



City of Brawley  
City Clerk  
383 Main St.  
Brawley, CA 92227

**Proposition 218 Notification  
NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING  
ON PROPOSED METERED WATER RATE**

APN Number:

**Hearing Date & Time: September 2, 2008 7:00 PM  
Hearing Location: City of Brawley Council Chambers  
383 Main Street, Brawley, CA 92227**

***Why a Rate Adjustment is Needed***

***Regulatory Requirements***

In 2004 the California legislature passed AB 2572. This law requires all urban water providers (defined as having more than 3,000 connections) to bill based on actual water usage by the year 2010. The City currently charges all customers a single flat rate for consumption. The creation of a new metered water rate will allow the City to meet this legal requirement.

***Water Conservation***

Under the current system, water bills are not calculated based on water consumption. A resident pays a flat monthly fee regardless of how much water is used. As such, there is little incentive for customers to conserve water. In light of the Governor's recent declaration of a statewide drought, the need to conserve water resources has never been greater. The switch to metered water rates will encourage this conservation.

***Equity***

Current rates mean a small home using minimal water pays the same as a large lot with very high water use. The new rate system will be more fair and give customers increasing control over their bills. More importantly, the proposed rate structure will **lower** monthly bills for low water users (such as seniors and residents living in apartments). The highest water users will see slight increases in their bills (see Impact on Customer Bills).

***Basis of Proposed Rates***

The City is required by state law to collect revenues sufficient to cover the cost of service of the water enterprise. These revenues allow the City to deliver safe and reliable drinking water to homes and businesses 24 hours a day, 365 days a year. Costs that must be recovered through rate revenue include the cost of purchasing water, treatment chemicals, and salaries and benefits for water enterprise staff. Additionally, revenue generated from these water rates is used to pay off debt incurred in the process of building capital improvements to the water system.

An independent consultant has finalized a report that recommends water rates that meet the cost of service for the water utility. This report is on file at the City offices at the address above.

***New Rates***

The City currently charges residents a flat monthly fee for water service. The proposed rate structure will combine two measures of use. The first measure of use will be a flat monthly fee based on the size of the water meter in service. The second measure of use is the actual amount of water used with a metered rate per 1,000 gallons of water used. The rates are calculated to maximize equity between customers. The lowest water users (less than 450 gallons per day, on average) **will see a decrease in their monthly bills.** Moderate water users will likely see a small bill increase. Large water users who have the largest impact on the system will see the highest bill increases. The table on the next page outlines the proposed rates.

## Proposed Water Rate Changes for the City of Brawley (1)

Service charge	Monthly service charge		
	Current	Oct. 15, 2008	Oct. 15, 2009
Single family residential (3/4" - 1" meter)	\$44.04	\$35.23	\$26.42
Single family residential (1 1/2" and 2" meter)	\$44.04	\$52.84	\$49.41
Multi-family residential (per residential unit)	\$32.97	\$26.42	\$19.82
Commercial/other (2)		6.5%	6.5%

Water commodity charge	Commodity charge (per 1,000 gallons)		
	Current	Oct. 15, 2008	Oct. 15, 2009
All residential use, per 1,000 gallons	\$0.00	\$0.63	\$1.26

Impact on customer bills	Use (gals/day)	Commodity charge (per 1,000 gallons)		
		Current	Oct. 15, 2008	Oct. 15, 2009
Single family residential - lifeline	225	\$44.04	\$39.62	\$35.20
Single family residential - low	450	\$44.04	\$44.01	\$43.98
Single family residential - median	600	\$44.04	\$46.94	\$49.83
Single family residential - high	1,000	\$44.04	\$54.74	\$65.44
Multi-family - 5 units	1,650	\$164.85	\$164.31	\$163.47
Multi-family - 30 units	8,000	\$989.10	\$948.78	\$906.67

- (1) Beginning October 15, 2010, both the fixed and metered portion of this rate would be automatically adjusted annually by the change in the Consumer Price Index for San Diego over the last year (not to exceed 3%).
- (2) Commercial/other customers will remain on current fixed rate structure until fully metered. All commercial/other rates will increase uniformly by 6.5% in 2008, and another 6.5% in 2009, the same percentage increase as a median single family home.

## Impact on Your Bill

A single family residence currently pays a minimum of \$44.04 per month for water service, regardless of usage volume. Preliminary water use data shows that the median household uses approximately 600 gallons of water per day. Most residential customers have 3/4" meters. The City has made it a priority to protect low water users from large rate impacts. Under these new rates, a "lifeline" user – defined as a customer using water only for essential indoor needs with minimal landscaping – consuming 225 gallons per day **will see a 10% decrease in their monthly bills the first year, and a further 10% reduction the second year.** "Low" users consuming 450 gallons per day **will see no change in their monthly bills.** A single family residence using 600 gallons of water per day – the median usage – would see a small monthly increase in their bill, **from \$44.04 currently to \$46.94 per month in the first year.**

### Compliance with Proposition 218

In 1996 California voters approved Proposition 218, which amended the state constitution as it relates to the passage of property-related fees. Today, "Prop 218" requires that local governments follow a strictly defined process setting fees such as water bills. Generally speaking, the City must 1) inform rate payers that a proposed rate increase is being considered (this notice), 2) clearly demonstrate the basis on which these fees are calculated (this letter and the rate report), and 3) hold a public hearing at least 45 days after noticing property owners where the City hears all protests to the rate increase. Water rates are subject to "majority protest" meaning they **cannot be passed** if a majority of property owners (or renters where the renter is financially responsible for the bill) impacted by the rate change submit written protests opposing the increase.

### When will the changes take place?

If approved, the rate change would be effective October 15<sup>th</sup> 2008. Customers would receive their first bill with metered consumption on it sometime in late November. Because customers are currently billed one month in advance of receiving service, there would be a two month "gap" between bills—from approximately late September to late November—where customers will see no billings. Subsequent changes to the rates would occur every October 15<sup>th</sup>.

For more information on these changes, go to <http://www.cityofbrawley.com> for a copy of the rate study report. Hard copies are also available at the City offices at 383 Main St., Brawley, CA 92227

### Concerns, Please Contact Us

If you have questions or comments about the proposed water rate increases or wish to protest, you may:

**Address the Council:** Attend the Public Hearing on September 2, 2008 at 7:00 PM at City Council Chambers.

**Write:** Written protests against the proposed rate change have to identify the owner(s) of the property, the parcel (APN) number and include the signature(s) of the property owner(s). Renters can protest if they are financially responsible for the bill. If the City receives written protests against the proposed water rates by a majority of the affected property owners prior to the end of the hearing, the Council can not approve the change.