



CITY OF TUSTIN
PUBLIC HEARING REGARDING PROPOSED WATER RATES
FOR ALL PROPERTIES SERVED WITHIN THE CITY OF TUSTIN WATER SERVICE AREA

NOTICE IS HEREBY GIVEN that the City Council of the City of Tustin will hold a public hearing regarding a proposed water rate increase and adjustment to the rate structure on January 21, 2020 at 7:00 p.m., in the City Council Chambers, located at 300 Centennial Way, Tustin, CA. The fees and charges, if approved by the City Council, will be effective February 1, 2020. The proposed rates do not exceed the cost of providing water service to Tustin customers and the increase would fund the City's continuing water service obligations to all customers as mandated by the California Department of Health Services, and needed system improvements critical to increase supply, system reliability, and redundancy. This **Notice** provides for the following:

1. Proposed Water Rates; and
2. Impact of proposed rates for Fiscal Year 2020.

In California, Proposition 218 allows customers to comment on the proposed water rates prior to or during a public hearing. Consistent with the provisions of Proposition 218, and California Government Code § 53755, this notice has been mailed to all customers whose names and addresses appear in the current customer database of the City of Tustin and property owners within the service area based on the most current information published by the Orange County Assessor. If you object to the proposed fees as described in this **Notice**, you may file a written protest with the City Clerk prior to the close of the public hearing, set for January 21, 2020 at 7 p.m. Written protests can be mailed or personally delivered to:

City of Tustin – City Clerk's Office
300 Centennial Way
Tustin, CA 92780-3767

A valid protest **must** include all of the following information:

1. Customer name and account number or name of property owner;
2. Service address;
3. Assessor parcel number;
4. A statement of protest ("I protest" will suffice); and
5. The original signature of the protesting customer/property owner (photocopies will not be accepted).

The City Clerk will accept only one protest per parcel served by Tustin Water. The City Clerk will determine the validity of all protests submitted and exclude any invalid protests from the final tabulation. The City Clerk may confer with the City Attorney in determining the validity of written protests. As part of this process, the City Attorney may review contested or suspect protest forms. The City Clerk's decisions shall be final and binding. In the preliminary determination of validity, the City Clerk will disregard as invalid all protests in the following categories:

1. The purported protest is a photocopy and does not contain an original authorized signature; and/or
2. The purported protest does not identify the customer/property owner by name; and/or
3. The customer/property owner has not signed the purported protest; and/or
4. The purported protest does not have an identifiable statement of protest; and/or
5. The purported protest is one of multiple protests returned for a single service address; and/or
6. The purported protest's appearance or method of delivery reflects any other circumstances which reasonably demonstrate that the protest has been tampered with or is otherwise invalid.
7. The purported protest is received later than close of the public hearing on January 21, 2020.

For questions regarding this Notice or protest procedures, contact the City Clerk's Office at (714) 573-3000. For questions regarding Water Rates, please contact Water Utility Services at (714) 573-3075.

Si necesita una copia de este documento en español por favor de llamar al (714) 573-3025.

Proposed Water Rates

Collectively, we have reduced our overall water use by 18% when compared to 2013. This not only helps conserve water but also saves money by using less energy to pump, treat, and distribute the water. With these continued efforts by our customers, and the City's commitment to match expenses to incoming revenues, the City has kept water rates constant without an increase since 2014.

However, like many other expenses, the costs to provide water have continued to increase over the years. Electricity costs to pump and distribute water have increased, water treatment costs continue to increase, materials and labor costs have also increased, and are projected to continue to increase in the upcoming years. As a result, the water rates need to be updated to reflect the current cost of delivering water to our customers. To ensure the City can continue to invest in a secure water future, the City reviewed its financial health in 2019 and developed a Rate Study to evaluate how customers are charged for water (the rate structure) and the amount customers are charged (the rate). Rate studies are a best practice for determining utility rates to ensure that rates are fair, equitable, and tied to the demand customers place on the water system. Water service is funded through revenue collected from your bill. No tax revenue is used to provide water utility service so the City must align water rates with the cost to deliver services. Costs include (1) the cost to supply and treat water, (2) compliance with regulations governing the distribution of drinking water, (3) the repair, replacement and update of aging water systems, and (4) ongoing maintenance of critical infrastructure.

