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CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: March 29, 2022

TO: Finance Committee

FROM: Water Resources Division, Public Works Department;
Environmental Services Division, Sustainability & Resilience
Department

SUBJECT: Proposed Utility Rates

RECOMMENDATION: That Finance Committee:

- A. Receive a presentation on proposed wastewater rates for Fiscal Years 2023, 2024, and 2025, and solid waste rates for Fiscal Year 2023;
- B. Set a Public Hearing date for June 14, 2022, at 2:00 p.m., for consideration of changes to the City's wastewater and solid waste rates; and
- C. Direct staff to send a Notice of Public Hearing to customers informing them of the Public Hearing and proposed changes to wastewater and solid waste rates.

EXECUTIVE SUMMARY:

The City's wastewater system plays an essential role in protecting public health and the environment. Maintaining the City's wastewater system requires a proactive commitment to investing in the capital infrastructure and resources necessary to keep this vital system operating 24 hours a day, 365 days per year. The Wastewater Fund revenues must be sufficient to meet the ongoing cost of operating and maintaining the City's wastewater system, including investing in capital improvements, meeting mandated standards of treatment, servicing long-term debt obligations, and maintaining Council required reserve levels.

To evaluate the Wastewater Fund's revenue sufficiency, the City's rate consultant analyzed a planning period that included Fiscal Years 2023, 2024, and 2025. Over this time period, the total revenue requirement for the Wastewater Fund is increasing due to raising operations and maintenance costs, an anticipated increase in water conservation, and thus a decrease in wastewater flows, investment in capital, debt obligations, and council reserve funding requirements. As a result, the City's rate consultant is recommending increases in the City's wastewater rates to sufficiently meet the needs of the wastewater utility over the next three years. Additionally, some adjustments to the rate design are recommended to reflect current customer characteristics.

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Solid waste management is essential to maintaining Santa Barbara as a beautiful and environmentally responsible city. By partnering with the County and neighboring jurisdictions, the City is funding a state-of-the-art Material Reclamation Facility (MRF) that helps minimize material disposed of in the landfill. Additionally, the City implements strategic programs to ensure compliance with rapidly-developing State regulations and to support local community health and safety.

DISCUSSION:

Wastewater Rate Changes for Fiscal Years 2023, 2024, and 2025

Background

The City's wastewater system plays an essential role in protecting public health and the environment. Maintaining the City's wastewater system requires a proactive commitment to investing in the capital infrastructure and resources necessary to keep this vital system operating 24 hours a day, 365 days per year. The City's complex wastewater system includes 256 miles of sewer mains, 7 lift stations, 25 creek crossings, over 7,000 access structures (manholes and cleanouts), two miles of pressurized force mains, and the El Estero Water Resource Center (El Estero) – all of which must operate seamlessly to process approximately 2 billion gallons of wastewater annually. The El Estero Facility Plan identifies over \$95 million in capital improvements needed over the next 20 years.

As an enterprise fund, the wastewater utility is dependent on user rates as the primary funding source for the operations, maintenance, and capital improvements needed to keep the utilities functioning reliably and in compliance with federal and state regulations. Using rate revenue to make regular investments in the City's wastewater collection system and El Estero is critical to protecting the health and safety of the community and environment.

On September 28, 2021, City Council authorized staff to contract with HDR Engineering, Inc. (HDR) to complete a wastewater rate study, capacity charge study, and a 10-year financial plan. HDR and staff have been presenting regularly to the Water Commission to receive feedback and input on the policy direction of rate development. Included below is a summary of the public meetings:

- September 16, 2021 – Water Commission received a presentation from staff and recommended that City Council authorize staff to execute a contract with HDR for a rate study.
- September 28, 2021 - City Council authorized staff to execute a contract with HDR for a rate study.
- October 21, 2021 - HDR presented to Water Commission and provided an introduction to the wastewater rate development, giving a broad overview of the process.
- January 20, 2022 – HDR and staff presented revenue requirement analysis and received input from Water Commission on assumptions regarding water conservation and caps on residential wastewater charges.

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- February 17, 2022 – Staff presented to Water Commission the proposed wastewater rates for Fiscal years 2023, 2024, and 2025 and received input from the Commission.
- March 17, 2022—Water Commission approved staff's recommendation and forwarded the item to Finance Committee.

