Enterprise Study may result in a sewer rate adjustment. A sewer rate adjustment will have significant impacts on the financial health of Fund 850 – Sewer and Fund 851 – Water Pollution Control Plant Capital Reserve.

**DISCUSSION:**

**Background**

The City of Chico owns and operates a 24-hour, 7-day per week, 365 days per year sewer utility that provides essential sanitation and wastewater treatment services. The City Council serves as the governing board for this enterprise, including the adoption of rates for this utility service.

The sewer system consists of approximately 288 miles of pipe, ranging from 4 to 39 inches in diameter, and a Water Pollution Control Plant (WPCP) with a regulated capacity of 8.4 million gallons per day (MGD). In the most recent National Pollution Discharge Elimination System (NPDES) permit issued by the State, the WPCP was de-regulated from 12 MGD to the current 8.4 MGD due to deterioration of the existing system, impacting the operating capacity of the WPCP.

At the November 18, 2025, City Council meeting, the Finance Director reported that the Sewer Fund Reserve balance for FY 25/26 was projected at \$4.4 million, significantly less than the \$11.4 million forecast. Current system operations cost about \$11 million annually, excluding deferred maintenance and regulatory compliance projects.

At the February 18, 2026, Finance Committee meeting, a presentation on the results of the Sewer Enterprise Study was provided. Options 1 and 2 were presented as cash-funded options. Direction was given to staff to return to the Finance Committee with additional financing options, including debt financing options.

At the March 5, 2026, Finance Committee meeting, a presentation of Options 3a, 3b, and 3c as debt financing options was provided. The Finance Committee recommended Council adoption of Option 1.

At the March 17, 2026, City Council meeting, Council passed a motion (Ayes: Goldstein, Hawley, Winslow, Bennett, Noes: O'Brien, van Overbeek, Reynolds) to approve Option 1 to adopt the proposed sewer rate schedule and directed staff to initiate the Proposition 218 process, including preparation of and distribution of the public hearing notice.

At the April 7, 2026, City Council meeting, Vice Mayor Bennett made a Council Member Request to agendaize reconsideration of his March 17, 2026, "Aye" vote to approve the sewer rate increase associated with Option 1.

At the May 5, 2026, City Council meeting, after reconsideration, the motion made at the March 17, 2026, meeting failed (Ayes: Goldstein, Hawley, Noes: O'Brien, van Overbeek, Reynolds, Bennett, Winslow). Council then passed a motion to have staff re-examine the sewer enterprise study and come back to Council on June 16, 2026, with additional sewer rate options, confirmation from the State Water Resources Control Board (SWRCB) on regulatory requirements, and to look for a financial advisor.

### **Purpose of this Report**

Council has directed staff to identify reduced sewer rate increase scenarios. This report provides two additional scenarios; Moderate Risk and Significant Risk. Each scenario reduces the sewer rate increase by deferring projects and increasing the likelihood of significant future rate increases and the potential for infrastructure failure.

### **Capital Improvement Plan (CIP) Development**

The CIP presented at the March 17, 2026, meeting used the Water Pollution Control Plant (WPCP) Strategic Planning Report, Sanitary Sewer System Master Plan Update, and Sewer Collection System Analysis as the technical basis to: (1) restore and stabilize Fund 850 (Sewer Fund) and Fund 851 (WPCP Capital Reserve); (2) fund a 5-Year \$134.5M Capital Improvement Plan driven by regulatory requirements, asset condition, and system capacity; and (3) gradually build reserves toward a 205-day target within the five-year period.

### **Capital Improvement Plan (CIP) Reduction – Risks and Tradeoffs**

#### *Regulatory Driven Projects*

The risk of reducing CIP projects associated with Regulatory Driven Projects will vary depending on the project. The two largest Regulatory Driven Projects are the MLE Process Upgrades (~\$8.6M) and the Pond Lining Project (~\$48M) which are both driven by the State's Land Discharge Requirements.

The MLE Process Upgrades has been confirmed by the State Water Resources Control Board (SWRCB) as required for compliance with the total nitrogen land discharge specification (Order R5-2022-0033 section IV.B.).

As confirmed by the SWRCB, the City's emergency storage basin will require some type of lining project to comply with land discharge specifications but may not require a concrete lined pond. A clay-lined or similar "unlined" pond may be acceptable if the data demonstrates a hydraulic conductivity of  $1 \times 10^{-6}$  cm/sec or less. A pond with a greater hydraulic conductivity than  $1 \times 10^{-6}$  cm/sec may be subject to additional regulatory requirements that address operation, maintenance, monitoring, and other specific requirements. Staff estimates that this reduced scope "unlined" pond project will cost \$34M to construct by 2031.

The Remove Abandoned Outfall (\$2.7M), if required by State Lands Commission project, is included in the CIP as the State Lands Commission has indicated this may be a forthcoming requirement. If desired, the City can risk this requirement not coming to fruition within the next 5 years. If the State Lands Commission puts forth this requirement, the City can negotiate to include this project in the next 5-year sewer rate adoption cycle.

### *Condition Driven Projects*

Condition Driven Projects were prioritized based on likelihood of failure and consequence of failure. Therefore, any reduction to the Condition Driven Projects increases the likelihood of failure as projects are deferred and equipment is pushed past its useful life.

Deferring WPCP projects from this rate setting period poses a direct risk to the adequacy of sewer rates in years 2032-2037, likely necessitating significant rate increases during that period. Deferring projects from this 5-year rate study will also increase the total price due to escalation and carries the additional risk of actual physical failure at the WPCP.

It is critical to highlight that deferring Condition Driven Projects will not alleviate necessary repairs, only postpone our ability to fund them and increase delivery costs. Therefore, any projects that are deferred will be included in a future sewer rate study escalated to the year of construction.

### *Capacity Driven Projects*

The Sanitary Sewer Master Plan (SSMP) identifies all projects necessary to support buildout of the City per the General Plan. If new development occurs and a new pipeline is installed to serve only that development, then that financial responsibility is completely put on the new development. However, when a new development occurs that relies partially on existing sewer mains that do not have sufficient capacity, then that sewer main needs to be upsized. When this occurs, the existing users benefit from a brand-new pipe and are therefore responsible for a portion of the newly installed pipe cost. This is deemed “Sanitary Sewer Master Plan Projects – Existing User Contribution”.

The current assumption is that buildout will occur over the next 20 years. This assumption can be extended to 40 years or removed completely.

If no fees are collected for this purpose, the risk is that a developer will propose a new development with their share of sewer costs, and the City will not have funds available to support the existing user contribution. In this case, the City could reimburse the developer or pursue debt financing to provide the City’s existing user share of costs.

### **Capital Improvement Plan (CIP) Reduction – Reduced CIP Scenarios**

*Original (Low Risk) CIP Scenario – Options 1, 2, 3a, 3b, and 3c (from March 17, 2026, City Council meeting).*

The CIP presented at the March 17, 2026, City Council meeting contains all projects identified in the City’s adopted master planning documents and therefore is identified as the Original Low Risk scenario. This scenario presents the least risk.

The Original Low Risk CIP scenario includes \$134.5M 5-year CIP.

The options shown below represent reductions to the CIP associated with Moderate and Significant CIP Risk Scenarios. The impacted projects have been identified in red in **Attachment C**.

Moderate Risk CIP Scenario – Option 4a, 4b, and 4c (\$105M 5-year CIP)			
Project Driver	Project	Reduction	Comments
Regulatory Driven	Pond Lining Project	\$48M to \$34M	Some type of lining project will be required to meet State Land Discharge requirements, reduced-scope project cost estimates \$34M
	Remove Abandoned Outfall	\$2.7M to \$0	Include in future sewer rate if requested by State Lands Commission
Condition Driven	2027 Sewer Pipe Replacement Project	\$4.2M to \$0	Due to deferred adoption of a sewer rate increase staff have utilized budget from reserves and other project balances to support the 2027 Sewer Pipe Replacement Project
	2028 – 2032 Sewer Pipe Replacement Projects	\$21.6M to \$16.2M (\$5.4M reduction)	In 2022, City Council voted to reduce the necessary replacement by 50%. The March 17, 2026, CIP is a reflection of that 2022 reduction, this would be in addition to that.
Capacity Driven	SSMP Existing User Contribution	\$4.3M to \$2.15M (\$2.15M reduction)	Assumes General Plan build out over next 40 years

Figure 1 – Moderate Risk CIP Scenario

Significant Risk CIP Scenario – Options 5a, 5b, and 5c (\$81M 5-year CIP)			
<i>The primary risk associated with this scenario is that a moderate/significant rate increase will be required in 2032.</i>			
Project Driver	Project	Reduction	Comments
Regulatory Driven	Pond Lining Project	\$48M to \$34M	Some type of lining project will be required to meet State Land Discharge requirements, reduced scope project cost estimates \$34M
	Remove Abandoned Outfall	\$2.7M to \$0	Include in future sewer rate if requested by State Lands Commission
Condition Driven	2027 Sewer Pipe Replacement Project	\$4.2M to \$0	Due to deferred adoption of a sewer rate increase staff have utilized budget from reserves and other project balances to support the 2027 Sewer Pipe Replacement Project
	2028 – 2032 Sewer Pipe Replacement Projects	\$21.6M to \$10.8M (\$10.8M reduction)	In 2022, City Council voted to reduce the necessary replacement by 50%. The March 17, 2026, CIP is a reflection of that 2022 reduction, this would be in addition to that.
	WPCP Projects >\$1M	\$34.4M to \$17.2M (\$17.2M reduction)	These projects will be deferred until a future rate study, escalated to year of construction.
Capacity Driven	SSMP Existing User Contribution	\$4.3M to \$0 (\$4.3M reduction)	Assumes no SSMP Existing User Contribution budget available

Figure 2 – Significant Risk CIP Scenario

## Financing and Rate Options

### Revenue Requirements

Debt financing will still require a sewer rate adjustment to cover proposed costs, including debt service. Figure 3 shows the overall revenue requirement increases over the 5-year planning period.

Risk	Option	Financing	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-Year Cumulative Revenue Increase	Rate Changes** FY 32-37
Low (Original)	1*	Cash	180%	3%	3%	3%	3%	215.1%	3%-5%
Moderate	4a	Cash	130%	3%	3%	3%	3%	158.9%	5%-10%
	4b	Cash	55%	55%	3%	3%	3%	162.5%	5%-10%
	4c	Debt (\$30M)	50%	50%	3%	3%	3%	145.9%	5%-10%
Significant	5a	Cash	95%	3%	3%	3%	3%	119.5%	25%-50%
	5b	Cash	45%	45%	3%	3%	3%	129.7%	25%-50%
	5c	Debt (\$30M)	40%	35%	3%	3%	3%	106.5%	25%-50%

**Figure 3 - 5-Year Cumulative Revenue Increase Requirements\*\*\***

\*Option 1 is detailed in the March 17, 2026, City Council, Sewer Enterprise Study Staff Report

\*\*Rate changes beyond the proposed 5-Year Rate Adoption Period are illustrative only and intended to demonstrate scale of necessary revenue increase requirements.

\*\*\*Customer bill impact will vary by customer class.

### Debt Financing Assumptions

Options 4c and 5c have Loan Amounts that are not the primary driver for future rate increases, the FY 27-31 rate increases shown in Figure 3 provide adequate revenue to cover Annual Debt Service. The rate increases identified in Figure 3, Rate Changes FY 32-37, are a result of deferred projects. Figure 4 shows the assumptions for each debt financing option.

Option	Loan Amount	Interest Rate	Loan Term (Years)	Annual Debt Service	Total Interest Paid Over Loan Term
4c	\$30M	4%	20	\$2,395,712	\$15,355,730
5c	\$30M	4%	20	\$2,395,712	\$15,355,730

**Figure 4 - Debt Financing Assumptions**

## **Alternate Revenue Sources**

### *Recycled Water*

Over the past several City Council meetings, members of the public have expressed their desire for the City to pursue selling recycled water as a source of revenue. Staff began undertaking a Recycled Water Feasibility Study in 2024 with an anticipated final report complete by late 2026 or early 2027.

Initial results highlight the significant cost of generating recycled water in all its forms and applicable uses from tertiary treatment which can be land applied for agriculture to indirect potable reuse for groundwater injection.

