

**Proposition 218 Notification  
Notice of Public Hearing  
Wastewater Rate Adjustment**

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**Hearing: December 20, 2022 6:30 PM**

**Hearing Location: Mad River Grange-110 Hatchery Road, Blue Lake**

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This letter is to advise you that the City of Blue Lake is proposing a wastewater rate adjustment for all users connected to the Blue Lake System. The proposal will be considered by the City Council at a Public Hearing on December 20, 2022 at 6:30 PM. You are receiving this notice in compliance with the California Proposition 218 requirement that all impacted property owners be mailed notice of proposed rate changes at least 45 days prior to a public hearing.

**If you have any questions in regard to this notice, please call the City Office Monday through Friday, between the hours of 9:00am-12noon and 1:00pm-4:00 pm at 707-668-5655**

**BASIS OF PROPOSED RATE ADJUSTMENT**

The City of Blue Lake is required by to collect revenues sufficient to fund current and future costs of operating, maintaining, and administering the existing wastewater facilities as well as to fund the capital improvements and infrastructure replacement program. These revenues allow Blue Lake to protect public health and safely and reliably collect, treat, and discharge wastewater. Blue Lake may not collect more revenue than is necessary to recover the costs of providing services. The proposed rates were developed through a comprehensive Wastewater Rate Study designed to meet all legal requirements and fairly and equitably recover the required revenue. The Wastewater Rate Study was prepared by Rural Community Assistance Corporation (RCAC) and is available for review by the public on the City of Blue Lake’s Website [www.bluelake.ca.gov](http://www.bluelake.ca.gov) after November 7, 2022.

**WHY THE CITY OF BLUE LAKE’S WASTEWATER RATE MUST BE ADJUSTED**

Customer rates are the primary source of revenue to operate the wastewater system. These rates generate the revenue to operate the system and invest in necessary upgrades. The system has made inflationary adjustments to the water systems rates over the past several years but has not engaged in a comprehensive analysis in close to a decade. The city has been setting aside reserves using a designated fee, but the city has exhausted operating expenses, is currently in need of major facilities upgrades, and has borrowed in excess of \$150,000 from the capital fund to cover daily operations.

**WHAT STEPS DID THE CITY OF BLUE LAKE TAKE TO REDUCE COST BEFORE CONSIDERING INCREASING CUSTOMER RATES?**

The City of Blue Lake makes every effort to keep costs affordable, including maximizing the life of the assets of the City. The City has created a cost allocation methodology to split costs of shared expenses,

such as insurance, shared vehicles, salaries, and office expenses, between departments and funds. The wastewater system's revenue must cover their fair share of these shared expenses.

### **RATE ADJUSTMENT HEARING PROCEDURE**

All property owners, water customers of Blue Lake and other interested persons are invited to attend the hearing and present written and/or oral comments. As an owner of record of a parcel subject to the imposition of the proposed rate adjustments, and/or the account holder directly liable to the City of Blue Lake for the proposed fee, you may submit a written protest against the proposed rate changes. Only one written protest will be counted per identified parcel.

#### **Written protests must include:**

- Your signature and date
- Your name typed or printed under the signature
- The assessor's parcel number or street address of the property; and
- An affirmation that you are the owner or water customer of record of the property
- Only one protest will be allowed per parcel

Written protests will not be accepted by e-mail or fax. Verbal protests will not be counted. Protests must be received (not postmarked) prior to the close of the public hearing. Written protests may be submitted to:

#### **Delivered in Person**

*Blue Lake City Hall  
111 Greenwood Rd  
Blue Lake, CA 95525*

#### **Submitted by Mail to:** City of Blue Lake

*PO Box 458  
Blue Lake, CA 95525-0458*

The City Council of the City of Blue Lake, after the close of the public hearing, and provided that written protests from a majority of properties subject to the adjusted rates has not been received, will vote to adopt the rates. The rates will not exceed the increases set forth herein. The adoption may not take place at the December 20th, meeting if time is needed to verify and count the letters of protest. It may occur at a subsequent Council meeting.

### **PROPOSED MONTHLY RATE SCHEDULE**

The wastewater base rate will be increased as set forth on the following table effective January 20, 2023 and will increase by **4.5%** for four subsequent years. Any subsequent rate adjustments that increase rates will be subject to a Proposition 218 hearing.

**PROPOSED MONTHLY RATE SCHEDULES:**

**Current Charges:**

<b>Customer Class</b>	<b>Base Charge</b>	<b>Per BOD Charge</b>
Standard	\$49.89	\$.04736/cf
Industrial Flow	\$49.89	\$.04736/cf
Industrial Flow 8 SCR	\$61.32	\$.04736/cf
Industrial Flow 2 SCR	\$129.90	\$.04736/cf
Industrial Flow 24 SCR	\$312.78	\$.04736/cf
Industrial Flow 150 SCR	\$1,752.96	\$.04736/cf
Industrial Flow 5 SCR	\$95.61	\$.04736/cf
Industrial Flow 50 SCR	\$609.96	\$.04736/cf

**Proposed Rates: Effective Date-January 20<sup>th</sup> of each year**

	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Standard Base Rate	\$54.00	\$56.43	\$58.97	\$61.62	\$64.40
Per BOD (industrial flow only)	\$4.38	\$4.58	\$4.78	\$5.00	\$5.22

**The Capital Reserve Fee will be removed from the bill and incorporated into the above rates.**

In an effort to provide transparency, information will be available as noted at the City of Blue Lake Offices, as well as online at [www.bluelake.ca.gov](http://www.bluelake.ca.gov).