



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

Proposition 218 Notification NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING ON PROPOSED WATER AND SEWER RATES

Hearing Date & Time: September 1, 2009 7:00 PM
Hearing Location: City Council Chambers
383 Main Street, Brawley, CA 92227

Why are you receiving this notice?

This notice is being furnished to you by the City of Brawley pursuant to the California Constitution Article XIID (also known as "Proposition 218"). Under terms of Proposition 218, the City is required to notify property owners of proposed changes to property-related fees such as water and sewer service. This letter serves as notice that the City will hold a public hearing on September 1, 2009, to consider changes to its current water and sewer rates.

What do water and sewer rates fund? The City provides water and sewer service to over 5,000 customers (residential and commercial) within the city limits. Both utilities must be financially self-sufficient. Monthly rates paid by users of the system are the primary source of revenue.

All revenue generated from your utility bills is used to maintain and operate the water and sewer systems; it is not used for other general government purposes. These revenues must meet costs such as purchasing raw water, electricity, chemicals, maintenance, and salaries and benefits for utility enterprise staff. Additionally, revenue generated from these rates is used to pay off debt incurred in the process of building capital improvements for each system.

Why are the rate changes required? The City recently completed an analysis of the capital project requirements of the two utilities. Both water and sewer utilities require extensive investment, primarily in the replacement and repair of aging pipes and other equipment, in order to maintain a safe and reliable system. These replacements will be funded primarily with rate revenues, and also by loans, and fees paid by new development connecting to the system. In addition, the rates included in this notice are required as part of the terms of the loan agreement with the state to fund improvements to the wastewater treatment plant.

New water rates In 2008 the City moved residential customers to a metered water rate structure, meaning customers are now billed—in part—on how much water they consume. Under the proposed rates, the fixed portion of your bill (currently \$35.23 per month for a single family residence) will not change. The charge for water consumption will increase in two stages, starting September 15th 2009, and again in September of 2010. Table 1 on the back of this notice details the proposed rate changes.

New sewer rates The sewer utility bills all customers a fixed monthly charge based on estimated flow to the sewer system. Under the proposed changes, the sewer rates will increase in four phases over the next four years. Table 2 details the proposed rate changes.

Impact on your bill For a typical single family home that uses 19,000 gallons of water per month, the water portion of your bill would increase from \$47.20 per month currently to \$61.26 per month under the new rates. Low users of water and users who conserve water from their current levels will see smaller increases. The monthly sewer bill for a single family home will increase by about \$4.30 per month in October of 2009, and by a similar amount for each of the two years after.

How do you protest? Water and sewer rates are subject to majority protest, which means if a majority of impacted property owners (or renters if they are financially responsible for the bill) submit written protests against the increase, the City cannot institute the new rates. To protest, include your name, the address of the impacted property (or APN number) and your signature. Written protests are accepted by mail to the City Clerk or in person at the public hearing on the date and time specified above.

Table 1 - Proposed Water Rate Schedule

Service charge	Monthly service charge				
	<u>Current</u>	<u>15-Sep-09</u>	<u>15-Sep-10</u>	<u>15-Sep-11</u>	<u>15-Sep-12</u>
Single family residential (5/8" - 1" meter)	\$35.23	\$35.23	\$36.29	\$37.38	\$39.65
Single family residential (1 1/2" and 2" meter)	65.88	65.88	67.86	69.90	74.15
Multi-family residential (per residential unit)	26.42	26.42	27.22	28.03	29.74
Commercial/other (both fixed and metered customers)		18.5%	18.5%	3.0%	3.0%

Water commodity charge	Commodity charge (per 1,000 gallons)				
	<u>Current</u>	<u>15-Sep-09</u>	<u>15-Sep-10</u>	<u>15-Sep-11</u>	<u>15-Sep-12</u>
All residential, per 1,000 gallons	\$0.63	\$1.37	\$1.59	\$1.64	\$1.74

Table 2 - Proposed Sewer Rate Schedule (per month)

	<u>Current</u>	<u>1-Oct-09</u>	<u>1-Oct-10</u>	<u>1-Oct-11</u>	<u>1-Oct-12</u>
Residential					
Single family dwelling unit	\$29.76	\$34.10	\$39.08	\$44.79	\$45.69
Each additional dwelling unit on same land	22.32	25.58	29.31	33.59	34.26
Each additional sleeping room on same land	2.50	2.87	3.29	3.77	3.84
Mobile home unit (in mobile home park)	22.32	25.58	29.31	33.59	34.26
Commercial					
Bakeries	30.11	34.51	39.55	45.32	46.23
Bottling plant	168.21	192.77	220.91	253.16	258.22
Car wash	33.16	38.00	43.55	49.90	50.90
Clothes cleaning & repairing	26.25	30.08	34.47	39.50	40.29
Fertilizer processing	334.85	383.74	439.76	503.97	514.05
Grocery stores	49.39	56.60	64.87	74.34	75.82
Hotels, motels, rooming houses	35.52	40.71	46.65	53.46	54.53
Each additional room	2.50	2.87	3.29	3.77	3.84
Laundry	40.13	45.99	52.71	60.40	61.61
Lunch counter or restaurant					
12 persons or less	35.52	40.71	46.65	53.46	54.53
13 persons or more	72.54	83.13	95.26	109.17	111.35
Mercantile business					
With 25 feet of frontage or less	21.60	24.75	28.37	32.51	33.16
For each additional 25 feet of frontage	10.33	11.84	13.57	15.55	15.86
Offices					
First unit	21.60	24.75	28.37	32.51	33.16
Each additional office	2.50	2.87	3.29	3.77	3.84
Oil companies (each business office)	21.60	24.75	28.37	32.51	33.16
Pool halls	37.21	42.64	48.86	56.00	57.12
Post office	35.52	40.71	46.65	53.46	54.53
Produce sheds	51.68	59.23	67.87	77.78	79.34
Hospital					
Offices	21.60	24.75	28.37	32.51	33.16
Each additional bed	2.50	2.87	3.29	3.77	3.84
Pioneers Memorial Hospital	1,728.16	1,980.47	2,269.62	2,600.98	2,653.00
Theater	35.52	40.71	46.65	53.46	54.53
R.V. Parks					
Office or first unit	22.66	25.96	29.75	34.10	34.78
Each additional trailer or unit	14.42	16.53	18.94	21.71	22.14
Veterinary hospital	32.40	37.13	42.55	48.77	49.74
All others not listed	21.60	24.75	28.37	32.51	33.16
Schools					
Primary	169.74	194.52	222.92	255.47	260.58
Middle	327.13	374.89	429.62	492.34	502.19
High school	540.05	618.89	709.25	812.80	829.06
Private/parochial (for each 50 students or fraction)	21.60	24.75	28.37	32.51	33.16

Starting October 2013, the City will adjust both water and sewer rates by the annual change in the Consumer Price Index for San Diego, at a rate not to exceed 3%.