Revenue Requirement and Cost-of-Service Analysis

On a long-term basis, revenues must be sufficient to meet the cost of the City's Wastewater System, including operations and maintenance expenses, capital improvements, mandated standards of treatment, principal and interest payments on existing debt, reserves, and other obligations. All of these factors contribute to an overall average annual revenue requirement of about 7%. An approximate breakdown of the revenue requirement is as follows:

Inflationary Increase to O&M, 3% - As with other parts of the economy, the Covid-19 pandemic has contributed to increases in operations and maintenance costs. The costs of chemicals, for example, have seen substantial increases during the pandemic.

Capital Improvements, 2% - Maintaining this system requires a proactive commitment to investing in the capital infrastructure and resources necessary to keep this vital system operating and protecting public health and safety. The Covid-19 pandemic has also contributed to increases in construction costs.

Debt Service and Reserves, 1% - Low-interest State loans are used to finance various capital projects. Revenues must be maintained to cover debt service payments and debt service coverage ratios. Revenues must also be sufficient to meet City Council reserve policy targets. As capital improvement projects are completed, levels of required reserves increase.

Drought Impacts, 1% - Current dry conditions and possible State water conservation requirements are anticipated to drive down water and wastewater use, which results in reductions in wastewater revenue. Because most system costs are fixed, this revenue must be recovered. The rate model assumes 2% annual water conservation in anticipation of this reduction in water usage and wastewater flows.

It is important to note that rate-revenue increases do not equate to rate increases, or bill impacts, to individual customer classes of service. For example, a single-family residence with average water use may see different impacts than a commercial customer.

The total revenue requirement less non-rate revenue from other sources is defined as the "cost of service" for any given fiscal year. After determining the cost of service, rates are then designed to apportion the cost of service among the customer classes, according to the proportionate share of costs of service attributable to the customer classes and tiers within classes. A cost-of-service analysis is forward-looking and determines the proportional distribution of the revenue requirement to the various customer classes of service (i.e., residential, commercial).

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Proposed Rates

Currently, wastewater volumetric charges are assessed on single-family units and small multi-family residential properties (2-4 dwelling units) for only a portion of their water use. The purpose of limiting the applicable billing units is to recognize that water use above a certain level is likely being used for outdoor watering, which does not enter into the wastewater collection system or receive treatment at El Estero. In this report, the word “cap” refers to the quantity of metered water, in hundred cubic feet (HCF), after which residential customers are not charged wastewater fees for volumetric use.

Single-Family Residences

Current single-family residential rates include a fixed charge and a volumetric charge based on metered water consumption, with a cap at 10 HCF. In looking at the single-family class, HDR studied the cap in relation to current water usage trends. Many years of drought have created a “new normal” for average water usage as customers have made permanent changes to their properties and habits to reduce water usage. Analysis of current usage trends finds that on average, a single-family’s monthly winter water usage (December – March) is about 8 HCF. Winter water usage is a reasonable approximation of how much water is being used indoors and thus discharged to the City’s wastewater system, as irrigation should be minimal in winter months. For the above reasons, HDR is recommending reducing the 10 HCF cap for single-family residences to 8 HCF. The change to the billing cap will be phased in over the rate-setting period. The cap will be lowered to 9 HCF in Fiscal Year 2023, and then to 8 HCF in Fiscal Years 2024 and 2025.

Multi-Family Residences

Similar to single-family, the multi-family residential rates include a fixed component and a volumetric component based on potable water use. Currently, if a single water meter serves one, two, three, or four attached dwelling units, or two or more detached dwelling units, the billing cap is set at 10 HCF per dwelling unit, the same cap as single-family residential customers. A single meter serving five or more dwelling units, any of which are attached, is not subject to a volumetric cap. The current rate structure is designed to use the relationship between the number of units served by a single meter as a means to differentiate between multi-family complexes with water use patterns similar to single-family residences, and more dense multi-family complexes with little to no outdoor watering areas.

