

NOTICE CONCERNING PROPOSED WASTEWATER INCREASES AND PUBLIC HEARING



To Property Owner/Customer:

NOTICE IS HEREBY GIVEN that on **Tuesday, May 12, 2026, at 6:00 p.m.**, a Public Hearing will be held in-person at the City of Atascadero Council Chambers located at 6500 Palma Avenue, Atascadero, California 93422 to consider proposed increases in wastewater rates. If approved by the City Council, the proposed rate increases will be effective for services provided on or after July 1, 2026.

WHY ARE THE RATE CHANGES BEING CONSIDERED?

The City is dedicated to keeping rates low by maintaining lean staffing levels, absorbing increasing operational and maintenance costs, and using reserves when necessary. However, much like other utilities and services delivered to homes, the costs involved to collect and treat wastewater have risen and continue to rise. An independent analysis determined annual rate increases would be needed over a five-year period. This year's rate increase represents the second year of that period.

INDEPENDENT ANALYSIS

The City engaged an independent consulting engineer to assess and analyze the capital needs of the wastewater collection and treatment systems. The independent engineer identified numerous capital facility replacements and upgrades required to continue to provide a safe and reliable wastewater system. In addition to other minor projects, the most significant capital projects identified consist of the wastewater treatment plant process improvements totaling in excess of \$100 million, and other wastewater collection system improvements to lift stations, force mains, sewer pipes and manholes over the next ten years that exceed \$170 million. However, the rate study excludes many projects except the treatment plant improvements and only the highest priority collection system improvements.

Additionally, the City engaged an independent financial consultant to analyze its wastewater services, revenues, and rates and prepare a wastewater rate study. The City commissioned this analysis to determine the cost of providing wastewater services and their corresponding impacts to customers' bills. This analysis identified a number of key factors that result in the proposed rates. These key factors include, but are not limited to:

- Impacts of State regulation and legislation
- Rising treatment and energy costs
- Past and continued critical upgrades and/or replacement of wastewater facilities and infrastructure

PROPOSED WASTEWATER REVENUE INCREASES

The City proposes to increase its wastewater service charges. All wastewater customers would be charged a fixed monthly wastewater service charge in the same manner as they are currently charged. Customers of the wastewater system are charged proportionally to their wastewater flow and relative strength contributed to the wastewater collection and treatment facilities. Current and proposed wastewater service charges are provided on the following page.

WASTEWATER MONTHLY BILL IMPACT FOR THE AVERAGE RESIDENTIAL CUSTOMER

The wastewater bill for a single-family residential customer will increase by \$10.54 per month under the proposed rates. The table below provides the increase in monthly charges for residential customers in 2026-2027.

Residential Classification	FY 2026-27 Monthly Rate		
	Current	Proposed ¹	Difference
Single Family	\$ 57.06	\$ 67.60	\$ 10.54
Apartment, Condo	\$ 42.79	\$ 50.70	\$ 7.91
Mobile Home	\$ 34.23	\$ 40.56	\$ 6.33
Senior Apartment Unit	\$ 19.97	\$ 23.66	\$ 3.69

¹ Proposed Rates effective July 1, 2026

Revenues derived from the proposed rate changes do not exceed the revenue requirements needed to provide property-related services by the City, nor will the revenues from the rates and charges referenced herein be used for any purpose other than that for which the corresponding rates are imposed. The amount of the proposed rates imposed upon any parcel or person as an incident of property ownership will not exceed the proportional cost of the service(s) attributable to such parcel; and no rate will be imposed for a service unless that service is used by, or immediately available to the property or customer in question.

PUBLIC HEARING AND PROTEST PROCEEDING

The City Council will hear and consider all written protests and oral comments to the proposed rate increases at the Public Hearing. All interested parties are invited to participate in the public hearing and present written protests and/or oral comments on the proposed rate increases referenced herein. Direction and information for participating in the meeting will be available on the City Council Agenda & Minutes webpage. Agendas are available on the City's website: www.atascadero.org/agendas

Oral comments made at the public hearing will not qualify as formal protests of the proposed rate increases unless accompanied by a written protest setting forth the required information (as detailed below). Upon the conclusion of the Public Hearing, the City Council will consider adoption of a resolution authorizing the rate increases to the City's wastewater service charges as described in this Notice. If written protests against the proposed rate increases and adjustments to the wastewater rates as outlined are not presented by a majority of property owners of the identified parcels upon which the wastewater rates are proposed to be imposed, the City Council will be authorized to impose the respective rate increases and adjustment. If adopted, the proposed rate increases to the wastewater service charges will be in effect beginning July 1, 2026.

