



## **NOTICE TO PROPERTY OWNERS**

### **Public Hearing Regarding Proposed Water Service Fee Rate Increases**

The Lomita City Council will hold a public hearing on **February 11, 2015, at 6:30 p.m.** to consider adopting increases in the rates for its water service.

The public hearing will be held at:

Lomita City Hall  
Council Chambers  
24300 Narbonne Avenue, Lomita, CA 90717

#### **REASONS FOR THE PROPOSED RATE INCREASE**

The mission of the City's water system is to continue to provide reliable, high quality and cost effective water service to its current and future customers.

- The cost to purchase imported water from West Basin Municipal Water District continues to rise.
- CIP funding is needed to rehabilitate/replace water meters, fire hydrants, mains and associated facilities.
- While Operation & Maintenance (O & M) costs continue to creep higher, the City's ability to pump a portion of its own water from its city well (Well No. 5) have offset what would have been significantly higher increases if the City were 100% reliant on imported water from West Basin Municipal Water District.

The current water master plan includes recommendations for improvements to the operation and maintenance (O & M) program, capital improvement program (CIP) and development of a financing mechanism to implement the improvements.

#### **BASIS OF PROPOSED RATES**

State law allows for the collection of additional revenues to cover the cost of providing water service. In order to set or increase those rates, the City must hold a noticed public hearing (commonly referred to as a Proposition 218 hearing). Costs included in the rates are electricity, equipment, personnel, supplies, etc. Without a rate increase, the City's Water Fund will eventually run a deficit balance. The proposed rates will allow the City's water utility to continue operation while providing essential services to its ratepayers. The proposed rates are proportional to the cost of providing the service and revenues from the rates do not exceed the City's costs, as set forth in the City's Final Report – Water Rate Analysis, available at <http://www.lomita.com/cityhall/> or in the Lomita City Clerk's office at 24300 Narbonne Avenue, Lomita, CA 90717.

## PROPOSED WATER RATE INCREASES

The rate adjustment would be implemented over the next five years. The structure for residential accounts consists of: 1) a fixed bi-monthly water meter charge (Table 1) and 2) a variable bi-monthly water usage charge based on metered water use (Table 2). The structure for non-residential accounts consists of: 1) a fixed bi-monthly water meter charge (Table 1) and 2) a single tier bi-monthly water usage charge based on metered water use (Table 2).

**Table 1 - Proposed Fixed Bi-Monthly Meter Charge**

Effective Date	n/a	3/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019
<b>Current &amp; Proposed Service Charge (\$/month)</b>						
Meter	Current	Eff. March 2015	FY 17 Charge	FY 18 Charge	FY 19 Charge	FY 20 Charge
5/8" x 3/4"	\$41.93	\$36.90	\$39.73	\$42.90	\$46.78	\$50.31
3/4"	\$41.93	\$36.90	\$39.73	\$42.90	\$46.78	\$50.31
3/4" x 1"	\$55.91	\$49.20	\$52.97	\$57.20	\$62.38	\$67.08
1"	\$69.89	\$61.50	\$66.21	\$71.51	\$77.97	\$83.85
1 1/2"	\$139.78	\$123.00	\$132.42	\$143.01	\$155.95	\$167.71
2"	\$223.64	\$196.81	\$211.88	\$228.82	\$249.52	\$268.33
3"	\$419.33	\$369.01	\$397.27	\$429.03	\$467.85	\$503.13
4"	\$698.88	\$615.02	\$662.11	\$715.05	\$779.74	\$838.54
6"	\$1,397.77	\$1,230.05	\$1,324.23	\$1,430.11	\$1,559.49	\$1,677.09
8"	\$2,236.43	\$1,968.07	\$2,118.76	\$2,288.17	\$2,495.18	\$2,683.34
10"	\$2,807.21	\$2,838.82	\$3,056.18	\$3,300.55	\$3,599.14	\$3,870.55
Fire Service						
4"	\$201.84	\$164.44	\$176.82	\$191.69	\$211.51	\$227.61
6"	\$273.92	\$328.87	\$353.65	\$383.38	\$423.01	\$455.22
8"	\$344.16	\$526.20	\$565.84	\$613.40	\$676.82	\$728.35