However, when analyzing water usage patterns of accounts on properties with 2-4 dwelling units, HDR found more similarities in water usage patterns with the 5+ dwelling unit customer class, rather than the single-family customer class. The single-family customer class on average has noticeable differences between winter water usage and summer water usage, indicating a strong irrigation pattern. This makes a cap necessary, as irrigation water does not discharge to the City’s wastewater system. However, similar to the 5+ dwelling unit customer class, the 2-4 unit customer class does not show significant differences per dwelling unit between winter water usage and summer water usage. This indicates most water usage within this customer class is occurring indoors and is thus being discharged as

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wastewater to El Estero. HDR is recommending that the cap for the 2-4 unit customer class be removed and to charge for all water usage like the multi-family 5+dwelling unit accounts.

This change will affect a small portion of 2-4 unit multi-family developments, as most water use is currently below the existing caps. There are some accounts, however, that staff will contact and recommend various conservation measures, such as drought-tolerant landscaping and replacement of outdated plumbing fixtures, or installing an irrigation meter, to lessen the impact of this change.

HDR's recommended changes will better reflect the amount of wastewater being discharged into the collection system and treated at El Estero.

Commercial and Commercial High/Industrial

Currently, there are two commercial classes in the adopted wastewater rate structure: Commercial and Commercial High Strength/Industrial. These customer classes are billed volumetrically, subject to a minimum charge based on meter size. HDR is recommending recalibrating the minimum charge to reflect current customer characteristics. This change is being phased in in year 2 of the rate adoption period (Fiscal Year 2024).

High Strength Surcharge Fee

During the City's last wastewater rate study, HDR recommended the addition of a high strength wastewater surcharge fee to cover the additional treatment costs associated with waste streams with unusually high strength. Discharges that fall in this category include but are not limited to, domestic septic tank/portable restroom discharges, industrial laundry services, and alcohol beverage manufacturing (brewery, wineries, and distilleries). This surcharge has been implemented and HDR recommends maintaining the surcharge. The cost-of-service analysis has determined the proportional allocation of costs on a per pound basis for Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS), and Ammonia. Staff has conducted outreach to the customer most predominately affected by the surcharge, Marborg Industries, a large domestic septic tank/portable restroom hauling service and receiving station, to communicate planned increases to the surcharge.

Solid Waste Rate Changes for Fiscal Year 2023

Background

Staff from the County and the Cities of Santa Barbara, Goleta, Buellton, and Solvang have worked together since 2008 to explore the development of a Resource Recovery Project (ReSource Center) at the Tajiguas Landfill. The goal of the ReSource Center is to significantly increase the diversion of trash from landfill disposal, thereby extending the life of Tajiguas, and providing a long-term waste management solution for the South Coast.

On July 12, 2016, the County executed a Waste Services Contract with MSB Investors, LLC (MSB), to design, build, and operate the ReSource Center at a cost of \$110.8 million. The

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project, now complete, consists of a MRF that sorts the trash and recovers recyclable commodities, as well as an Anaerobic Digester (AD) that converts organics recovered from the MRF into compostable material and biogas.

The County financed the ReSource Center through the issuance of bonds. To ensure repayment of the debt and honor the County's financial obligations to MSB, each jurisdiction, including the City, committed its waste and the associated tipping fee revenue stream to the project through the execution of a 22-year Materials Delivery Agreement (MDA) between the City and the County, which was approved by City Council in December 2016.

Due to a number of delays in the spring of 2017 and several facility redesigns, the project costs increased to \$134 million. Construction began in December 2018, and the ReSource Center became operational in summer 2021.

In October of 2021, the Alisal Fire impacted operations at the Tajiguas landfill, temporarily halting waste processing and causing an estimated \$15-20 million in damages. The County is working with its insurance to cover these costs, and has not proposed to adjust the FY23 tipping fees to reflect the fiscal impacts of the fire. Currently, materials are being actively recovered and diverted, which will put participating jurisdictions in compliance with diversion requirements associated with SB 1383.

Since Fiscal Year (FY) 2019, the tipping fees for solid waste and recycling processed by the County at the South Coast Transfer Station and the Tajiguas Landfill have increased significantly in order to fund the construction of the ReSource Center. Initially, the FY18 tipping fees of \$87 per ton were increased to \$102 per ton in FY19. Tipping fees have continued to increase each year – increasing to \$150 per ton in FY20, \$158 per ton in FY21, \$164 per ton in FY22, and tipping fees will once again increase in FY23 to \$170 per ton. The large increases were part of the MDA with the County to fund the loan, construction, and operating costs for the ReSource Center; the tipping fees have now reached the level necessary to fund the ReSource Center, so annual tipping fee increases now reflect smaller normal adjustments for inflation and other operating costs of the disposal facilities.