Current user costs for groundwater extraction are \$400-\$500 per acre-foot. Initial results of the study find that non-potable reuse for agriculture would range between \$1,600 - \$2,000 per acre-foot. This is largely due to the required WPCP upgrades and necessary pipeline installations to deliver the non-potable water. Indirect potable reuse will be significantly more expensive than non-potable reuse.

Therefore, based on the City's initial findings, a recycled water project would not provide an additional source of revenue.

### **Rate Schedule Options 4a, 4b, 4c, 5a, 5b, 5c**

Fixed and volumetric rates are detailed in **Attachment A**.

### **Sewer Cost of Service and Rate Study Report**

A comprehensive Sewer Cost of Service and Rate Study Report (Carollo) was provided on the March 17, 2026, Staff Report. The Sewer Cost of Service and Rate Study Report only identifies sewer rates associated with the Original (Low) Risk CIP. The primary components of the Sewer Cost of Service and Rate Study Report remain unchanged as the CIP is reduced.

### **Anticipated Bill Impacts**

Anticipated bill impact examples are provided in **Attachment B**. These examples provide bill impacts based on the winter water consumption specified in the table. Actual bill impacts will vary depending on winter water consumption and customer class.

### **Outreach & Public Comments**

**Attachment D** provides correspondence received from the City's Sewer Enterprise Study website.

<https://chicoca.gov/Departments/Public-Works/SewerStorm-Drain-Engineering/Sewer-Enterprise-Study/>

### **Next Steps**

If the City Council approves a sewer rate schedule and directs staff to initiate the Proposition 218 process, including the public hearing notice today, the proposed timeline is:

- June 2026: Council approval of rate schedule, initiation of Proposition 218 process
- July - September 2026: Proposition 218 noticing and public hearing
- October 2026: Council adoption of amended fee schedule
- November 2026: New rates take effect

### **ATTACHMENTS:**

Attachment A: Sewer Rate Schedule Options 4a, 4b, 4c, 5a, 5b, 5c  
Attachment B: Sewer Rate Bill Impact – Examples for Options 4a, 4b, 4c, 5a, 5b, 5c  
Attachment C: 5-Year Capital Improvement Plan (CIP) – Original (Low) Risk  
Attachment D: Public Comment received from the Sewer Enterprise Study website (as of 5/20/26)

# ATTACHMENT A

## OPTION 4a - Cash funded, large increase year 1, small increases years 2-5

Class	Existing Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Existing Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate
		2027	2028	2029	2030	2031	\$/hcf	2027	2028	2029	2030	2031
		130.0%	3.0%	3.0%	3.0%	3.0%		130.0%	3.0%	3.0%	3.0%	3.0%
<b>Residential</b>												
House	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 1.30	\$ 4.69	\$ 4.83	\$ 4.97	\$ 5.12	\$ 5.27
Multi-Family	\$ 16.12	\$ 37.60	\$ 38.73	\$ 39.89	\$ 41.09	\$ 42.32	\$ 1.30	\$ 4.69	\$ 4.83	\$ 4.97	\$ 5.12	\$ 5.27
Duplex - 2 Meters	\$ 9.22	\$ 42.30	\$ 43.57	\$ 44.88	\$ 46.23	\$ 47.62	\$ 1.30	\$ 4.69	\$ 4.83	\$ 4.97	\$ 5.12	\$ 5.27
Duplex - 1 Meter	\$ 18.48	\$ 42.30	\$ 43.57	\$ 44.88	\$ 46.23	\$ 47.62	\$ 1.30	\$ 4.69	\$ 4.83	\$ 4.97	\$ 5.12	\$ 5.27
<b>Commercial</b>												
Bars w/o Dining	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 0.88	\$ 4.82	\$ 4.96	\$ 5.11	\$ 5.26	\$ 5.42
Brewery	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 2.06	\$ 9.71	\$ 10.00	\$ 10.30	\$ 10.61	\$ 10.93
Car Wash	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 0.60	\$ 3.75	\$ 3.86	\$ 3.98	\$ 4.10	\$ 4.22
Dorms	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 0.75	\$ 4.42	\$ 4.55	\$ 4.69	\$ 4.83	\$ 4.97
Hospital & Convalescent	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 0.72	\$ 4.39	\$ 4.52	\$ 4.66	\$ 4.80	\$ 4.94
Hotels w/o Dining	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 0.81	\$ 4.71	\$ 4.85	\$ 5.00	\$ 5.15	\$ 5.30
Hotels with Dining	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 1.63	\$ 8.19	\$ 8.44	\$ 8.69	\$ 8.95	\$ 9.22
Industrial Laundry	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 1.87	\$ 8.71	\$ 8.97	\$ 9.24	\$ 9.52	\$ 9.81
Laundromat	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 0.69	\$ 4.05	\$ 4.17	\$ 4.30	\$ 4.43	\$ 4.56
Markets/Bakeries	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 2.20	\$ 9.82	\$ 10.11	\$ 10.41	\$ 10.72	\$ 11.04
Mortuary	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 2.66	\$ 10.14	\$ 10.44	\$ 10.75	\$ 11.07	\$ 11.40
Restaurants	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 2.18	\$ 9.73	\$ 10.02	\$ 10.32	\$ 10.63	\$ 10.95
School	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 0.64	\$ 3.95	\$ 4.07	\$ 4.19	\$ 4.32	\$ 4.45
All Other	\$ 28.47	\$ 47.00	\$ 48.41	\$ 49.86	\$ 51.36	\$ 52.90	\$ 0.99	\$ 4.65	\$ 4.79	\$ 4.93	\$ 5.08	\$ 5.23

# ATTACHMENT A

## OPTION 4b - Cash funded, moderate increase year 1 and 2, small increases years 3-5

Class	Existing Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Existing Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate
		2027	2028	2029	2030	2031	\$/hcf	2027	2028	2029	2030	2031
		55.0%	55.0%	3.0%	3.0%	3.0%		55.0%	55.0%	3.0%	3.0%	3.0%
<b>Residential</b>												
House	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 1.30	\$ 3.11	\$ 4.82	\$ 4.96	\$ 5.11	\$ 5.26
Multi-Family	\$ 16.12	\$ 25.60	\$ 39.68	\$ 40.87	\$ 42.10	\$ 43.36	\$ 1.30	\$ 3.11	\$ 4.82	\$ 4.96	\$ 5.11	\$ 5.26
Duplex - 2 Meters	\$ 9.22	\$ 28.80	\$ 44.64	\$ 45.98	\$ 47.36	\$ 48.78	\$ 1.30	\$ 3.11	\$ 4.82	\$ 4.96	\$ 5.11	\$ 5.26
Duplex - 1 Meter	\$ 18.48	\$ 28.80	\$ 44.64	\$ 45.98	\$ 47.36	\$ 48.78	\$ 1.30	\$ 3.11	\$ 4.82	\$ 4.96	\$ 5.11	\$ 5.26
<b>Commercial</b>												
Bars w/o Dining	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 0.88	\$ 3.19	\$ 4.94	\$ 5.09	\$ 5.24	\$ 5.40
Brewery	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 2.06	\$ 6.53	\$ 10.12	\$ 10.42	\$ 10.73	\$ 11.05
Car Wash	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 0.60	\$ 2.46	\$ 3.81	\$ 3.92	\$ 4.04	\$ 4.16
Dorms	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 0.75	\$ 2.92	\$ 4.53	\$ 4.67	\$ 4.81	\$ 4.95
Hospital & Convalescent	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 0.72	\$ 2.90	\$ 4.50	\$ 4.64	\$ 4.78	\$ 4.92
Hotels w/o Dining	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 0.81	\$ 3.12	\$ 4.84	\$ 4.99	\$ 5.14	\$ 5.29
Hotels with Dining	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 1.63	\$ 5.50	\$ 8.53	\$ 8.79	\$ 9.05	\$ 9.32
Industrial Laundry	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 1.87	\$ 5.84	\$ 9.05	\$ 9.32	\$ 9.60	\$ 9.89
Laundromat	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 0.69	\$ 2.67	\$ 4.14	\$ 4.26	\$ 4.39	\$ 4.52
Markets/Bakeries	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 2.20	\$ 6.60	\$ 10.23	\$ 10.54	\$ 10.86	\$ 11.19
Mortuary	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 2.66	\$ 6.82	\$ 10.57	\$ 10.89	\$ 11.22	\$ 11.56
Restaurants	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 2.18	\$ 6.54	\$ 10.14	\$ 10.44	\$ 10.75	\$ 11.07
School	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 0.64	\$ 2.60	\$ 4.03	\$ 4.15	\$ 4.27	\$ 4.40
All Other	\$ 28.47	\$ 32.00	\$ 49.60	\$ 51.09	\$ 52.62	\$ 54.20	\$ 0.99	\$ 3.08	\$ 4.77	\$ 4.91	\$ 5.06	\$ 5.21

# ATTACHMENT A

## OPTION 4c - Debt financed, \$30M loan, moderate increase year 1 and 2, small increases years 3-5

Class	Existing Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Existing Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate
		2027	2028	2029	2030	2031	\$/hcf	2027	2028	2029	2030	2031
		50.0%	50.0%	3.0%	3.0%	3.0%		50.0%	50.0%	3.0%	3.0%	3.0%
<b>Residential</b>												
House	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 1.30	\$ 3.15	\$ 4.73	\$ 4.87	\$ 5.02	\$ 5.17
Multi-Family	\$ 16.12	\$ 24.00	\$ 36.00	\$ 37.08	\$ 38.19	\$ 39.34	\$ 1.30	\$ 3.15	\$ 4.73	\$ 4.87	\$ 5.02	\$ 5.17
Duplex - 2 Meters	\$ 9.22	\$ 27.00	\$ 40.50	\$ 41.72	\$ 42.97	\$ 44.26	\$ 1.30	\$ 3.15	\$ 4.73	\$ 4.87	\$ 5.02	\$ 5.17
Duplex - 1 Meter	\$ 18.48	\$ 27.00	\$ 40.50	\$ 41.72	\$ 42.97	\$ 44.26	\$ 1.30	\$ 3.15	\$ 4.73	\$ 4.87	\$ 5.02	\$ 5.17
<b>Commercial</b>												
Bars w/o Dining	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 0.88	\$ 3.24	\$ 4.86	\$ 5.01	\$ 5.16	\$ 5.31
Brewery	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 2.06	\$ 6.67	\$ 10.01	\$ 10.31	\$ 10.62	\$ 10.94
Car Wash	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 0.60	\$ 2.49	\$ 3.74	\$ 3.85	\$ 3.97	\$ 4.09
Dorms	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 0.75	\$ 2.97	\$ 4.46	\$ 4.59	\$ 4.73	\$ 4.87
Hospital & Convalescent	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 0.72	\$ 2.95	\$ 4.43	\$ 4.56	\$ 4.70	\$ 4.84
Hotels w/o Dining	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 0.81	\$ 3.17	\$ 4.76	\$ 4.90	\$ 5.05	\$ 5.20
Hotels with Dining	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 1.63	\$ 5.59	\$ 8.39	\$ 8.64	\$ 8.90	\$ 9.17
Industrial Laundry	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 1.87	\$ 5.96	\$ 8.94	\$ 9.21	\$ 9.49	\$ 9.77
Laundromat	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 0.69	\$ 2.71	\$ 4.07	\$ 4.19	\$ 4.32	\$ 4.45
Markets/Bakeries	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 2.20	\$ 6.74	\$ 10.11	\$ 10.41	\$ 10.72	\$ 11.04
Mortuary	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 2.66	\$ 6.95	\$ 10.43	\$ 10.74	\$ 11.06	\$ 11.39
Restaurants	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 2.18	\$ 6.68	\$ 10.02	\$ 10.32	\$ 10.63	\$ 10.95
School	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 0.64	\$ 2.63	\$ 3.95	\$ 4.07	\$ 4.19	\$ 4.32
All Other	\$ 28.47	\$ 30.00	\$ 45.00	\$ 46.35	\$ 47.74	\$ 49.17	\$ 0.99	\$ 3.12	\$ 4.68	\$ 4.82	\$ 4.96	\$ 5.11

