

NOTICE OF PUBLIC HEARING TO INCREASE RATES OF WATER SERVICE FEES **Tuesday, January 19, 2021 at 6:00 pm**

December 1, 2020

Dear Water Customer:

The Anderson City Council will be considering the adoption of increases in the City's water service fees for the next five years. As described below, the City Council will be holding a Public Hearing on **Tuesday, January 19, 2021 at 6:00pm** to consider the proposed rate increases.

Why is a water rate increase needed?

The City is committed to providing the highest quality water utility services at the lowest possible rates for our customers. To meet this commitment, the City monitors the cost of providing water services, including the infrastructure needs, programs, and operations and maintenance costs of the City's water services. We strive to look for ways to reduce costs, thus keeping rates to our users as low as possible. Rates have not increased in 6 years. However, we are no longer able to provide you with the quality service you have come to expect at our current rates. The Water Fund is currently operating in a deficit, and our costs to provide you with water services have continued to increase.

The City engaged an independent rate consultant who reviewed the utility's cost of providing service to determine appropriate adjustments to water rates and fees. Based on this evaluation, water service fee increases are necessary to: (a) enable the City to recover current and projected costs of operations and maintenance; (b) fund capital infrastructure maintenance needed to repair the City's aging water systems; (c) maintain operational and financial stability; and (d) avoid further depletion of reserves.

Water Service Fees

The City's water service fees are comprised of two components - (1) a fixed monthly charge that is determined on the basis of the size of the meter serving the property; and (2) a monthly commodity charge that is determined on the basis of whether the property receiving the service is located inside or outside of the City's limits. The commodity charge is an additional charge imposed for each additional cubic foot of water consumed in excess of 1,000 cubic feet of water per month. The commodity charge is different for properties located outside of the City limits due to the additional costs the City incurs in serving these properties.

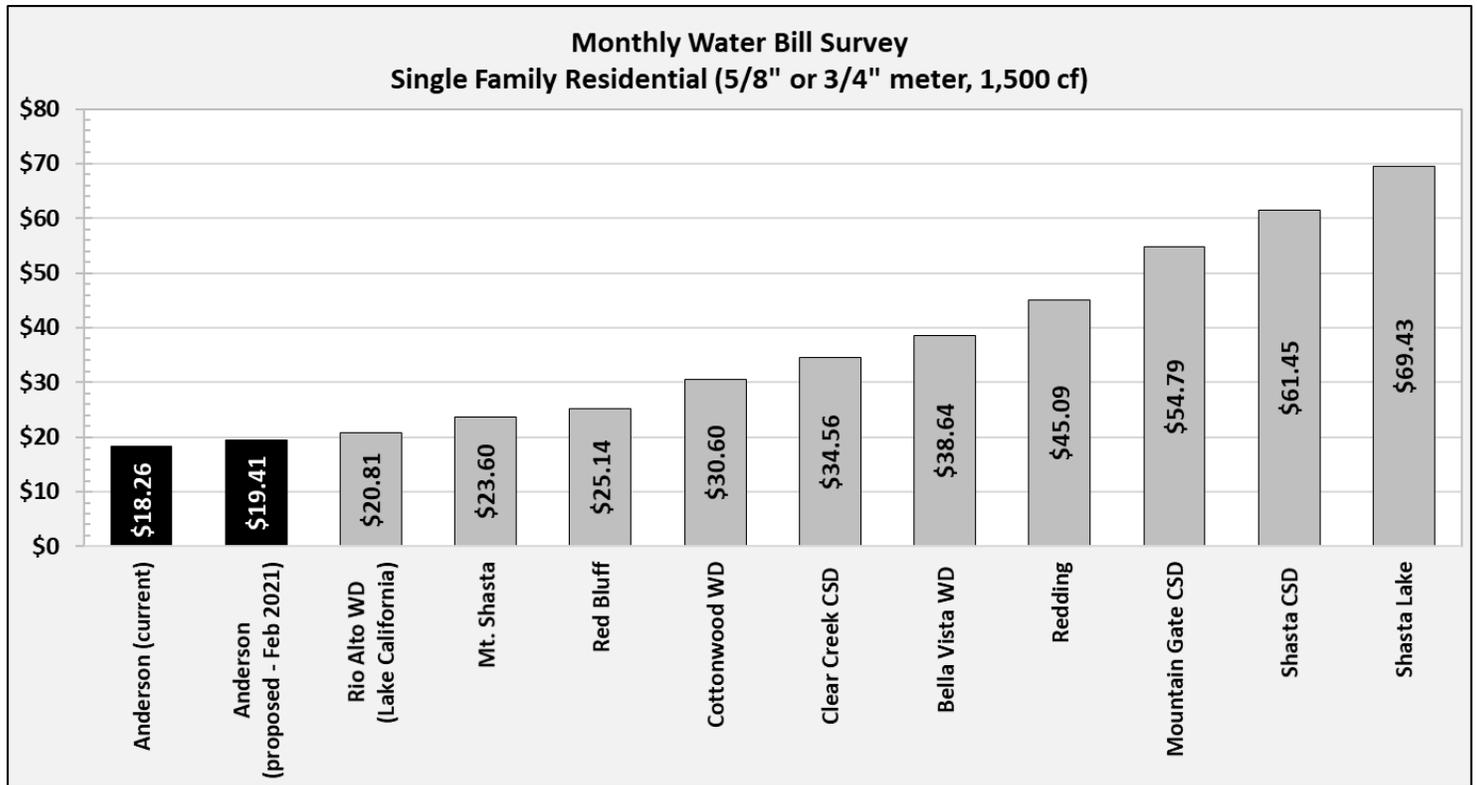
After the initial increase on February 1, 2021, water service fees are proposed to increase by 5% per year on January 1, beginning in 2022 through 2025. For a typical single family home that that uses 1,500 cubic feet of water per month, the rate adjustment would increase monthly bills by \$1.15 in 2021, and approximately the same amount each year until 2025. The water service charges are structured to proportionately allocate the costs of providing water service on a parcel basis. Due to the updated cost of service allocation, the bill impact for the first year will vary based on your water meter size and monthly usage.