**Table 2 – Proposed Residential and Non-Residential Variable Bi-Monthly Commodity Charge per HCF**

Effective Date	n/a	3/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019
<b>Current &amp; Proposed Commodity Charge (\$/HCF)</b>						
Tier	Current	Eff. March 2015	FY 17 Rate	FY 18 Rate	FY 19 Rate	FY 20 Rate
<b>Residential</b>						
Tier 1 (0-20 HCF)	\$3.22	\$3.53	\$3.81	\$4.12	\$4.43	\$4.79
Tier 2 (21-35 HCF)	\$3.29	\$3.63	\$3.93	\$4.24	\$4.56	\$4.94
Tier 3 (> 35HCF)	\$3.69	\$4.13	\$4.46	\$4.82	\$5.18	\$5.61
Non-Resid'l	\$3.39	\$3.63	\$3.93	\$4.24	\$4.56	\$4.94

1 HCF = 748 gallons of water

The FY 16 rate would take effect on March 1, 2015. Subsequent rate increases would take effect on July 1 of each year.

The meter charge is a fixed charge established on the basis of the size of the water meter serving a property. The purpose is to recover a portion of the City's fixed costs, such as the costs of billing and collections and customer service. The proposed commodity water charge has a uniform rate per hundred cubic feet (hcf) of water usage individualized for each class of customer and is based on customer consumption for a billing period. The commodity charge is structured to include a portion of the utility's fixed cost of the utility, pumping water, a portion of the water rights, cost to purchase imported water, managing the City's water resources and encouraging efficient water use. The commodity water charge recovers revenue intended to cover costs not recovered in the meter charge. Together, the two components of the City's water service fees are structured to recover the proportionate costs of providing water service to each customer class.

## HOW TO CALCULATE YOUR BILL

### Typical Single Family Residential Water User (Bi-Monthly Bill)

	Meter Charge (3/4")		Commodity Charge* (20 HCF)		Total – Bi-Monthly Bill
Current	\$41.93	+	\$64.40	=	\$106.33
Proposed (3/1/15)	\$36.90	+	\$70.60	=	\$107.50
			Bill Difference	=	\$1.17

\* Typical user at 20 HCF consumption for the two month period.

If approved, new rates are scheduled to take effect for billing periods beginning on March 1, 2015.

### PUBLIC HEARING

Any property owner of record whose property is subject to the proposed new rates for the City's water service fees may submit a written protest to the proposed rate increases. Only one written protest will be counted per identified parcel. Any written protest must be submitted to the City before the close of the public comment portion of the hearing on February 11<sup>th</sup> and must:

- State the identified property owner who is in opposition to the proposed rate increases and;
- Provide the location of the identified parcel (by assessor's parcel number, street address or customer account) and;
- Include the name and signature of the property owner submitting the protest.
- If the person protesting was not shown on Los Angeles County's last equalized assessment roll as the property owner of record; provide written evidence that the person is the property owner (e.g., current copy of city water bill).

Written protests may be submitted by mail or in person to: City Clerk, City of Lomita, 24300 Narbonne Avenue, Lomita, CA 90717.

**Any protest submitted via e-mail or other electronic means will not qualify as a written protest.**

Written protests may also be submitted at the public hearing (date and time noted in this notice). All written protests must be submitted to the City prior to the conclusion of the public comment portion of the public hearing. At the public hearing, the City Council will accept and consider all written protests and hear all oral comments to the proposed rate increases. Oral comments at the public hearing will not qualify as formal written protests unless accompanied by a written protest. Upon the conclusion of the public hearing, the City Council will consider the adoption of the proposed increases to the rates for water service fees as described below. If written protests against the proposed rates are not presented by a majority of the property owners of the identified parcels subject to the proposed rate increases, the City Council will be authorized to adopt the rate increases.

If you have questions, please contact Alicia Velasco, Community Development Department at (310) 325-7110, x122 or via email at [a.velasco@lomitacity.com](mailto:a.velasco@lomitacity.com).