# ATTACHMENT A

## OPTION 5a - Cash funded, large increase year 1, small increases years 2-5

Class	Existing Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Existing Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate
		2027	2028	2029	2030	2031	\$/hcf	2027	2028	2029	2030	2031
		95.0%	3.0%	3.0%	3.0%	3.0%		95.0%	3.0%	3.0%	3.0%	3.0%
<b>Residential</b>												
House	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 1.30	\$ 3.95	\$ 4.07	\$ 4.19	\$ 4.32	\$ 4.45
Multi-Family	\$ 16.12	\$ 32.00	\$ 32.96	\$ 33.95	\$ 34.97	\$ 36.02	\$ 1.30	\$ 3.95	\$ 4.07	\$ 4.19	\$ 4.32	\$ 4.45
Duplex - 2 Meters	\$ 9.22	\$ 36.00	\$ 37.08	\$ 38.19	\$ 39.34	\$ 40.52	\$ 1.30	\$ 3.95	\$ 4.07	\$ 4.19	\$ 4.32	\$ 4.45
Duplex - 1 Meter	\$ 18.48	\$ 36.00	\$ 37.08	\$ 38.19	\$ 39.34	\$ 40.52	\$ 1.30	\$ 3.95	\$ 4.07	\$ 4.19	\$ 4.32	\$ 4.45
<b>Commercial</b>												
Bars w/o Dining	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 0.88	\$ 4.05	\$ 4.17	\$ 4.30	\$ 4.43	\$ 4.56
Brewery	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 2.06	\$ 8.23	\$ 8.48	\$ 8.73	\$ 8.99	\$ 9.26
Car Wash	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 0.60	\$ 3.14	\$ 3.23	\$ 3.33	\$ 3.43	\$ 3.53
Dorms	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 0.75	\$ 3.72	\$ 3.83	\$ 3.94	\$ 4.06	\$ 4.18
Hospital & Convalescent	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 0.72	\$ 3.69	\$ 3.80	\$ 3.91	\$ 4.03	\$ 4.15
Hotels w/o Dining	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 0.81	\$ 3.96	\$ 4.08	\$ 4.20	\$ 4.33	\$ 4.46
Hotels with Dining	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 1.63	\$ 6.95	\$ 7.16	\$ 7.37	\$ 7.59	\$ 7.82
Industrial Laundry	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 1.87	\$ 7.38	\$ 7.60	\$ 7.83	\$ 8.06	\$ 8.30
Laundromat	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 0.69	\$ 3.40	\$ 3.50	\$ 3.61	\$ 3.72	\$ 3.83
Markets/Bakeries	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 2.20	\$ 8.33	\$ 8.58	\$ 8.84	\$ 9.11	\$ 9.38
Mortuary	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 2.66	\$ 8.61	\$ 8.87	\$ 9.14	\$ 9.41	\$ 9.69
Restaurants	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 2.18	\$ 8.25	\$ 8.50	\$ 8.76	\$ 9.02	\$ 9.29
School	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 0.64	\$ 3.31	\$ 3.41	\$ 3.51	\$ 3.62	\$ 3.73
All Other	\$ 28.47	\$ 40.00	\$ 41.20	\$ 42.44	\$ 43.71	\$ 45.02	\$ 0.99	\$ 3.91	\$ 4.03	\$ 4.15	\$ 4.27	\$ 4.40

# ATTACHMENT A

## OPTION 5b - Cash funded, large increase year 1 and 2, small increases years 3-5

Class	Existing Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Existing Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate
		2027	2028	2029	2030	2031	\$/hcf	2027	2028	2029	2030	2031
		45.0%	45.0%	3.0%	3.0%	3.0%		45.0%	45.0%	3.0%	3.0%	3.0%
<b>Residential</b>												
House	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 1.30	\$ 3.05	\$ 4.42	\$ 4.55	\$ 4.69	\$ 4.83
Multi-Family	\$ 16.12	\$ 23.20	\$ 33.64	\$ 34.65	\$ 35.69	\$ 36.76	\$ 1.30	\$ 3.05	\$ 4.42	\$ 4.55	\$ 4.69	\$ 4.83
Duplex - 2 Meters	\$ 9.22	\$ 26.10	\$ 37.85	\$ 38.99	\$ 40.16	\$ 41.36	\$ 1.30	\$ 3.05	\$ 4.42	\$ 4.55	\$ 4.69	\$ 4.83
Duplex - 1 Meter	\$ 18.48	\$ 26.10	\$ 37.85	\$ 38.99	\$ 40.16	\$ 41.36	\$ 1.30	\$ 3.05	\$ 4.42	\$ 4.55	\$ 4.69	\$ 4.83
<b>Commercial</b>												
Bars w/o Dining	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 0.88	\$ 3.12	\$ 4.52	\$ 4.66	\$ 4.80	\$ 4.94
Brewery	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 2.06	\$ 6.46	\$ 9.37	\$ 9.65	\$ 9.94	\$ 10.24
Car Wash	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 0.60	\$ 2.40	\$ 3.48	\$ 3.58	\$ 3.69	\$ 3.80
Dorms	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 0.75	\$ 2.86	\$ 4.15	\$ 4.27	\$ 4.40	\$ 4.53
Hospital & Convalescent	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 0.72	\$ 2.84	\$ 4.12	\$ 4.24	\$ 4.37	\$ 4.50
Hotels w/o Dining	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 0.81	\$ 3.06	\$ 4.44	\$ 4.57	\$ 4.71	\$ 4.85
Hotels with Dining	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 1.63	\$ 5.42	\$ 7.86	\$ 8.10	\$ 8.34	\$ 8.59
Industrial Laundry	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 1.87	\$ 5.78	\$ 8.38	\$ 8.63	\$ 8.89	\$ 9.16
Laundromat	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 0.69	\$ 2.61	\$ 3.78	\$ 3.89	\$ 4.01	\$ 4.13
Markets/Bakeries	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 2.20	\$ 6.54	\$ 9.48	\$ 9.76	\$ 10.05	\$ 10.35
Mortuary	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 2.66	\$ 6.75	\$ 9.79	\$ 10.08	\$ 10.38	\$ 10.69
Restaurants	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 2.18	\$ 6.47	\$ 9.38	\$ 9.66	\$ 9.95	\$ 10.25
School	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 0.64	\$ 2.54	\$ 3.68	\$ 3.79	\$ 3.90	\$ 4.02
All Other	\$ 28.47	\$ 29.00	\$ 42.05	\$ 43.31	\$ 44.61	\$ 45.95	\$ 0.99	\$ 3.01	\$ 4.36	\$ 4.49	\$ 4.62	\$ 4.76

# ATTACHMENT A

## OPTION 5c - Debt financed, \$30M loan, large increase year 1 and 2, small increases years 3-5

Class	Existing Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Proposed Monthly Charge	Existing Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate	Proposed Volumetric Rate
		2027	2028	2029	2030	2031	\$/hcf	2027	2028	2029	2030	2031
		40.0%	35.0%	3.0%	3.0%	3.0%		40.0%	35.0%	3.0%	3.0%	3.0%
<b>Residential</b>												
House	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 1.30	\$ 2.94	\$ 3.97	\$ 4.09	\$ 4.21	\$ 4.34
Multi-Family	\$ 16.12	\$ 22.40	\$ 30.24	\$ 31.15	\$ 32.08	\$ 33.04	\$ 1.30	\$ 2.94	\$ 3.97	\$ 4.09	\$ 4.21	\$ 4.34
Duplex - 2 Meters	\$ 9.22	\$ 25.20	\$ 34.02	\$ 35.04	\$ 36.09	\$ 37.17	\$ 1.30	\$ 2.94	\$ 3.97	\$ 4.09	\$ 4.21	\$ 4.34
Duplex - 1 Meter	\$ 18.48	\$ 25.20	\$ 34.02	\$ 35.04	\$ 36.09	\$ 37.17	\$ 1.30	\$ 2.94	\$ 3.97	\$ 4.09	\$ 4.21	\$ 4.34
<b>Commercial</b>												
Bars w/o Dining	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 0.88	\$ 3.02	\$ 4.08	\$ 4.20	\$ 4.33	\$ 4.46
Brewery	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 2.06	\$ 6.25	\$ 8.44	\$ 8.69	\$ 8.95	\$ 9.22
Car Wash	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 0.60	\$ 2.31	\$ 3.12	\$ 3.21	\$ 3.31	\$ 3.41
Dorms	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 0.75	\$ 2.76	\$ 3.73	\$ 3.84	\$ 3.96	\$ 4.08
Hospital & Convalescent	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 0.72	\$ 2.74	\$ 3.70	\$ 3.81	\$ 3.92	\$ 4.04
Hotels w/o Dining	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 0.81	\$ 2.95	\$ 3.98	\$ 4.10	\$ 4.22	\$ 4.35
Hotels with Dining	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 1.63	\$ 5.24	\$ 7.07	\$ 7.28	\$ 7.50	\$ 7.73
Industrial Laundry	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 1.87	\$ 5.59	\$ 7.55	\$ 7.78	\$ 8.01	\$ 8.25
Laundromat	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 0.69	\$ 2.52	\$ 3.40	\$ 3.50	\$ 3.61	\$ 3.72
Markets/Bakeries	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 2.20	\$ 6.32	\$ 8.53	\$ 8.79	\$ 9.05	\$ 9.32
Mortuary	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 2.66	\$ 6.52	\$ 8.80	\$ 9.06	\$ 9.33	\$ 9.61
Restaurants	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 2.18	\$ 6.26	\$ 8.45	\$ 8.70	\$ 8.96	\$ 9.23
School	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 0.64	\$ 2.45	\$ 3.31	\$ 3.41	\$ 3.51	\$ 3.62
All Other	\$ 28.47	\$ 28.00	\$ 37.80	\$ 38.93	\$ 40.10	\$ 41.30	\$ 0.99	\$ 2.91	\$ 3.93	\$ 4.05	\$ 4.17	\$ 4.30

ATTACHMENT B

**EXAMPLE ONLY  
ACTUAL SEWER BILL  
BASED ON WINTER WATER USE**

**OPTION 4a - Cash funded, large increase year 1, small increases years 2-5**

Class	Monthly Usage	Existing Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill
	hcf		2027	2028	2029	2030	2031
<b>Residential</b>							
House	7.2	\$ 37.83	\$ 80.79	\$ 83.20	\$ 85.66	\$ 88.24	\$ 90.86
Multi-Family	5.5	\$ 23.27	\$ 63.40	\$ 65.30	\$ 67.23	\$ 69.25	\$ 71.31
Duplex - 2 Meters	5.6	\$ 16.50	\$ 68.56	\$ 70.62	\$ 72.71	\$ 74.90	\$ 77.13
Duplex - 1 Meter	5.6	\$ 25.76	\$ 68.56	\$ 70.62	\$ 72.71	\$ 74.90	\$ 77.13
<b>Commercial</b>							
Bars w/o Dining	23.7	\$ 111.27	\$ 277.70	\$ 285.92	\$ 294.52	\$ 303.29	\$ 312.44
Brewery	51.3	\$ 608.80	\$ 1,310.96	\$ 1,350.22	\$ 1,390.69	\$ 1,432.54	\$ 1,475.58
Car Wash	74.2	\$ 242.34	\$ 662.77	\$ 682.47	\$ 703.23	\$ 724.41	\$ 745.91
Dorms	369.0	\$ 1,592.25	\$ 4,038.46	\$ 4,158.65	\$ 4,284.59	\$ 4,413.08	\$ 4,543.62
Hospital & Convalescent	128.4	\$ 550.21	\$ 1,401.40	\$ 1,443.22	\$ 1,487.04	\$ 1,531.76	\$ 1,577.18
Hotels w/o Dining	206.6	\$ 986.44	\$ 2,444.25	\$ 2,517.31	\$ 2,593.69	\$ 2,671.63	\$ 2,750.82
Hotels with Dining	8.5	\$ 75.99	\$ 172.61	\$ 177.82	\$ 183.12	\$ 188.62	\$ 194.29
Industrial Laundry	575.8	\$ 6,004.90	\$ 13,065.31	\$ 13,456.52	\$ 13,860.34	\$ 14,278.48	\$ 14,709.23
Laundromat	113.4	\$ 431.56	\$ 1,123.03	\$ 1,156.55	\$ 1,191.77	\$ 1,227.70	\$ 1,264.19
Markets/Bakeries	82.4	\$ 989.40	\$ 2,114.78	\$ 2,177.84	\$ 2,242.84	\$ 2,310.06	\$ 2,379.20
Mortuary	12.2	\$ 152.10	\$ 317.01	\$ 326.47	\$ 336.22	\$ 346.29	\$ 356.65
Restaurants (low)	15.0	\$ 179.81	\$ 383.62	\$ 395.10	\$ 406.93	\$ 419.17	\$ 431.76
Restaurants (mid)	25.0	\$ 299.69	\$ 639.37	\$ 658.50	\$ 678.22	\$ 698.62	\$ 719.60
Restaurants (high)	71.2	\$ 853.51	\$ 1,820.93	\$ 1,875.42	\$ 1,931.58	\$ 1,989.66	\$ 2,049.41
School	72.4	\$ 261.06	\$ 693.56	\$ 714.48	\$ 735.74	\$ 758.16	\$ 780.92
All Other	18.9	\$ 86.09	\$ 211.19	\$ 217.54	\$ 223.99	\$ 230.76	\$ 237.64