The current and proposed rates for the City's water service fees are set forth in the table below.

Meter Size	Current Rates	Proposed Rates				
		Effective				
		Feb 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024	Jan 1, 2025
FIXED METER CHARGE						
5/8" and 3/4"	\$12.30	\$13.02	\$13.56	\$14.22	\$14.85	\$15.51
1"	\$15.24	\$16.33	\$17.02	\$17.84	\$18.63	\$19.46
1-1/2"	\$24.20	\$24.62	\$25.67	\$26.89	\$28.08	\$29.32
2"	\$36.18	\$34.56	\$36.05	\$37.75	\$39.42	\$41.16
3"	\$48.16	\$61.06	\$63.73	\$66.71	\$69.66	\$72.74
4"	\$102.12	\$90.88	\$94.87	\$99.29	\$103.68	\$108.26
6"	\$147.51	\$173.72	\$181.37	\$189.79	\$198.18	\$206.92
8"	\$221.89	\$273.12	\$285.17	\$298.39	\$311.58	\$325.32
COMMODITY CHARGE (\$/CUBIC FOOT)						
Within City Limits for Usage Over 1,000 CF	\$0.01192	\$0.01277	\$0.01340	\$0.01408	\$0.01478	\$0.01552
Outside City Limits for Usage Over 1,000 CF	\$0.01227	\$0.01315	\$0.01381	\$0.01450	\$0.01523	\$0.01599

CF = cubic feet. 1 CF = 7.48 gallons

The chart below compares the current water bill for an average single family residential customer to those of other regional agencies. The City's current bill is the lowest of all surveyed agencies and will remain as such following the proposed rate adjustment.



Public Hearing

The City Council will hold a Public Hearing on **Tuesday, January 19, 2021, at 6:00 pm** in the City Council Chambers, which is on the third floor of City Hall located at 1887 Howard Street, Anderson, CA, to consider the proposed recommendations for the rate increases to the City's water service fees. Any property owner of a parcel upon which the water service fees will be imposed and/or any tenant directly responsible for the payment of water service fees (i.e., a customer of record) may submit a written protest to the proposed increases to the City's water service fees. However, only one protest will be counted per identified parcel.

Any written protest must: (1) state that the identified property owner or customer of record is in opposition to the proposed increases; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the name and signature of the property owner or customer of record submitting the protest. Written protests may be submitted by mail or in person to the Deputy City Clerk Christy White, or at the Public Hearing (date and time noted above).

For your convenience, you may fill out and submit the enclosed protest form and return it to Deputy City Clerk Christy White at the above address. If desired, you can include it when you mail in your next water payment. **Regardless of how the written protest is submitted, it must be received by the City prior to the conclusion of the public comment portion of the Public Hearing** (date and time noted above). Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the Deputy City Clerk, that the enclosed protest is for the Public Hearing on the Proposed Water Service Fees.

The City Council will hear and consider all written and oral protests to the proposed rate increases at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, the City Council will consider adoption of the proposed increases in rates for water services as noted in this letter. If a majority of property owners or customers of record do not protest the proposed increase, the City Council will have the authority to impose the proposed rates. If adopted, the proposed rates for the water service fees will be in effect beginning February 1, 2021.

If you have any questions about this proposal, the Public Works Department can be reached at (530) 378-6640 during normal business hours. A complete copy of the consultant's report to the City Council is available on our website at www.ci.anderson.ca.us, or can be obtained in person in the City Clerk's Office at City Hall.

The City of Anderson is committed to providing quality services at a reasonable cost. The City of Anderson's water rates will remain the lowest in the region following the proposed rate increases. We continue to meet the strict State standards for water and environmental quality along with providing excellent customer service.

Sincerely,

Jeff Kiser
City Manager

PROTEST FORM FOR WATER SERVICE FEES

I certify that I am the legal owner of the property receiving City of Anderson water service and/or am a customer of record. I wish to protest the proposed rate increases as indicated below:

My property receives City of Anderson water services, or I am a tenant directly liable for the payment of water service fees, and I protest the proposed water rate increases.

Print Name

Signature

Property Address

Assessor's Parcel No.