The proposed water rates change the billing method for potable water from an inclining block rate to a uniform rate. The table below shows the comparison between current and proposed water rates.

Table: Proposed 5-Year Water Rates

	Current	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Proposed Revenue Adjustments		5%	5%	5%	5%	5%
Effective Date	Since 2014	2/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
Bi-Monthly Potable Water Usage Charges (\$/unit) ***1 unit = 100 cubic feet (hcf) = 748 gallons***						
Unit: 0 +		\$2.79	\$2.93	\$3.08	\$3.24	\$3.41
Units: 0 – 10	\$0.84					
Units: 11 – 20	\$1.48					
Units: 21 – 30	\$1.94					
Units: 31 – 40	\$2.41					
Units: 41 – 50	\$3.05					
Units: 51 – 60	\$3.53					
Units: 61+	\$4.05					
Bi-Monthly Fixed Service Charges						
** Meter & Capital Refurbishment and Replacement (R&R) Charge						
Meter Size						
5/8" or 3/4"	\$46.85	\$39.76	\$41.75	\$43.84	\$46.03	\$48.33
1"	\$103.65	\$83.82	\$88.01	\$92.41	\$97.03	\$101.88
1 1/2"	\$197.29	\$157.25	\$165.11	\$173.37	\$182.04	\$191.14
2"	\$311.86	\$245.38	\$257.65	\$270.53	\$284.06	\$298.26
3"	\$574.86	\$524.43	\$550.65	\$578.18	\$607.09	\$637.45
4"	\$956.38	\$935.67	\$982.45	\$1,031.58	\$1,083.15	\$1,137.31
6"	\$1,893.76	\$2,066.56	\$2,169.89	\$2,278.38	\$2,392.30	\$2,511.92
8"	\$1,893.76	\$3,535.26	\$3,712.02	\$3,897.62	\$4,092.51	\$4,297.13
10"	\$1,893.76	\$5,591.44	\$5,871.01	\$6,164.56	\$6,472.79	\$6,796.43
Per Dwelling Unit Charge	\$37.70	\$10.38	\$10.90	\$11.44	\$12.02	\$12.62
Fire Protection Services						
Meter Size						
4"	\$113.41	\$19.30	\$20.27	\$21.28	\$22.34	\$23.46
5"	\$142.90	\$24.12	\$25.33	\$26.59	\$27.92	\$29.32
6"	\$172.38	\$28.94	\$30.39	\$31.91	\$33.50	\$35.18
8"	\$231.36	\$38.59	\$40.52	\$42.55	\$44.67	\$46.91

	Current	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
10"	\$285.81	\$48.23	\$50.64	\$53.17	\$55.83	\$58.62
12"	\$342.54	\$57.88	\$60.77	\$63.81	\$67.00	\$70.35

** Note: The current rate separates the meter charge and capital refurbishment & replacement charge. The proposed water rate will combine the meter and capital refurbishment & replacement charges.

Impact of proposed rates for Fiscal Year 2020

The effective date of the proposed water rates for Fiscal Year 2020 is February 1, 2020. The chart below illustrates sample bi-monthly bills for single family residential (SFR) customers with 5/8" or 3/4" size meter with consumption through 100 units. 75% of single-family residential customer use 40 units or less on a bi-monthly basis. The formula below can be used to calculate the new bi-monthly water bill for fiscal year 2020:

Commodity Charge: # units X \$2.79 / unit

Fixed Charge: (5/8" meter size) = \$39.76

Sample Calculation: 40 units bi-monthly consumption

Commodity charge: 40 units X \$2.79 / unit = \$111.60

Fixed charge: \$39.76

Total bi-monthly bill: \$111.60 + \$39.76 = \$151.36

Chart: Impact of Proposed Rates - FY 2020