ATTACHMENT B

**EXAMPLE ONLY  
ACTUAL SEWER BILL  
BASED ON WINTER WATER USE**

**OPTION 4b - Cash funded, moderate increase year 1 and 2, small increases years 3-5**

Class	Monthly Usage	Existing Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill
	hcf		2027	2028	2029	2030	2031
<b>Residential</b>							
House	7.2	\$ 37.83	\$ 54.40	\$ 84.32	\$ 86.82	\$ 89.43	\$ 92.09
Multi-Family	5.5	\$ 23.27	\$ 42.71	\$ 66.19	\$ 68.15	\$ 70.21	\$ 72.29
Duplex - 2 Meters	5.6	\$ 16.50	\$ 46.22	\$ 71.63	\$ 73.76	\$ 75.98	\$ 78.24
Duplex - 1 Meter	5.6	\$ 25.76	\$ 46.22	\$ 71.63	\$ 73.76	\$ 75.98	\$ 78.24
<b>Commercial</b>							
Bars w/o Dining	23.7	\$ 111.27	\$ 186.90	\$ 289.58	\$ 298.32	\$ 307.20	\$ 316.48
Brewery	51.3	\$ 608.80	\$ 888.41	\$ 1,376.96	\$ 1,418.12	\$ 1,460.48	\$ 1,504.22
Car Wash	74.2	\$ 242.34	\$ 444.33	\$ 688.49	\$ 708.84	\$ 730.26	\$ 752.09
Dorms	369.0	\$ 1,592.25	\$ 2,716.61	\$ 4,212.23	\$ 4,340.21	\$ 4,470.24	\$ 4,602.83
Hospital & Convalescent	128.4	\$ 550.21	\$ 942.73	\$ 1,461.87	\$ 1,506.40	\$ 1,551.65	\$ 1,597.78
Hotels w/o Dining	206.6	\$ 986.44	\$ 1,646.24	\$ 2,552.49	\$ 2,630.12	\$ 2,709.00	\$ 2,789.45
Hotels with Dining	8.5	\$ 75.99	\$ 116.87	\$ 181.19	\$ 186.67	\$ 192.23	\$ 197.99
Industrial Laundry	575.8	\$ 6,004.90	\$ 8,843.59	\$ 13,706.41	\$ 14,117.08	\$ 14,540.36	\$ 14,977.96
Laundromat	113.4	\$ 431.56	\$ 754.70	\$ 1,169.95	\$ 1,204.60	\$ 1,240.95	\$ 1,278.01
Markets/Bakeries	82.4	\$ 989.40	\$ 1,432.77	\$ 2,220.79	\$ 2,287.72	\$ 2,356.59	\$ 2,427.68
Mortuary	12.2	\$ 152.10	\$ 214.82	\$ 332.95	\$ 342.99	\$ 353.31	\$ 363.95
Restaurants (low)	15.0	\$ 179.81	\$ 259.92	\$ 402.92	\$ 414.95	\$ 427.34	\$ 440.13
Restaurants (mid)	25.0	\$ 299.69	\$ 433.20	\$ 671.53	\$ 691.59	\$ 712.24	\$ 733.55
Restaurants (high)	71.2	\$ 853.51	\$ 1,233.75	\$ 1,912.53	\$ 1,969.65	\$ 2,028.45	\$ 2,089.16
School	72.4	\$ 261.06	\$ 465.74	\$ 721.90	\$ 743.51	\$ 765.46	\$ 788.58
All Other	18.9	\$ 86.09	\$ 142.17	\$ 220.28	\$ 226.84	\$ 233.69	\$ 240.67

ATTACHMENT B

**EXAMPLE ONLY  
ACTUAL SEWER BILL  
BASED ON WINTER WATER USE**

**OPTION 4c - Debt financed, \$30M loan, moderate increase year 1 and 2, small increases years 3-5**

Class	Monthly Usage	Existing Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill
	hcf		2027	2028	2029	2030	2031
<b>Residential</b>							
House	7.2	\$ 37.83	\$ 52.69	\$ 79.07	\$ 81.43	\$ 83.90	\$ 86.41
Multi-Family	5.5	\$ 23.27	\$ 41.33	\$ 62.02	\$ 63.87	\$ 65.80	\$ 67.78
Duplex - 2 Meters	5.6	\$ 16.50	\$ 44.64	\$ 66.99	\$ 68.99	\$ 71.08	\$ 73.21
Duplex - 1 Meter	5.6	\$ 25.76	\$ 44.64	\$ 66.99	\$ 68.99	\$ 71.08	\$ 73.21
<b>Commercial</b>							
Bars w/o Dining	23.7	\$ 111.27	\$ 181.13	\$ 271.69	\$ 279.94	\$ 288.33	\$ 296.86
Brewery	51.3	\$ 608.80	\$ 861.00	\$ 1,291.76	\$ 1,330.50	\$ 1,370.44	\$ 1,411.59
Car Wash	74.2	\$ 242.34	\$ 430.19	\$ 645.66	\$ 664.87	\$ 685.15	\$ 705.75
Dorms	369.0	\$ 1,592.25	\$ 2,632.62	\$ 3,950.77	\$ 4,067.89	\$ 4,190.75	\$ 4,315.66
Hospital & Convalescent	128.4	\$ 550.21	\$ 913.50	\$ 1,370.89	\$ 1,411.64	\$ 1,454.39	\$ 1,497.86
Hotels w/o Dining	206.6	\$ 986.44	\$ 1,593.96	\$ 2,391.98	\$ 2,463.16	\$ 2,537.66	\$ 2,613.41
Hotels with Dining	8.5	\$ 75.99	\$ 113.25	\$ 169.92	\$ 175.01	\$ 180.26	\$ 185.69
Industrial Laundry	575.8	\$ 6,004.90	\$ 8,570.12	\$ 12,855.19	\$ 13,241.88	\$ 13,641.18	\$ 14,047.33
Laundromat	113.4	\$ 431.56	\$ 730.99	\$ 1,097.05	\$ 1,129.73	\$ 1,164.10	\$ 1,199.04
Markets/Bakeries	82.4	\$ 989.40	\$ 1,388.75	\$ 2,083.12	\$ 2,145.34	\$ 2,209.50	\$ 2,275.59
Mortuary	12.2	\$ 152.10	\$ 208.18	\$ 312.33	\$ 321.66	\$ 331.28	\$ 341.19
Restaurants (low)	15.0	\$ 179.81	\$ 251.91	\$ 377.86	\$ 389.19	\$ 400.86	\$ 412.90
Restaurants (mid)	25.0	\$ 299.69	\$ 419.84	\$ 629.76	\$ 648.64	\$ 668.11	\$ 688.16
Restaurants (high)	71.2	\$ 853.51	\$ 1,195.71	\$ 1,793.57	\$ 1,847.33	\$ 1,902.77	\$ 1,959.88
School	72.4	\$ 261.06	\$ 450.57	\$ 676.22	\$ 696.61	\$ 717.35	\$ 739.17
All Other	18.9	\$ 86.09	\$ 137.68	\$ 206.51	\$ 212.70	\$ 219.00	\$ 225.58

ATTACHMENT B

**EXAMPLE ONLY  
ACTUAL SEWER BILL  
BASED ON WINTER WATER USE**

**OPTION 5a - Cash funded, large increase year 1, small increases years 2-5**

Class	Monthly Usage	Existing Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill
	hcf		2027	2028	2029	2030	2031
<b>Residential</b>							
House	7.2	\$ 37.83	\$ 68.46	\$ 70.52	\$ 72.62	\$ 74.83	\$ 77.08
Multi-Family	5.5	\$ 23.27	\$ 53.73	\$ 55.35	\$ 57.00	\$ 58.73	\$ 60.50
Duplex - 2 Meters	5.6	\$ 16.50	\$ 58.12	\$ 59.87	\$ 61.65	\$ 63.53	\$ 65.44
Duplex - 1 Meter	5.6	\$ 25.76	\$ 58.12	\$ 59.87	\$ 61.65	\$ 63.53	\$ 65.44
<b>Commercial</b>							
Bars w/o Dining	23.7	\$ 111.27	\$ 235.10	\$ 242.12	\$ 249.51	\$ 257.01	\$ 264.65
Brewery	51.3	\$ 608.80	\$ 1,113.98	\$ 1,147.55	\$ 1,181.82	\$ 1,217.13	\$ 1,253.63
Car Wash	74.2	\$ 242.34	\$ 560.24	\$ 576.73	\$ 594.30	\$ 612.11	\$ 630.25
Dorms	369.0	\$ 1,592.25	\$ 3,421.60	\$ 3,523.65	\$ 3,627.76	\$ 3,737.09	\$ 3,848.48
Hospital & Convalescent	128.4	\$ 550.21	\$ 1,186.75	\$ 1,222.27	\$ 1,258.49	\$ 1,296.54	\$ 1,335.29
Hotels w/o Dining	206.6	\$ 986.44	\$ 2,070.19	\$ 2,132.55	\$ 2,196.15	\$ 2,262.76	\$ 2,330.62
Hotels with Dining	8.5	\$ 75.99	\$ 146.73	\$ 151.14	\$ 155.64	\$ 160.30	\$ 165.12
Industrial Laundry	575.8	\$ 6,004.90	\$ 11,100.55	\$ 11,432.76	\$ 11,777.58	\$ 12,127.53	\$ 12,490.10
Laundromat	113.4	\$ 431.56	\$ 950.46	\$ 978.75	\$ 1,008.73	\$ 1,039.14	\$ 1,070.12
Markets/Bakeries	82.4	\$ 989.40	\$ 1,797.55	\$ 1,851.49	\$ 1,907.36	\$ 1,964.88	\$ 2,023.52
Mortuary	12.2	\$ 152.10	\$ 269.56	\$ 277.67	\$ 286.06	\$ 294.58	\$ 303.38
Restaurants (low)	15.0	\$ 179.81	\$ 326.02	\$ 335.84	\$ 346.01	\$ 356.33	\$ 367.01
Restaurants (mid)	25.0	\$ 299.69	\$ 543.37	\$ 559.74	\$ 576.69	\$ 593.89	\$ 611.68
Restaurants (high)	71.2	\$ 853.51	\$ 1,547.53	\$ 1,594.13	\$ 1,642.41	\$ 1,691.40	\$ 1,742.07
School	72.4	\$ 261.06	\$ 586.52	\$ 604.17	\$ 622.16	\$ 641.14	\$ 660.46
All Other	18.9	\$ 86.09	\$ 178.84	\$ 184.26	\$ 189.78	\$ 195.38	\$ 201.28

