

NOTICE OF PUBLIC HEARING

Adjustments to Sanitary Sewer and Curbside Solid Waste Collection Fees

Tuesday, June 21, 2022 at 5:30 p.m.

MIDWAY CITY SANITARY DISTRICT 14451 Cedarwood Avenue, Westminster, California

NOTICE IS HEREBY GIVEN that at a public meeting on Tuesday, June 21, 2022 at 5:30 p.m., the Midway City Sanitary District Board of Directors will hold a public hearing in the District meeting room, 14451 Cedarwood Avenue, Westminster, California, to consider a **proposed Ordinance adopting a five-year schedule of adjustments to fees and charges for (1) residential curbside solid waste collection service and (2) sanitary sewer service.** If approved, the proposed fee adjustments will be effective July 1, 2022, and each July 1 thereafter, through and including July 1, 2026.

Background

The Midway City Sanitary District (“District”) provides sanitary sewer and residential curbside solid waste collection services to approximately 20,062 parcels within the City of Westminster and the unincorporated area of the County known as Midway City. Solid waste collection services provided by the District include weekly curbside pickups for a three-cart system of trash, organics, and recyclables (i.e., “Curbside Container Service”), along with bulky item pickup, mattress recycling, and oil recycling programs. The District provides Curbside Container Service to approximately 19,766 Equivalent Dwelling Units (“EDUs”), consisting primarily of residential dwelling units on single-family lots or in small multi-family residential facilities. Most large multi-family facilities and businesses receive solid waste handling services from CR&R, Incorporated, rather than the District, and are **not** subject to the residential curbside solid waste collection fees described in this Notice. The District also provides sanitary sewer service to approximately 35,175 residential, commercial, industrial, and other nonresidential units or activities that are connected to the District’s wastewater collection system. The wastewater collection system is comprised of approximately 170 miles of sewer lines of various sizes and four lift stations. Sanitary sewer service and residential curbside solid waste collection fees are collected annually on the property tax roll and fund each utility’s proportionate share of operational costs such as salaries and benefits, fleet maintenance and replacement, fuel, disposal fees, wastewater collection system maintenance and replacement, regulatory compliance, and prudent reserves.

Reasons for the Proposed Fee Adjustments

A rate study conducted by IB Consulting, LLC determined the District’s cost to provide sanitary sewer and curbside solid waste collection services and the revenue required to maintain the current service levels. A copy of the rate study may be downloaded from the District’s website at www.midwaycitysanitarydistrict.com or viewed at the District’s office. The rate study identified the following factors that necessitate the proposed fee adjustments:

Rising Costs — The District’s curbside solid waste collection and residential sewer user fees have not been increased in the last 15 years, despite continued increases in costs due to rising inflation, government mandates, and new programs. New laws such as Assembly Bill 1594 and Senate Bill 1383 have resulted in the imposition of significant new regulatory requirements governing the handling and disposal of solid waste have and increased solid waste disposal and diversion costs. To meet these new regulatory requirements, the District implemented a new source-separated organics collection program in 2018, but it has not increased rates to recover the additional costs associated with the new organics program.

Capital Projects — Pursuant to the District’s Capital Improvement Program (“CIP”), approximately \$27.7 Million in capital spending is planned over the next five years for repair and replacement of sewer lines and lift stations, replacement of vehicles, building and facility construction, and the purchase of additional equipment.

Financial Stability — Without adequate rate increases, the revenue generated by existing rates would not be sufficient to cover the cost of operations and capital spending, while satisfying the District’s minimum reserve requirements.

Proposed Adjustments to Curbside Solid Waste Collection Fees

Residential curbside solid waste collection fees are structured on the basis of units of service, referred to as EDUs. Each residential or nonresidential unit or activity required to receive Curbside Container Service is assigned one EDU. The District currently charges a fee of \$177.00 per year (or \$14.75 / month) per EDU for basic Curbside Container Service. The amount of this fee has not increased since 2006. The District is proposing to increase the fee incrementally over a five-year period to \$213.85 per year (or \$17.82/month) per EDU, as shown in the table below. Even with this increase, the District’s curbside solid waste collection fee will still be one of the lowest in Orange County.

Basis of Fee	Current Fees	Proposed Curbside Solid Waste Collection Fees				
	FY 2020/21	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Annual Increases		7.34%	3.0%	3.0%	3.0%	3.0%
Annual Fees						
Per EDU	\$177.00	\$189.99	\$195.69	\$201.57	\$207.62	\$213.85
Monthly Fees						
Per EDU	\$14.75	\$15.83	\$16.31	\$16.80	\$17.30	\$17.82

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Para ver este aviso en español, visite el sitio web del Distrito en www.midwaycitysanitarydistrict.com.