CURRENT AND PROPOSED MONTHLY SEWER SERVICE CHARGES

Classification Description	EDU ³ Multiple	Unit of Measure	Monthly Rate	
			Current	Proposed ¹
Residential Fixed Charges				
Single Family	1.00	Dwelling Unit	\$ 57.06	\$ 67.60
Apartment, Condo	0.75	Dwelling Unit	\$ 42.79	\$ 50.70
Mobile Home	0.60	Spaces	\$ 34.23	\$ 40.56
Senior Apartment Unit	0.35	Dwelling Unit	\$ 19.97	\$ 23.66
Non-Residential Fixed Charges				
Financial Institutions	2.00	Unit	\$ 114.12	\$ 135.20
Bars	1.50	Unit	\$ 85.59	\$ 101.40
Carwash	7.50	Unit	\$ 427.94	\$ 507.00
Churches/Meeting Halls				\$ -
< 150 seats	1.33	Seats	\$ 75.89	\$ 89.91
150 to 250 seats	2.66	Seats	\$ 151.77	\$ 179.82
> 250 seats	3.00	Seats	\$ 171.17	\$ 202.80
Commercial Unit	1.00	Unit	\$ 57.06	\$ 67.60
Funeral Home	9.00	Unit	\$ 513.52	\$ 608.40
Gas Station	2.00	Unit	\$ 114.12	\$ 135.20
Grocery Store > 10,000 sq. ft.	8.00	1,000 sq. ft.	\$ 456.46	\$ 540.80
Gymnasium	10.00	Unit	\$ 570.58	\$ 676.00
Laundry	9.00	Unit	\$ 513.52	\$ 608.40
Motel (per room)	0.33	Room	\$ 18.83	\$ 22.31
Office Unit	1.00	Unit	\$ 57.06	\$ 67.60
Rest Home (per bed)	0.35	Bed	\$ 19.97	\$ 23.66
Restaurants				\$ -
< 40 seats	4.00	Seats	\$ 228.23	\$ 270.40
40 to 60 seats	6.00	Seats	\$ 342.35	\$ 405.60
61 to 100 seats	8.00	Seats	\$ 456.46	\$ 540.80
> 100 seats	10.00	Seats	\$ 570.58	\$ 676.00
Schools (per student enrolled on March. 1)	0.05	Student	\$ 2.86	\$ 3.38
Theater	4.00	Unit	\$ 228.23	\$ 270.40
Veterinarians	3.00	Unit	\$ 171.17	\$ 202.80
isted Uses ²	1.00	Unit	\$ 57.06	\$ 67.60

¹ Proposed Rates effective July 1, 2026

² Unlisted uses are determined by use of fixture units from the California Plumbing Code or as by means deemed appropriate by the City Engineer.

³ EDU = Equivalent Dwelling Unit is the average daily peak flow and strength of wastewater discharge from single family residence (240 gallons per day with BOD5=250 ml/L and SS=250 ml/L).

Pursuant to State Law, written protests may be submitted by any record property owner of a parcel, subject to the proposed City rate changes, against any or all of the proposed rate changes described in this Notice. However, only one written protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner is in opposition to the proposed increases to the wastewater rates; (2) provide the location of the identified parcel [by street address or assessor's parcel number (APN)]; (3) include the printed name and original, wet signature of the property owner submitting the protest; (4) date the protest was signed; and (5) certification by the named property owner that the contents of the protest are true and correct. Written protests may be submitted by mail or in person to the City Clerk at 6500 Palma Avenue, Atascadero, CA 93422, or at the Public Hearing on May 12, 2026 (date, time, and location specified on the front of this Notice), provided they are received prior to the close of the Public Hearing, which will occur when the public testimony on the proposed increases and adjustments is concluded. Due to the inability to verify the authenticity of each individual protest, protests received by telephone, electronic mail (e-mail), or via social media sites, including, but not limited to, Facebook or X shall **NOT** be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the City Clerk, the following: "Attn: Protest Wastewater Rate Increases". Written protest in marked envelopes may be submitted in person by dropping them off in the locked box in the foyer at City Hall. For more information or questions about the proposed wastewater rate increases, written protest submittal procedures, or public testimony options at the Public Hearing, you may contact the Department of Public Works at (805) 470-3456 or visit the City's website at www.atascadero.org/Prop218. Additional information and protest procedures will be available on the City's website not later than March 27, 2026.

ESTA CARTA ESTÁ DISPONIBLE EN ESPAÑOL, LLAME (805) 461-5000