ATTACHMENT B

**EXAMPLE ONLY  
ACTUAL SEWER BILL  
BASED ON WINTER WATER USE**

**OPTION 5b - Cash funded, large increase year 1 and 2, small increases years 3-5**

Class	Monthly Usage	Existing Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill
	hcf		2027	2028	2029	2030	2031
<b>Residential</b>							
House	7.2	\$ 37.83	\$ 50.97	\$ 73.89	\$ 76.09	\$ 78.40	\$ 80.74
Multi-Family	5.5	\$ 23.27	\$ 39.98	\$ 57.95	\$ 59.68	\$ 61.49	\$ 63.33
Duplex - 2 Meters	5.6	\$ 16.50	\$ 43.18	\$ 62.60	\$ 64.47	\$ 66.42	\$ 68.41
Duplex - 1 Meter	5.6	\$ 25.76	\$ 43.18	\$ 62.60	\$ 64.47	\$ 66.42	\$ 68.41
<b>Commercial</b>							
Bars w/o Dining	23.7	\$ 111.27	\$ 174.80	\$ 253.37	\$ 261.07	\$ 268.91	\$ 276.89
Brewery	51.3	\$ 608.80	\$ 832.94	\$ 1,207.91	\$ 1,244.07	\$ 1,281.43	\$ 1,319.99
Car Wash	74.2	\$ 242.34	\$ 415.34	\$ 602.24	\$ 619.97	\$ 638.76	\$ 657.89
Dorms	369.0	\$ 1,592.25	\$ 2,540.81	\$ 3,685.27	\$ 3,794.10	\$ 3,908.65	\$ 4,025.26
Hospital & Convalescent	128.4	\$ 550.21	\$ 881.55	\$ 1,278.50	\$ 1,316.37	\$ 1,356.23	\$ 1,396.81
Hotels w/o Dining	206.6	\$ 986.44	\$ 1,539.94	\$ 2,233.53	\$ 2,299.83	\$ 2,369.44	\$ 2,440.31
Hotels with Dining	8.5	\$ 75.99	\$ 109.62	\$ 158.95	\$ 163.76	\$ 168.64	\$ 173.71
Industrial Laundry	575.8	\$ 6,004.90	\$ 8,295.20	\$ 12,027.47	\$ 12,387.23	\$ 12,759.60	\$ 13,144.58
Laundromat	113.4	\$ 431.56	\$ 705.53	\$ 1,022.50	\$ 1,052.77	\$ 1,084.74	\$ 1,117.27
Markets/Bakeries	82.4	\$ 989.40	\$ 1,344.49	\$ 1,949.26	\$ 2,007.33	\$ 2,067.34	\$ 2,129.28
Mortuary	12.2	\$ 152.10	\$ 201.62	\$ 292.39	\$ 301.11	\$ 310.11	\$ 319.41
Restaurants (low)	15.0	\$ 179.81	\$ 243.70	\$ 353.34	\$ 363.91	\$ 374.84	\$ 386.11
Restaurants (mid)	25.0	\$ 299.69	\$ 406.16	\$ 588.90	\$ 606.52	\$ 624.73	\$ 643.52
Restaurants (high)	71.2	\$ 853.51	\$ 1,156.76	\$ 1,677.19	\$ 1,727.37	\$ 1,779.22	\$ 1,832.75
School	72.4	\$ 261.06	\$ 435.38	\$ 631.09	\$ 649.98	\$ 669.21	\$ 689.52
All Other	18.9	\$ 86.09	\$ 132.97	\$ 192.73	\$ 198.49	\$ 204.36	\$ 210.52

ATTACHMENT B

**EXAMPLE ONLY  
ACTUAL SEWER BILL  
BASED ON WINTER WATER USE**

**OPTION 5c - Debt financed, \$30M loan, large increase year 1 and 2, small increases years 3-5**

Class	Monthly Usage	Existing Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill	Proposed Bill
	hcf		2027	2028	2029	2030	2031
<b>Residential</b>							
House	7.2	\$ 37.83	\$ 49.18	\$ 66.40	\$ 68.39	\$ 70.43	\$ 72.56
Multi-Family	5.5	\$ 23.27	\$ 38.57	\$ 52.08	\$ 53.65	\$ 55.24	\$ 56.91
Duplex - 2 Meters	5.6	\$ 16.50	\$ 41.66	\$ 56.25	\$ 57.94	\$ 59.67	\$ 61.47
Duplex - 1 Meter	5.6	\$ 25.76	\$ 41.66	\$ 56.25	\$ 57.94	\$ 59.67	\$ 61.47
<b>Commercial</b>							
Bars w/o Dining	23.7	\$ 111.27	\$ 168.96	\$ 228.16	\$ 234.94	\$ 242.09	\$ 249.34
Brewery	51.3	\$ 608.80	\$ 804.87	\$ 1,086.70	\$ 1,119.07	\$ 1,152.64	\$ 1,187.25
Car Wash	74.2	\$ 242.34	\$ 400.48	\$ 540.75	\$ 556.68	\$ 573.67	\$ 590.91
Dorms	369.0	\$ 1,592.25	\$ 2,452.68	\$ 3,312.60	\$ 3,411.07	\$ 3,515.28	\$ 3,621.03
Hospital & Convalescent	128.4	\$ 550.21	\$ 850.89	\$ 1,148.82	\$ 1,183.09	\$ 1,218.07	\$ 1,254.86
Hotels w/o Dining	206.6	\$ 986.44	\$ 1,485.91	\$ 2,005.46	\$ 2,065.62	\$ 2,127.04	\$ 2,191.46
Hotels with Dining	8.5	\$ 75.99	\$ 105.90	\$ 142.93	\$ 147.19	\$ 151.62	\$ 156.21
Industrial Laundry	575.8	\$ 6,004.90	\$ 8,014.52	\$ 10,821.62	\$ 11,147.60	\$ 11,480.43	\$ 11,824.15
Laundromat	113.4	\$ 431.56	\$ 681.20	\$ 919.39	\$ 946.69	\$ 975.69	\$ 1,005.11
Markets/Bakeries	82.4	\$ 989.40	\$ 1,298.58	\$ 1,752.92	\$ 1,805.73	\$ 1,859.66	\$ 1,915.24
Mortuary	12.2	\$ 152.10	\$ 194.71	\$ 262.83	\$ 270.65	\$ 278.75	\$ 287.11
Restaurants (low)	15.0	\$ 179.81	\$ 235.49	\$ 317.90	\$ 327.36	\$ 337.18	\$ 347.30
Restaurants (mid)	25.0	\$ 299.69	\$ 392.49	\$ 529.83	\$ 545.61	\$ 561.97	\$ 578.83
Restaurants (high)	71.2	\$ 853.51	\$ 1,117.80	\$ 1,508.96	\$ 1,553.88	\$ 1,600.48	\$ 1,648.51
School	72.4	\$ 261.06	\$ 420.19	\$ 567.44	\$ 584.48	\$ 601.87	\$ 620.24
All Other	18.9	\$ 86.09	\$ 128.46	\$ 173.45	\$ 178.68	\$ 184.02	\$ 189.63

Projects in red have had their scope reduced as part of the Moderate and Significant Risk scenarios.

		5-Year Rate Adoption Period (FY)						5-Year Total By Driver	5-Year % By Driver	2032	2033	2034	2035
		2027	2028	2029	2030	2031	5-Year Total						
Regulatory	Effluent Diversion and Northeast Pond Upgrades: Design	\$ -	\$ -	\$ 4,936,285	\$ -	\$ -	\$ 4,936,285	\$ 64,709,439	48%	\$ -	\$ -	\$ -	\$ -
	Effluent Diversion and Northeast Pond Upgrades	\$ -	\$ -	\$ -	\$ -	\$ 42,737,345	\$ 42,737,345			\$ -	\$ -	\$ -	\$ -
	Modified MLE Process Upgrades: Design	\$ -	\$ -	\$ 1,047,856	\$ -	\$ -	\$ 1,047,856			\$ -	\$ -	\$ -	\$ -
	Modified MLE Process Upgrades	\$ -	\$ -	\$ -	\$ -	\$ 7,645,343	\$ 7,645,343			\$ -	\$ -	\$ -	\$ -
	Cybersecurity Upgrades	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000			\$ -	\$ -	\$ -	\$ -
	Remove abandoned outfall, if required by State Lands Commission	\$ -	\$ -	\$ -	\$ 2,770,494	\$ -	\$ 2,770,494			\$ -	\$ -	\$ -	\$ -
	Sewer Enterprise Study	\$ -	\$ -	\$ -	\$ -	\$ 358,216	\$ 358,216			\$ -	\$ -	\$ -	\$ -
	WPCP NPDES Permit Requirements	\$ 163,035	\$ 167,926	\$ 172,964	\$ 178,153	\$ 183,497	\$ 865,574			\$ 189,002	\$ 194,672	\$ 200,512	\$ 206,528
	General Plan Implementation	\$ 17,141	\$ 17,655	\$ 18,185	\$ 18,730	\$ 19,292	\$ 91,004			\$ 19,871	\$ 20,467	\$ 21,081	\$ 21,714
	WPCP Strategic Plan Update	\$ -	\$ -	\$ 850,653	\$ -	\$ -	\$ 850,653			\$ -	\$ -	\$ -	\$ -
	Stormwater Management Program (MS4)	\$ 159,135	\$ 163,909	\$ 168,826	\$ 173,891	\$ 179,108	\$ 844,869			\$ 184,481	\$ 190,016	\$ 195,716	\$ 201,587
	Tertiary Filtration Upgrades (Planning/Design)	\$ -	\$ -	\$ -	\$ -	\$ 561,800	\$ 561,800			\$ -	\$ -	\$ -	\$ 4,973,989
	Condition	2027 Sewer Pipe Replacement Project	\$ 4,243,600	\$ -	\$ -	\$ -	\$ -			\$ 4,243,600	\$ 65,175,296	48%	\$ -
2028 Sewer Pipe Replacement Project		\$ 1,060,900	\$ 4,370,908	\$ -	\$ -	\$ -	\$ 5,431,808	\$ -	\$ -	\$ -			\$ -
2029 Sewer Pipe Replacement Project		\$ -	\$ 1,092,727	\$ 4,502,035	\$ -	\$ -	\$ 5,594,762	\$ -	\$ -	\$ -			\$ -
2030 Sewer Pipe Replacement Project		\$ -	\$ -	\$ 1,125,509	\$ 4,637,096	\$ -	\$ 5,762,605	\$ -	\$ -	\$ -			\$ -
2031 Sewer Pipe Replacement Project		\$ -	\$ -	\$ -	\$ 1,159,274	\$ 4,776,209	\$ 5,935,483	\$ -	\$ -	\$ -			\$ -
Annual WPCP Improvements		\$ 327,818	\$ 337,653	\$ 347,782	\$ 358,216	\$ 368,962	\$ 1,740,431	\$ 380,031	\$ 391,432	\$ 403,175			\$ 415,270
Annual Sewer Maintenance		\$ 218,545	\$ 225,102	\$ 231,855	\$ 238,810	\$ 245,975	\$ 1,160,287	\$ 253,354	\$ 260,955	\$ 268,783			\$ 276,847
Predictive Control Upgrades for Aeration Tank No. 6		\$ 545,668	\$ -	\$ -	\$ -	\$ -	\$ 545,668	\$ -	\$ -	\$ -			\$ -
WPCP Roofs		\$ 205,433	\$ -	\$ -	\$ -	\$ -	\$ 205,433	\$ -	\$ -	\$ -			\$ -
Chlorine Testing		\$ -	\$ 160,888	\$ -	\$ -	\$ -	\$ 160,888	\$ -	\$ -	\$ -			\$ -
Aeration System Upgrades		\$ -	\$ -	\$ 2,369,795	\$ -	\$ -	\$ 2,369,795	\$ -	\$ -	\$ -			\$ -
Disinfection, Chemical Building, Solids Thickening and Dewatering, & Plant Power Systems Upgrades		\$ -	\$ -	\$ 3,445,847	\$ -	\$ -	\$ 3,445,847	\$ -	\$ -	\$ -			\$ -
Solids Digestion Upgrades		\$ -	\$ -	\$ -	\$ 3,248,052	\$ -	\$ 3,248,052	\$ -	\$ -	\$ -			\$ -
Secondary Treatment, Disinfection, 3W, Solids Dewatering, and Miscellaneous Plant Upgrades		\$ -	\$ -	\$ -	\$ 13,355,859	\$ -	\$ 13,355,859	\$ -	\$ -	\$ -			\$ -
WPCP Administration, Maintenance, and Shop Building Improvements		\$ -	\$ -	\$ -	\$ -	\$ 3,065,565	\$ 3,065,565	\$ -	\$ -	\$ -			\$ -
Disinfection, Solids Digestion, and Solids Mixing Upgrades		\$ -	\$ -	\$ -	\$ -	\$ 8,909,212	\$ 8,909,212	\$ -	\$ -	\$ -			\$ -
DEHP, Lead, and Zinc Treatment Evaluation		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 625,414	\$ -	\$ -			\$ -
Headworks, Chemical Building, Solids Dewatering, and Electrical Systems Upgrades		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,536,988	\$ -	\$ -			\$ -
Primary Treatment, Aeration, Solids Upgrades		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,044,416	\$ -			\$ -
Future Treatment Plant Project		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000			\$ 4,000,000
Future Sewer Pipe Replacement Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,149,369	\$ 6,333,850	\$ 6,523,866	\$ 6,719,582			
Capacity	Sanitary Sewer Master Plan (SSMP) Update	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703	\$ 281,623	\$ 4,590,457	3%	\$ 61,494	\$ 63,339	\$ 65,239	\$ 67,196
	Sanitary Sewer System Master Plan Projects - Existing User Contribution	\$ 811,589	\$ 835,936	\$ 861,014	\$ 886,845	\$ 913,450	\$ 4,308,834			\$ 940,854	\$ 969,079	\$ 998,151	\$ 1,028,096
	New 100-ft Secondary Clarifier	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ 24,304,889	\$ -	\$ -
<b>Total Escalated CIP Projects</b>		<b>\$ 7,805,909</b>	<b>\$ 7,427,341</b>	<b>\$ 20,134,880</b>	<b>\$ 29,083,384</b>	<b>\$ 70,023,678</b>			<b>\$ 25,340,858</b>	<b>\$ 47,773,115</b>	<b>\$ 12,676,524</b>	<b>\$ 17,910,808</b>	
<b>Total 5-Year CIP</b>							<b>\$ 134,475,191</b>			<i>excludes 2036</i>	<b>\$ 103,701,304</b>		

## ATTACHMENT D

**David Kehn**

---

**From:** scorpio1720@hushmail.com  
**Sent:** Wednesday, March 4, 2026 7:27 AM  
**To:** David Kehn  
**Cc:** Joey Orozco; Brandon Mortimer  
**Subject:** RE: Sewer Fee Raises?