Property owners that require service beyond the basic Curbside Container Service may request additional solid waste carts from the District for a fee. The District is proposing to establish a separate fee to cover the cost of servicing each extra cart requested by a customer. The proposed fee for each additional cart requested is \$36.96 per year (or \$3.08 / month) beginning July 1, 2022, with 3.0% increases on each July 1 thereafter through July 1, 2026, as shown in the table below.

Basis of Fee	Proposed Additional Solid Waste Cart Fees				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Annual Increases			3.0%	3.0%	3.0%
Annual Fees					
Per Cart	\$36.96	\$38.07	\$39.22	\$40.40	\$41.62
Monthly Fees					
Per Cart	\$3.08	\$3.17	\$3.27	\$3.37	\$3.47

Proposed Adjustments to Sanitary Sewer Service Fees

The existing sanitary sewer service fee structure consists of annual fixed charges based on the number of units or activities per parcel that are connected to the District’s wastewater collection system (“sewer units”). The District currently charges a sanitary sewer service fee of \$87.00 per year (or \$7.25 / month) for each separate residential unit or activity on a parcel. Residential sewer service fees have not increased since 2006. Sewer service fees for commercial, industrial, and other non-residential units or activities currently range from \$119.49 to \$459.96 per sewer unit per year, based on the type of business or activity. The District is proposing to simplify the rate structure by establishing a uniform sewer service fee per sewer unit for both residential and non-residential uses, which is proposed to be set at \$97.48 per year (\$8.12 / month) beginning July 1, 2022, with 3.0% increases on each July 1 thereafter through July 1, 2026. The table below shows the proposed uniform sanitary sewer service fee for each residential and non-residential sewer unit for the next five years, along with the resulting percentage increase in residential rates.

Basis of Fee	Current Residential Fee	Proposed Residential and Nonresidential Sanitary Sewer Service Fees				
	FY 2020/21	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Annual Increases		7.34% (Residential)	3.0%	3.0%	3.0%	3.0%
Annual Fees						
Per Sewer Unit	\$87.00	\$97.48	\$100.41	\$103.43	\$106.54	\$109.74
Monthly Fees						
Per Sewer Unit	\$7.25	\$8.12	\$8.37	\$8.62	\$8.79	\$9.15

How to Protest the Proposed Fee Adjustments

In California, Proposition 218 allows property owners and tenants to comment on and protest a proposed increase to solid waste or sewer fees. Consistent with the provisions of Proposition 218, this notice has been mailed to all record owners of the affected properties at the addresses as they appear on the latest equalized assessment roll. If you are a property owner as defined under Proposition 218 and object to the proposed fees as described in this Notice, you may file a written protest with the District prior to the close of the Public Hearing, set for June 21, 2022 at 5:30 p.m. Original written protests can be mailed or personally delivered to the following address: **Midway City Sanitary District, 14451 Cedarwood Avenue, Westminster, CA 92683, Attn: Director of Finance and Human Resources.**

A valid written protest **must** be received prior to the close of the public hearing and include all of the following:

1. The name of the record owner or owners of the property; and
2. Identification of the property by either assessor’s parcel number or street address; and
3. A statement of protest identifying which proposed fees are subject to the protest (“I/we protest the [solid waste collection fees / additional cart fees / sewer service fees]” will suffice); and
4. The original signature of the protesting owner or owners (photocopies, email, electronic copies, e-comments, or facsimilies will not be accepted).

Please note that only one protest per parcel will be counted. Multiple protests returned for a single parcel will be disallowed. The Director of Finance and Human Resources (“Finance Director”) will determine the validity of all protests submitted and exclude any invalid protests from the final tabulation. The Finance Director’s decisions shall be final and binding.

The District welcomes your participation and input as the Board of Directors considers the fee adjustments explained in this Notice. At the Public Hearing, the Board of Directors will consider all written and oral protests to proposed fee adjustments. **However, oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest.** After the Public Hearing, if a majority protest does not exist, the Board may adopt an Ordinance implementing the proposed fee adjustments.

If you have any questions regarding this Notice or the proposed fee adjustments, or would like even more detailed information, please call the District at (714) 893-3553 or visit the District’s website at www.midwaycitysanitarydistrict.com.

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