Fiscal Year 2023 Rate Increase

Several factors inform the proposed FY23 rates. The increase of County tipping fees to \$170 per ton in FY23 will increase overall solid waste rates by 1.3 percent. Additionally, the MarBorg contract is annually adjusted by the consumer price index, which results in a rate increase of 4.7 percent for FY23. Also, the proposed Environmental Services budget increases the Abandoned Waste fee by \$350,000 in order to meet increased demand for homeless camp abatement. These increases combined will increase solid waste rates by an additional 1.1 percent.

Staff is also proposing changes to the Environmental Services supplemental fees as part of the budget process. Despite a proposed increase of \$400,000 to the CleanSB program to enhance services, overall supplemental fees are proposed to decrease by \$1.4 million. This is due to the fact that Environmental Services policy reserves are projected to be fully funded

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in FY23 and the related revenue requirements are being removed from the proposed budget. The overall combined changes to the supplemental fees is a rate increase mitigation of -4.1%.

The combination of these adjustments results in a 3.0% total increase for solid waste rates, as outlined by the table below.

Santa Barbara Rate Increases Effective July 1, 2022	
CPI Increase to MarBorg Services	4.7%
Tipping Fee Increase	1.3%
Abandoned Waste Fee Increase	1.1%
Supplemental Fees Increase	-4.1%
Total Increase for July 2022	3.0%

Schedule of Adoption

If approved by the Finance Committee, the proposed rates would be noticed in compliance with Proposition 218, and a Public Hearing would be scheduled before City Council on June 14, 2022, prior to the adoption of the Fiscal Year 2023 budget.

The Water Commission reviewed this item at a regular meeting on March 17, 2022, and voted **X-X** in support of staff's recommendation for the proposed wastewater rates.

BUDGET/FINANCIAL INFORMATION:

HDR's proposed average annual rate-revenue increases of 7 percent will ensure that the Wastewater Fund continues to fund critical capital improvements and ongoing operations.

Under the proposed solid waste rates, the City will fulfill its contractual obligations to the County for waste processing and to MarBorg for franchised waste hauling services. The proposed rates also enable compliance with new State regulations and fund additional management of homelessness issues and community cleanups.

SUSTAINABILITY IMPACT:

The City's wastewater system is responsible for collecting and treating approximately 2 billion gallons of wastewater annually. This service is integral for protecting our local environment, creek and ocean water quality in particular. The proposed rate increases will ensure that the wastewater collection system and El Estero Water Resource Center can continue to operate successfully 24/7/365.

The City's participation in the ReSource Center is integral to managing our solid waste responsibly. It is a local solution that reduces transportation-related carbon emissions while

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producing renewable energy from the anaerobic digestion facility. It also extends the useful life of the Tajiguas landfill while diverting more recyclable materials for reuse and turning organic material into an agricultural input rather than a source of difficult to capture landfill-generated greenhouse gas emissions.

ENVIRONMENTAL REVIEW:

The proposed rate action is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines § 15273—exemption for establishment, modification, structuring, restructuring, or approval of rates and charges for the purpose of meeting ongoing operation, maintenance, and capital expenses necessary to maintain service within existing service areas.

ATTACHMENT: Notice of Public Hearing on Utility Rates

PREPARED BY: Joshua Haggmark, Water Resources Manager/DH/rb; and
Lorraine Cruz Carpenter, Acting Environmental Services
Manager

SUBMITTED BY: Clifford M. Maurer, P.E, Public Works Director
Alelia Parenteau, Acting Sustainability & Resilience Director

APPROVED BY: City Administrator's Office



NOTICE OF PUBLIC HEARING: PROPOSED CHANGES TO CITY OF SANTA BARBARA WASTEWATER RATES

Date: Tuesday, June 14, 2022—2:00 p.m.

Place: City of Santa Barbara Council Chambers, City Hall, 735 Anacapa Street, Santa Barbara.

Social Distancing orders may require the hearing to be held electronically. Meeting details will be posted no less than 72 hours prior to the start of the Public Hearing on the City Council meeting agenda located at SantaBarbaraCA.gov/CAP

PROPOSED WASTEWATER RATES FOR: FISCAL YEARS 2023, 2024, AND 2025

You are receiving this notice because our records indicate that you are a City of Santa Barbara wastewater utility customer. If you are not a City wastewater customer, please disregard this Notice.