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Nevermind, David. I did further study on your new plan. Here's what I learned.

It's the city's fault for not taking care of the sewers and now they're forcing residents to clean up their mess!

I've learned that I've wasted my time trying to reason with you. The winter "quarter" was not adjusted to a reasonable 3 months like all the other cities I've researched.

The "fixed rate only" options gouge Chico residents both now and later, based on an unrealistically high 7.2 CCF winter average. The fabricated "volumetric rate" options continue to overcharge residents all year by prorating across 5 months of water bills that include autumn and spring outdoor water use. Good job making debt financing the best option!

Is the finance committee's main job to find ways to fleece the public since they don't even do their own billing? Oh yeah, they'll start doing that in 2028 so they can become the enforcers who exact penalties from hard working, struggling Chico residents who fall behind on their sewer fees.

Here's an idea. Why don't all the city employees take responsibility for the neglect. Stop taking raises and start paying for your own pensions to free up enough tax money to fix the sewers you neglected.

Disgusted,

Marybeth

Sent using Hushmail

On 3/2/2026 at 12:52 PM, "David Kehn" <[David.Kehn@Chicoca.Gov](mailto:David.Kehn@Chicoca.Gov)> wrote:

Hi Marybeth,

## ATTACHMENT D

Thank you for your continued interest and questions regarding the proposed sewer rate adjustment.

Materials related to the sewer rate discussion, including the cost-of-service analysis and staff report, are available as public records on the City's website. These documents address many of the questions that have been raised and are intended to provide a consistent source of information for all customers.

Given the number of customers served by the sewer utility, staff are not able to engage in ongoing, individualized back-and-forth discussions on the rate proposal outside of the public process. To ensure fairness, consistency, and responsible use of staff time, questions and comments regarding overall policy, assumptions, or the direction of the rate adjustment are best addressed through the public meeting process, where the City Council and Finance Committee can consider input from the entire community.

Regarding the next Finance Committee meeting, it has not been scheduled yet, but staff are hoping to have it placed on the calendar this week. Agendas will be posted here once available: <https://chicoca.gov/Your-Government/Template-COUNCIL/Finance-Committee/index.html>

Thank you.

### **DAVID KEHN, P.E.**

Senior Civil Engineer

City of Chico, Public Works Engineering

530-879-6955 | david.kehn@chicoca.gov

[www.chicoca.gov](http://www.chicoca.gov) | 411 Main Street, Chico CA 95928



## ATTACHMENT D

**From:** scorpio1720@hushmail.com <scorpio1720@hushmail.com>  
**Sent:** Wednesday, February 25, 2026 3:52 PM  
**To:** David Kehn <David.Kehn@Chicoca.Gov>  
**Cc:** Joey Orozco <joey.orozco@Chicoca.gov>; Brandon Mortimer <Brandon.Mortimer@chicoca.gov>  
**Subject:** RE: Sewer Fee Raises?

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Hi David,

Thank so much for the webpage. I've been looking over the study and have some questions. I saw charts with and without volumetric charges. 1) Does this mean charging a flat rate and dropping volumetric charges is an option being considered? Because of the inability to separate irrigation water from sewer water, charging by volume without a meter is one of the sewer plan's most egregious injustices, negatively affecting people's lives for almost half the year because the 5 months of Nov through Mar are now used to calculate the WQA. Volumetric charges should be dropped all together!

I even submitted an alternative plan, to your group and the city council, that reduced the winter quarter volumetric charges to a more reasonable 3 month period. Never heard back from anyone, not even to tell me about the finance committee plans and discussions. All this shows a disregard for public input. 2) If volumetric charges are still being used, is the committee at least talking about reducing the WQA to the three winter months of Dec-Feb instead of 5 months that wrongly include fall and spring?

Lack of transparency being another huge injustice of the plan, 3) please explain why sewer customers were not informed by a mailed notice about the city's plans to drastically increase rates? 4) Is it too late to write the the finance committee? 5) When is the city council scheduled to vote on this?

## ATTACHMENT D

I'd greatly appreciate if you are someone else from the committee would answer my 5 (numbered) questions.

Thank you,

Marybeth

Sent using Hushmail

On 2/23/2026 at 2:41 PM, "David Kehn" <David.Kehn@Chicoca.Gov> wrote:

Hi Marybeth,

The public process has commenced via the City's Finance Committee where a presentation was provided on the results of a Sewer Enterprise Study, link to website here: <https://chicoca.gov/Your-Government/Template-COUNCIL/Finance-Committee/index.html> The Finance Committee has directed staff to return to a Special Finance Committee with additional financing options, including debt financing.

Regarding Travis Wuerthner's bill, I've copied Joey with our Finance team to assist.

Thank you.

ATTACHMENT D

**DAVID KEHN, P.E.**



Senior Civil Engineer

City of Chico, Public Works Engineering

530-879-6955 | david.kehn@chicoca.gov

www.chicoca.gov | 411 Main Street, Chico CA 95928

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**From:** scorpio1720@hushmail.com <scorpio1720@hushmail.com>

**Sent:** Monday, February 23, 2026 1:14 PM

**To:** David Kehn <David.Kehn@Chicoca.Gov>

**Subject:** Sewer Fee Raises?

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Hi David,

I just saw this post from a Chico resident today.

>>>The Chico City Council is contemplating raising the monthly fee for sewer service at a single family residence from \$37.83 to \$98.28, a 159.75% increase. This proposal results from years of deferred maintenance (i.e. unfunded public debt.) to my knowledge, no explanation has surfaced as to why the maintenance wasn't performed when needed. The Council said they will take up the matter in March (3/3 or 3/17) when they meet. Renters will likely see this increase in the form of a rent increase. Stay tuned.<<<

## ATTACHMENT D

If there's any truth at all in the above statement, please send me 1) a link to the city website that shows all the details and reasons for any changes currently being contemplated by the Chico city council regarding sewer fees, and 2) why a notice was not sent out to inform sewer customers.

Also, please let me know why the billing overcharges reported to you by my son (Travis Wuerthner: [tjwuerthner@gmail.com](mailto:tjwuerthner@gmail.com) ) a couple of months back still remain uncorrected. I'm inquiring for him because he is busy working. He'd like to pay his bill but until he receives a corrected bill with accurate credit to his account for all the overcharges since July 2024, he has no idea how much money if any he owes to the city.

Thanks in advance for your attention to all these matters.

Marybeth Wuerthner

Sent using Hushmail

## ATTACHMENT D

### David Kehn

---

**From:** David Kehn  
**Sent:** Monday, March 16, 2026 11:00 AM  
**To:** Chico Sewer Enterprise Study Comments  
**Subject:** FW: Correspondence - Steven Schoonover -FW: 3//17/2026 Council Agenda item 5.1 (Sewers)

---

**From:** Steven Schoonover <[stella.schoonover@gmail.com](mailto:stella.schoonover@gmail.com)>  
**Sent:** Monday, March 16, 2026 9:41 AM  
**To:** Debbie Presson <[debbie.presson@Chicoca.gov](mailto:debbie.presson@Chicoca.gov)>; Angie Dilg <[angie.dilg@Chicoca.gov](mailto:angie.dilg@Chicoca.gov)>; Dani Rogers <[dani.rogers@Chicoca.gov](mailto:dani.rogers@Chicoca.gov)>; Stina Cooley <[stina.cooley@Chicoca.gov](mailto:stina.cooley@Chicoca.gov)>  
**Subject:** 3//17/2026 Council Agenda item 5.1 (Sewers)

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My comments regarding proposed increases in sewer fees:

1.  
The Fiscal Impacts listed in the Staff report fail to list the enormous impacts the potential massive sewer fee increases will have on an increasingly squeezed and increasingly stressed out not-so-wealthy majority of Chico's population. I'm particularly concerned for seniors and others living on fixed incomes who are already having to shoulder annual increases in property taxes, gas taxes, cost of food, clothing and other utilities that regularly increase, while incomes remain largely static.
2.  
Why aren't sewer fees tied to usage? I live alone in a residence and pay the same amount of sewer fees as my 5 immediate neighbors who live in the same house. That's ridiculous and probably violates state law as a disproportionate impact fee.
3. If I understand correctly, in the City's Sanitary Sewer Master Plan Update at ES.7, the Capital Improvement Plan (CIP) cost of **future** users is \$72,413,000, while the CIP cost of **existing** users is \$22,655,000. How exactly do you estimate future use? Do you draw on your hopes and dreams for more sprawling subdivisions? What if there is no great leap in future use? **SHOULDN'T EXISTING USERS COST INCREASES BE TIED TO THEIR PROPORTIONATE EXISTING USE OF THE SYSTEM?**
4.  
The City needs to seek out State Water Board and federal grants to lessen the impact of state and federal mandates
- 5.

ATTACHMENT D

Impact fees of future developments must be gauged to pay the actual REAL cost of the impact.

Thank you for your time.

Steven Schoonover  
518 Mission Santa Fe Cir.  
Chico



March 17, 2026

Mayor Reynolds

Councilmembers Goldstein, Hawley, O'Brien, van Over Beek, Winslow, and Bennett

RE: Sewer Rate Increase Agenda Item for March 17, 2026 City Council Meeting.

Mayor Reynolds and Fellow Councilmembers:

I own and operate an environmental compliance company, and live in the city of Chico. I am very familiar with water discharge, water usage and impacts on not only our regions water tables, but the water treatment facilities that support any type of development and how discharge affects them. I have completely read the staff report and attachments to the staff report, including the 2026 Sewer Cost of Service and Rate Study Report, and ask that the board refrain from voting on this matter until a complete environmental evaluation of the Significant Industrial Users discharge and impacts on the sewer system can be completed. This should be done before the burden of their profit is carried on the backs of the residents, student organizations (like student housing and infrastructure) and hospitals.

I know, based on public record information that I was able to obtain, that the hcf discharge rates for one particular group in the report is very incorrect, and therefore it is reasonable to believe that most if not all of the commercial use numbers are also incorrect.

I will use Sierra Nevada, one of the largest Significant Industrial Users in the region. It is technically a brewery, and your report indicated that the discharge rate is only 51.3 hcf a month, which is statistically impossible. Sierra Nevada has a capacity of 1,370 barrels of beer a day (not including the other items that it makes which include non-alcoholic drinks and cheeses, each with additional discharge amounts.) While creating the 1,370 barrels a day, it creates 42,470 gallons of excess wastewater that is first run through their on-site anaerobic Wastewater Treatment Plant, and then discharges into the sewer systems. Most

## ATTACHMENT D

of the systems similar to the one that they have installed can reduce a 42,000-gallon amount to 8,000-9000, a day. Using these numbers, the actual hcf number should be 357 hcf/month not the 51.3 a month as reported.

That is significant amounts of fees that are not being collected currently by the city that can be the difference between a reasonable rate increase of \$10-15 a year and the proposed increase that would be \$60 a month.

I would strongly recommend that the actual discharge rates of the Significant Industrial Uses be reviewed, monitored and correctly charged before we ask the citizens of this city to subsidize their profits.

Thank you for your consideration.

Sincerely,

Charnel J Schaaf-James, JD.  
Senior Compliance Consultant and CEO



1160 E. 1st Ave.  
Chico, CA. 95926

PH. 530.893.1301  
FAX. 530.893.2954

[www.SierraNorthValleyREALTORS.com](http://www.SierraNorthValleyREALTORS.com)

Good evening Mayor and Members of the Chico City Council,

Sierra North Valley REALTORS® represents over 650 real estate professionals serving Chico and the surrounding region. As the Voice of Real Estate, our role is to advocate not only for our members, but for the long-term health, stability, and accessibility of housing in our community.

We want to begin by clearly stating: We support the City's responsibility to maintain and invest in critical infrastructure. Reliable wastewater systems are essential to public health, environmental protection, and the continued growth of Chico.

At the same time, our responsibility is to ensure that decisions impacting housing and property ownership are approached with balance, sustainability, and community awareness.

Housing affordability remains one of the most significant challenges facing our region. Rising operational costs, whether from utilities, insurance, construction, or regulatory requirements, ultimately flow through to renters, homeowners, and prospective buyers. When costs increase too rapidly or without sufficient planning time, it can unintentionally:

- Reduce housing accessibility
- Increase financial strain on residents
- Slow investment in property maintenance and development
- Impact overall economic vitality in our community

Our policy principles emphasize the importance of protecting property owners, promoting affordable housing, and ensuring economic stability through thoughtful and balanced approaches to funding and growth.

In alignment with those principles, we respectfully encourage the City Council to consider:

- A phased and predictable approach to any additional rate increases
- Exploration of alternative funding mechanisms to reduce immediate impact
- Clear and transparent communication with stakeholders
- Opportunities for collaboration with housing providers, businesses, and community organizations

Chico is strongest when we work together. We believe infrastructure investment and economic stability are not competing priorities, they are interconnected. With thoughtful planning, we can achieve both.

We appreciate your time, your leadership, and your willingness to engage in this important conversation.

Thank you.

DocuSigned by:

*Becky Johns*

388B07161DD04B6...

SNVR President 2026

## ATTACHMENT D

**David Kehn**

---

**From:** Right of Way Maintenance  
**Sent:** Thursday, March 19, 2026 8:21 AM  
**To:** City Clerk  
**Cc:** David Kehn; Brendan Ottoboni  
**Subject:** FW: Complaint - sewer hike

---

**From:** Carina Carnagey <carinarochelle@gmail.com>  
**Sent:** Wednesday, March 18, 2026 6:49 PM  
**To:** Right of Way Maintenance <rightofwaymaintenance@Chicoca.gov>  
**Subject:** Complaint - sewer hike

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I am very upset about the 215% rate increase that is happening. There is no way I can afford \$111 a month for sewer on top of all my other bills. Can't you use taxes that you are already taxing an arm and a leg from us? Or get a measure or grant to pay for the infrastructure. This is insane passing generational neglect on us to foot the bill! Gas, electric, and taxes are already so expensive and now you are adding this? How can we afford this? Where am I supposed to get \$75 more dollars a month when I am living paycheck to paycheck? Stop feeding myself and my kids so I can pay my sewer?!?! Think outside the box and figure another way to fix your mismanagement instead of giving us a 215% increase!

ATTACHMENT D

**David Kehn**

---

**From:** City Clerk  
**Sent:** Monday, March 23, 2026 9:38 AM  
**To:** All City Council  
**Cc:** All City Clerk; Mark Sorensen; David Kehn; Brendan Ottoboni  
**Subject:** Correspondence - Deb Cady-FW: Sewer fee hike

Good Morning,  
Please find the email below that was received in on our office.

Thank you.

*Stina Cooley*

Administrative Specialist  
City of Chico  
City Clerk's & City Manager's Office  
P.O. Box 3420  
Chico, CA 95973  
530-896-7250 or 530-896-7210



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**From:** deb cady <debcady@yahoo.com>  
**Sent:** Sunday, March 22, 2026 5:18 PM  
**To:** City Clerk <cityclerk@Chicoca.gov>  
**Subject:** Sewer fee hike

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Dear Council members,

## ATTACHMENT D

Can you please explain how Chico can afford \$1 million for military hardware for the police if our sewer system is so bad we need a 180% increase in fees?

There is no way it makes sense to buy this much of anything anything for the cops - who already have a majority of the annual budget - when our sewers and roads are in such dire straits.

You really owe the tax payers of Chico an public explanation for such a large and unnecessary purchase followed by such a huge rate hike. Right now - it just looks like favoritism and graft.

Deb Cady

RECEIVED

MAR 27 2026

CITY CLERK  
CITY OF CHICO

March 18, 2026

Dear Members of the Chico City Council,

I am writing as a homeowner and resident of Chico to formally express my strong opposition to the recently approved sewer rate increases, which are projected to exceed 200% over the next five years. While I understand the necessity of maintaining and upgrading critical infrastructure, the magnitude and pace of this increase places an unreasonable and inequitable burden on the residents of our community.

My household consists of two working adults and a young child. Like many families in Chico, we carefully budget to live within our means while trying to responsibly save for the future. We already contend with a high overall tax burden within the city, and we make conscious financial choices every day including limiting discretionary spending, such as dining out in order to stay financially stable.

A rate increase of this scale will have a direct and meaningful impact on our household. It will reduce the amount of money we have available for essential expenses like food, as well as the limited discretionary spending we direct to local businesses. Decisions like this do not occur in a vacuum, they ripple through the local economy. When families like mine are forced to cut back, it ultimately impacts Chico's small businesses and the broader economic health of our community.

It is also important to note that utility rate increases of this magnitude are highly unusual. In most municipalities, utility rate adjustments are implemented gradually (often in the range of 3–10% annually) to allow residents time to adapt. A cumulative increase exceeding 200% over five years far exceeds typical practices and places an extraordinary burden on ratepayers in a compressed timeframe.

I recognize that the City is addressing serious concerns related to aging sewer infrastructure, regulatory requirements, and declining reserves. However, these challenges are the result of long-term planning decisions, including years of minimal rate adjustments and deferred investment. It is deeply concerning that residents are now being asked to absorb such a dramatic increase in such a short period of time, without sufficient exploration of alternative solutions.

I respectfully urge the City Council to reconsider this decision and take the following actions:

- Schedule and hold a dedicated special public hearing focused specifically on the sewer rate increases, allowing for greater transparency and meaningful community input.

ATTACHMENT D

**David Kehn**

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**From:** Stina Cooley  
**Sent:** Monday, March 30, 2026 11:18 AM  
**To:** All City Council  
**Cc:** All City Clerk; Mark Sorensen; Erik Gustafson; Skyler Lipski; David Kehn  
**Subject:** Correspondence - Christine Sesnon -FW: Sewer rate increase

Good Morning,  
Please find the email below that was received in our office.

Thank you.

*Stina Cooley*

Administrative Specialist  
City of Chico  
City Clerk's & City Manager's Office  
P.O. Box 3420  
Chico, CA 95973  
530-896-7250 or 530-896-7210



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**From:** Christine Sesnon <sesnonc@gmail.com>  
**Sent:** Saturday, March 28, 2026 6:18 PM  
**To:** Debbie Presson <debbie.presson@Chicoca.gov>; Angie Dilg <angie.dilg@Chicoca.gov>; Dani Rogers <dani.rogers@Chicoca.gov>; Stina Cooley <stina.cooley@Chicoca.gov>  
**Subject:** Sewer rate increase

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Hello,

## ATTACHMENT D

I want to discuss the recent sewer rate increase the Council recently voted into place with each of you and how your individual decisions will be putting me in hardship.

I am a 65-year-old single income earner who has owned my lovely home in Chico since 2000.

After serving Enloe Health for 24 years, in the same capacity as a Medical Transcriptionist, I was informed by the hospital last January 30 that our entire department will be permanently closed as of April 3, 2026.

Thus, I have no current employment certainty right now. Seeking full-time employment with my niche skill set places me in an earning field where I am able to apply for positions with an earning range of \$15.00 to \$10.00 less than my current hourly rate. Basically at the age of 65, I am going backward in my earnings. I am not in a position to retire.

Your decision to basically triple my monthly sewer rate is just dumbfounding and one in my position is absolutely at odds with how you came to the conclusion that socking-it to the everyday working Chico resident with slamming me with a triple increase makes more sense than being gracious with a gradual yearly increase?

How do you address the fact that as a single earner, living alone, having no other source of income to help with utilities, it makes sense to make this outrageous increase?

Do you have suggestions for someone like myself who is being edged out of the employment market due to AI?

1. Visit the food banks?
2. Not water my lawn where I live to reduce other utilities? (My HOA will really like that idea)
3. I already use solar so my AC utility bill is pretty reasonable.
4. Do you have any leads on a job I can interview for that offers my current income?
5. I already have applied to Santa Barbara City College to enroll in their Medical Coding program as I understand that jobs which include my patient record auditing skills (which I already use) can be applied to other gainful employment.

So... do you have any suggestions?

I welcome you to have coffee with me soon as I am hoping the Council can see how they are impacting not only my life with a impactful request to raise my sewer rate times 3 and reverse their decision in favor of something more affordable.

I look forward to hearing from you.

Sincerely,

Christine Sesnon  
962 Yosemite Dr  
Chico, CA  
530-570-6652

ATTACHMENT D

**David Kehn**

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**From:** Stina Cooley  
**Sent:** Tuesday, April 7, 2026 11:49 AM  
**To:** All City Council  
**Cc:** All City Clerk; David Kehn; Skyler Lipski; Mark Sorensen; Erik Gustafson  
**Subject:** Correspondence - Charles Roggow -FW: Sewer bill

Good Morning,  
Please find the email below that was received in our office.

Thank you.

*Stina Cooley*

Administrative Specialist  
City of Chico  
City Clerk's & City Manager's Office  
P.O. Box 3420  
Chico, CA 95973  
530-896-7250 or 530-896-7210



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**From:** Charles Roggow <charlesroggow@gmail.com>  
**Sent:** Tuesday, April 7, 2026 11:43 AM  
**To:** Debbie Presson <debbie.presson@Chicoca.gov>; Angie Dilg <angie.dilg@Chicoca.gov>; Dani Rogers <dani.rogers@Chicoca.gov>; Stina Cooley <stina.cooley@Chicoca.gov>  
**Subject:** Sewer bill

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## ATTACHMENT D

I just received my new sewer bill. It went from \$35/month to \$107/month. I can only guess this council okay this outrageous hike. I, like many Chico residents live on SS. This hike is food for me for a week. How am I supposed to eat? I will remember this at the next elections. I will vote against any council member who voted for this exorbitant increase in our sewer bill. Unhappily yours Charles Roggow



April 7, 2026

Chico City Council  
411 Main St.  
Chico, CA 95928

Re: Meeting Agenda Item 5.2

Dear City Council,

I write this letter as President of the Chico Builders Association, (CBA) to express our concern over the recent vote to address current sewer system inadequacies with the most aggressive rate increase in the city's history. Our board is concerned that council was not presented with adequate information and public input prior to selecting the most aggressive of options presented to them. The potential fallout to the community is devastating and far reaching.

The following list summarizes items in the pages that follow. We offer these bullet points in support for you to re-consider the motion and direct staff to present an option that is more supportable by the community.

CBA's key items are as follows:

1. Consideration of impacts of this rate increase to the local business economy was not addressed by staff.
2. Alternative means of funding were not adequately presented or considered.
3. Is the staff proposed alternative "elite" or "adequate"?

Thank you for your consideration in this matter.