This Notice describes proposed changes to wastewater rates and explains how you can participate in the public process. The City's wastewater rates are based on a comprehensive rate study that uses a rate model to evaluate the cost of wastewater service, as required by Article XIII D, Section 6 of the California constitution.

Why are wastewater rates changing?

The City's Wastewater System plays a leading role in the protection of public health and the environment. Maintaining the wastewater system requires a proactive commitment to investing in the capital infrastructure and resources necessary to keep this vital system operating 24 hours a day, 365 days per year. The proposed rate changes will enable the City to meet the needs of the Wastewater system, including operating and maintenance costs, capital improvements, mandated standards of treatment, debt service, contingency reserves, and other financial obligations.

What goes into a wastewater bill?

Residential wastewater bills are made up of two key components: (1) a volumetric charge based on water usage, and (2) a fixed monthly service charge. For single-family customers, wastewater volumetric charges are not assessed over a certain level of water use. Commercial customers are charged the greater of their volumetric charges or minimum monthly bill amount based on meter size.

How do I stay informed?

- **Watch** City Council meetings online at SantaBarbaraCA.gov/CityTV or tune in to City TV Channel 18.
- **Explore** updated information on rate changes at SantaBarbaraCA.gov/WaterRateChanges.
- **Contact** City staff at (805) 564-5387.
- **Attend** City Council meetings; Visit www.SantaBarbaraCA.gov/CAP for meeting details.

How will the proposed changes impact my wastewater bill?

The table below shows sample wastewater bills for common service levels.

Customer Class	Account Characteristics	Usage (hcf/mth)	Total Monthly Wastewater Charges		
			Current Bill	FY 23 Proposed Bill	Difference
Single Family Residential	5/8" meter	9	\$56.07	\$59.82	\$3.75
Multi-Family Residential: 1-4 Attached Units*	1 unit in a small multi-unit complex	5	\$41.23	\$44.50	\$3.27
Multi-Family Residential: 5 or more Attached Units**	1 unit in a large multi-unit complex	5	\$41.23	\$44.50	\$3.27
Commercial	5/8" Meter	10	\$46.00	\$49.40	\$3.40

*Applicable to all accounts serving two to four detached dwelling units, Accessory Dwelling Units served by their own water meter, and all accounts serving a dwelling unit attached to no more than 3 additional dwelling units.

**Applicable to all accounts serving five or more dwelling units, and to accounts serving a dwelling unit attached to 4 or more additional dwelling units.

Water Rates

In June 2021 Council adopted water rates for Fiscal Years 2022, 2023, and 2024. Fiscal Year 2023 rates will go into effect on July 1, 2022. Moderate (9 HCF) single family water users with a 5/8" meter will see their monthly water charges increase \$6.54, or 5%, in Fiscal Year 2023.

TABLE 1—WASTEWATER PROPOSED RESIDENTIAL FIXED AND VOLUMETRIC RATES. 1 HCF (HUNDRED CUBIC FEET) = 748 GALLONS. DU = DWELLING UNIT

Customer Class	Charge Type	Current	Proposed		
			FY23	FY24	FY25
Single Family Residential	Monthly Basic Charge (\$/Dwelling Unit)	\$22.68	\$25.35	\$27.00	\$28.76
	Volumetric Charge up to 9 HCF in FY23, and 8 HCF in FYs 24 and 25(\$/HCF)	\$3.71	\$3.83	\$4.28	\$4.62
Multi-Family Residential 4 or less Dwellings	Monthly Fixed Charge (\$/Dwelling Unit on account)	\$22.68	\$25.35	\$27.00	\$28.76
	Volumetric Charge up to 10 HCF per DU (\$/HCF)	\$3.71	\$3.83	\$4.28	\$4.62
Multi-Family Residential 5+ Dwellings	Monthly Fixed Charge (\$/Dwelling Unit on account)	\$22.68	\$25.35	\$27.00	\$28.76
	Volumetric Charge (\$/HCF)	\$3.71	\$3.83	\$4.28	\$4.62

Commercial and Commercial High Strength/Industrial customers are charged a fixed charge based on meter size (Tables 2-3), or a volumetric charge based on the quantity of water consumed (Table 4), whichever is greater.