Matt Gallaway  
President

ATTACHMENT D  
**Chico Builders Association (CBA)**  
**Questions and Comments**  
**Regarding the City of Chico's proposed Sewer Rate Increase**  
*"The can was kicked down the road." – City Staff*

---

**1. How did we get here?**

- a. The proposed sewer rate increase came as a surprise to the ratepayers of Chico. Why wasn't there outreach to the ratepayers prior to the proposal being presented to the city council?
- b. Are any portion of the sewer funds allocated to the general fund? With the city paying millions of dollars out of the General Fund for the expenses associated with the Warren v. Chico, are there not remaining funds that could supplement the ongoing sewer maintenance expenses and associated costs with meeting regulatory requirements?
- c. Did city staff consider putting out a 'vote' to the community about establishing a new fee to support the homeless due to the burden on the General Fund as to not impact other critical city needs?
- d. Prior to the rate increase of 2021, sewer rates had not increased for 10 years. Why didn't the city use a gradual, predictable annual adjustment (like CPI) instead of large, infrequent rate increases like other jurisdictions?
- e. What was the intended use of the increase in funds for the 2021 rate increase?
- f. The staff report refers to the shortfall is largely due to the Primary Clarifier Rehabilitation Project and the PGE sustainable solution Turnkey Program upgrades. The staff report does not provide any detail on these projects and its contributions to the shortfall.
  - i. Did the city ask for variances or extensions with the State Water Board
  - ii. Has the City negotiated with PGE regarding its rates? Was Solar power ever considered?

**2. Were other sources of revenue considered?**

- a. Given the unused capacity of the Water Pollution Control Plant (WPCP), did the city consider acquiring "new water" from the Town of Paradise in order to sell it to other jurisdictions or water districts? Was there any analysis done to consider any mitigation efforts to help offset the cost of moving the Town's sewer discharge to the WPCP so the city could monetize the effluent?
- b. Sale of the Water Pollution Control Plant (WPCP) – Several years ago Cal Water expressed interest in purchasing the WPCP. What analysis did the city conduct in considering the sale? What was the sales price that was offered and why wasn't it accepted? The city could use such proceeds to pay down the CalPERS unfunded liability.
- c. Given the City of Chico is the largest generator of tax revenue in Butte County, should the County be held responsible for a portion of the shortfall?

## ATTACHMENT D

- d. Did the high volumetric payers pay their fair share?
- e. Did residential payers pay their fair share?
- f. Were grant funds pursued?
- g. What other sources of revenue were pursued, (not debt)?

### 3. Did the city do any economic analysis of the implication of a significant rate increase?

The “2026 Sewer cost of Service and Rate Study Report” makes no mention of a nexus study of the economic implications of a rate increase.

- a. The proposed increase of 200% just on restaurants alone will likely result in the closure of some of these small businesses. These restaurants have barely recovered from the COVID shutdown of 2020. These closures will result in a reduction in sales tax revenue, loss of jobs, more vacant commercial properties (potential for blight), etc.
- b. What are the implications of a 200% increase on renters, and what will landlords likely do with such increases?
- c. Did the city consider the proportion increase to its ratepayers?
- d. The report talks of what the rate increases are but there were no deliverables on the financial impacts to substantiate such increases. Should that be part of the Nexus report?
- e. What is the definition of an “account” as referred to in the report?
- f. Section 1.5 states, *“The City currently projects that its number of sanitary sewer accounts will increase by approximately 0.5 percent annually throughout the duration of the five-year study period (FY 2027 through FY 2031), a cumulative increase of 2.53 percent. City staff provided baseline revenue and expense data which was escalated by the type of expense. Based on current knowledge of the market, O&M expenses reflect an annual 3.0 percent inflation factor through the Study duration.”* How did the city establish an annual growth increase of .5%? If you assume 27,000 existing sanitary sewer accounts that would be an additional 1,350 sanitary sewer accounts. Last year Chico had 108 new SFH and 191 MFH for a total of 299. Where would the additional Sewer “accounts” come from?
- g. Has the City ever consulted with an outside financial analyst for guidance on how to meet the city’s financial obligations?

### 4. Clarifying questions from the staff report and other comments

- a. Who is responsible for these deferred expenses – who “kicked the can down the road?” Why didn’t the Public Works Director raise this concern 10 years ago?
- b. Have all the sewer maintenance funds been expended?
- c. This total dollar amount of this fee hike represents MORE than the dollars generated from the Measure H Tax. How can the community at large not have more input in the matter?
- d. Non-payments – what is the plan to bridge the loss revenue? It is estimated that 10% of lost revenue is due to rate payers not paying. What is the estimated lost revenue after these 200% plus increases? Has that been considered? What is the economic impact of such?

## ATTACHMENT D

- e. The report states that there are major expenditures in 2031 referred to as Effluent Diversion and Northeast Pond upgrades that amount to \$42,737,000 which is 31% of today's 5-year budget! Who determined this expenditure amount? Did the city meet with the State Water Resource Board about relaxing or delaying the requirements? What are the consequences for not complying?
- f. Are these proposed upgrades **absolutely** necessary? What are we paying for? The ratepayers who are paying for this have the right to know if they are purchasing a Ferrari or a Chevy. The NBS study that was presented in the report to council did not identify or separate the costs by what types of repairs and replacements were being proposed. And it ONLY identifies Single Family Residential. CBA finds this disingenuous.
- g. Table 7 – The Debt Service Coverage Ratio (DSCR) is over-shooting expectations. The city is comfortable with a 1.25 – 1.50 DSCR but after additional revenues in the final year the DSCR is 1,158%. Please explain.
- h. Table 20 – how was it determined the volumetric cost for a single-family home at an existing rate of 1.30 to 5.74 resulting in a 341.5% increase and not 180% as stated? Restaurants in that same table are 2.18 going to 11.73 in year 1 which is a 438% increase. Over a period of 5 years, it is actually a 505% increase. Was this explained at City council? This scenario plays out throughout Table 20.
- i. Section 5 – Bill Impacts (page 35 of the report) – Table 21 states the median is 201.58. Verifying the figures, it is the average not the median.
- j. Option 2 – Attachment C, Table 24 – need clarification on how the increase of 70% was determined. 28.47 to 35 is a 22.9% increase.

## ATTACHMENT D

### David Kehn

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**From:** Stina Cooley  
**Sent:** Wednesday, April 8, 2026 10:34 AM  
**To:** All City Council  
**Cc:** All City Clerk; Mark Sorensen; Erik Gustafson; David Kehn; Skyler Lipski  
**Subject:** Correspondence - John Dimercurio-FW: I am opposed to the sewer charges being increased-delay it and change the structure.

Good Morning,  
Please find the email below that was received in our office.

Thank you.

*Stina Cooley*

Administrative Specialist  
City of Chico  
City Clerk's & City Manager's Office  
P.O. Box 3420  
Chico, CA 95973  
530-896-7250 or 530-896-7210



---

**From:** John Dimercurio <ramjam76@hotmail.com>  
**Sent:** Wednesday, April 8, 2026 10:23 AM  
**To:** Debbie Presson <debbie.presson@Chicoca.gov>; Angie Dilg <angie.dilg@Chicoca.gov>; Dani Rogers <dani.rogers@Chicoca.gov>; Stina Cooley <stina.cooley@Chicoca.gov>  
**Subject:** I am opposed to the sewer charges being increased-delay it and change the structure.

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## ATTACHMENT D

I am opposed to the sewer charges being increased-delay it and change the structure to lower the costs.

ATTACHMENT D

Good evening Mayor and Councilmembers,

My name is Mindy Stark, and I am a homeowner in Chico. I'm here tonight because I'm deeply concerned about the proposed sewer rate increases.

I understand that our infrastructure needs attention. But the scale and speed of this increase feel excessive.

My late husband was a small business owner, so I've seen firsthand how operating costs affect small businesses. When a major expense like this rises so quickly, businesses often have limited options so they may delay hiring, reduce hours, raise prices, or in some cases, struggle to stay open. That doesn't just impact business owners, it impacts employees and families throughout our community.

At the last meeting, Councilmember Addison Winslow said that General Fund dollars shouldn't be used for sewer infrastructure upgrades because some residents rely on septic systems. With respect, that doesn't make sense to me. We all contribute to services we may not personally use whether it's schools, roads, or public safety because that's how a community functions. And even the 25% of households who rely on septic systems still use facilities that depend on the public sewer system, such as restaurants, schools, and other community spaces. The sewer system is essential infrastructure, and the burden of maintaining it shouldn't fall so heavily and so suddenly on residents.

Chico is a community I care deeply about. I want it to succeed. But that also means making sure residents and local businesses can continue to survive and provide jobs.

I respectfully ask you to reconsider the scale and timing of this increase.

Thank you for your time.

Mindy Stark

RECEIVED

APR 24 2026

CITY CLERK  
CITY OF CHICO

**To: Chico City Council  
PO Box 3420  
Chico, CA 95927**

**From: Jerry Gilstrap  
982 East Lassen Ave #14  
Chico, CA 95973**

**04/14/26 Subject: Sewer Rate increases**

**Dear City Council;**

**As a disabled senior citizen, living only on Social Security Disability, the proposed increases mention of 180% is a severe problem for people like myself.**

**Our paltry COLA of 2.3% Catually cost some of us to go backwards financially due to increases in space rent, insurance, etc. I went backwards to a degree.**

**To have single or otherwise people face such an increase will insure bankruptcy and eviction as our income to debt ratio already beats averages.**

**These sewer increases have financially affected me twice, resulting in increased rent and extraneous expenses. It is imperative these increases not occur, or at least present exemptions for us low income residents, both senior or otherwise.**

**For a one person resident with little water usage, compared to a family of four such an increase is impossible.**

**Please block or modify the proposed increases for the benefit of Chico residents.**

**Sincerely**

**Jerry Gilstrap**

ATTACHMENT D

**David Kehn**

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**From:** Stina Cooley  
**Sent:** Tuesday, May 5, 2026 4:04 PM  
**To:** All City Council  
**Cc:** All City Clerk; Mark Sorensen; Brendan Ottoboni; David Kehn; Erik Gustafson; Skyler Lipski  
**Subject:** FW: Sewer cost and restaurants can't afford an increase

Good Afternoon,  
Please find the email below that was received in our office.

Thank you.

Stina Cooley

Administrative Specialist  
City of Chico  
City Clerk's & City Manager's Office  
P.O. Box 3420  
Chico, CA 95973  
530-896-7250 or 530-896-7210

-----Original Message-----

From: Jennifer Plank <movnforward55@icloud.com>  
Sent: Tuesday, May 5, 2026 4:01 PM  
To: Debbie Presson <debbie.presson@Chicoca.gov>; Angie Dilg <angie.dilg@Chicoca.gov>; Dani Rogers <dani.rogers@Chicoca.gov>; Stina Cooley <stina.cooley@Chicoca.gov>  
Subject: Sewer cost and restaurants can't afford an increase

.  
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Good afternoon,

I noticed that Hula's, a restaurant that's been around since the 90s, can't afford sewer increases.

Please support small businesses so they don't have to close.

Respectfully,  
Jennifer Plank  
Sent from my iPhone

ATTACHMENT D

**David Kehn**

---

**From:** Stina Cooley  
**Sent:** Monday, May 11, 2026 3:51 PM  
**To:** All City Council  
**Cc:** All City Clerk; Mark Sorensen; David Kehn; Erik Gustafson; Brendan Ottoboni; Skyler Lipski  
**Subject:** Correspondence - Deedee Hughes -FW: Sewer Rates increase 180 percent in August

Good Afternoon,  
Please find the email below that was received in our office.

Thank you.

*Stina Cooley*

Administrative Specialist  
City of Chico  
City Clerk's & City Manager's Office  
P.O. Box 3420  
Chico, CA 95973  
530-896-7250 or 530-896-7210



---

**From:** Deedee Hughes <hughesdeedee48@gmail.com>  
**Sent:** Monday, May 11, 2026 3:26 PM  
**To:** Debbie Presson <debbie.presson@Chicoca.gov>; Angie Dilg <angie.dilg@Chicoca.gov>; Dani Rogers <dani.rogers@Chicoca.gov>; Stina Cooley <stina.cooley@Chicoca.gov>  
**Subject:** Sewer Rates increase 180 percent in August

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## ATTACHMENT D

As a long time chicoan and a sr on fixed income it worries me as well as others how we are going to come up with this money. I have social security and have to put aside money for house taxes twice a year. Please come up with another plan so that low income Srs won't have to leave town. Thank you DeeDee Hughes 440 Juniper St Chico,CA 95926