TABLE 2— WASTEWATER PROPOSED COMMERCIAL FIXED CHARGES BY METER SIZE

	5/8"	3/4"	1"	1 ½"	2"	3"	4"	6"	8"	10"
Current	\$43.39	\$65.09	\$75.72	\$129.97	\$216.68	\$433.20	\$540.67	\$1,082.96	\$1,895.21	\$2,909.10
FY23	\$46.65	\$69.98	\$81.41	\$139.73	\$232.96	\$465.75	\$581.29	\$1,164.33	\$2,037.60	\$3,127.67
FY24	\$51.69	\$77.54	\$90.46	\$129.23	\$206.76	\$387.68	\$646.13	\$1,292.25	\$2,067.60	\$2,972.18
FY25	\$55.05	\$82.58	\$96.34	\$137.63	\$220.20	\$412.88	\$688.13	\$1,376.25	\$2,202.00	\$3,165.38

TABLE 3— WASTEWATER PROPOSED COMMERCIAL HIGH STRENGTH/INDUSTRIAL FIXED CHARGES BY METER SIZE

	5/8"	3/4"	1"	1 ½"	2"	3"	4"	6"	8"	10"
Current	\$56.06	\$84.09	\$98.27	\$160.80	\$280.69	\$561.21	\$701.75	\$1,403.22	\$2,455.57	\$3,858.97
FY23	\$61.04	\$91.56	\$107.00	\$175.08	\$305.62	\$611.06	\$764.09	\$1,527.87	\$2,673.71	\$4,201.78
FY24	\$59.70	\$89.55	\$104.48	\$149.25	\$238.80	\$447.75	\$746.25	\$1,492.50	\$2,388.00	\$3,432.75
FY25	\$63.58	\$95.37	\$111.27	\$158.95	\$254.32	\$476.85	\$794.75	\$1,589.50	\$2,543.20	\$3,655.85

TABLE 4— WASTEWATER PROPOSED VOLUMETRIC RATES (\$/HCF)

Customer Class	Current	Proposed		
		FY23	FY24	FY25
Commercial	\$4.60	\$4.94	\$5.27	\$5.63
Commercial High Strength/Industrial	\$5.73	\$6.24	\$6.65	\$7.08

TABLE 5— WASTEWATER PROPOSED STRENGTH SURCHARGES (\$/LB)***

	Current	FY23	FY24	FY25
BOD (>750 mg/l)	\$0.32	\$0.32	\$0.34	\$0.36
TSS (>850 mg/l)	\$0.42	\$0.46	\$0.48	\$0.51
Ammonia (>90 mg/l)	\$0.98	\$1.10	\$1.17	\$1.25

***If the City's Water Resources Laboratory determines that a customer has exceeded the high strength discharge limit for Biochemical Oxygen (BOD), Total Suspended Solids (TSS), or Ammonia, a surcharge will be assessed for each constituent in excess of its relative limit.

How do I protest? If you wish to submit a written protest of any of the above increases, your protest must be received by the City Clerk of the City of Santa Barbara at 735 Anacapa Street, Santa Barbara, CA, 93101, prior to the City Council's consideration of this item on June 14, 2022. **Protests must include your name, service address, and whether you are protesting the amount of the fee increase, the basis for calculation of the fee, or both.** In the event that social distancing practices remain in place, mailed protests are encouraged. Written protests may be delivered in-person at the address above, deposited in the bill payment drop box slot located on the exterior of the building on the De La Guerra Plaza side. Only written protests received before the close of the public hearing on June 14, 2022, will be counted. During the hearing, the City Council will consider all protests and public testimony. Protests are public records. The public hearing may be conducted via teleconference or other electronic meeting format, and the Council Chambers may not be open to the general public. Submission of written protests by personal delivery during the meeting may not be permitted. One written protest per parcel or service address will be tabulated. If you later challenge the rates in court, you may be limited to the grounds stated in your protest. If you challenge the City's rate setting action in court, you may be limited to the issues and grounds raised in a written protest or in public testimony at the public hearing. There is a 120-day statute of limitation for challenging any new, increased, or extended fee or charge (California Government Code Section 53759).