

Attention:

Due to a mailing error in the City's Proposition 218 Rate Increase notification letter, City Council has rescheduled the June 21, 2016 Public Hearing for July 19, 2016.

Atención:

Debido a un error de correo en la carta de la ciudad dando notificación de aumento de tarifa por proposición 218, el consejo municipal ha reprogramado la audiencia pública del 21 de junio de 2016 al 19 de julio de 2016.

PROPOSITION 218 NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES TO WATER RATES

NOTICE IS HEREBY GIVEN that the City of Porterville will hold a Public Hearing on July 19, 2016 at 6:30 p.m. at the City Council Chambers, located at 291 North Main Street, Porterville, CA 93257, to consider the adoption of increases to the rates for its water service fees. The purpose of the public hearing is to take written and oral comments and consider all written protests against the proposed rate increases. Written protests must be filed with the City of Porterville City Clerk.

For complete information in English, please see attached notice.

PROPOSICIÓN 218 AVISO DE AUDIENCIA PÚBLICA SOBRE AUMENTOS PROPUESTOS EN TARIFAS DE AGUA

LA PRESENTE SE NOTIFICA que la ciudad de Porterville llevará acabo una audiencia pública el 19 de julio de 2016 a las 6:30 pm en la cámara del consejo municipal, ubicada en 291 North Main Street, Porterville, CA 93257, para considerar la adopción de los aumentos a las tarifas de sus cargos por servicio de agua. El propósito de la audiencia pública es para tomar los comentarios escritos y orales y considerar todas las reclamaciones por escrito en contra de los aumentos de tarifas propuestos. Las reclamaciones por escrito deben ser presentadas con el secretario municipal de la ciudad de Porterville.

SUS DERECHOS: Si usted es el propietario del registro de una propiedad sujeta a las tarifas propuestas o un inquilino directamente responsable por el pago de los cargos por servicio de agua (es decir, un cliente de registro), puede presentar una protesta por escrito en contra de los cambios propuestos en las tarifas. Sólo una protesta escrita por parcela será contada. Protestas escritas pueden ser enviadas por correo al secretario municipal de la ciudad de Porterville, ubicado en 291 N. Main Street, Porterville, CA 93257, o en persona en la audiencia pública, siempre y cuando se hayan recibido antes de la conclusión del testimonio público en la audiencia pública. Por favor identifique en el frente del sobre "Water Rate Protest" por cualquier protesta, ya sea por correo o entregarse personalmente al secretario municipal. Las protestas presentadas verbalmente, o por correo electrónico, fax o cualquier otro medio electrónico no serán aceptadas. Para obtener más información acerca de este aviso, por favor llame a la ciudad al (559) 782-7514.

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YOUR RIGHTS: If you are the record owner of a property subject to the proposed rates or a tenant directly liable for the payment of water service fees (i.e., a customer of record), you may submit a written protest against the proposed rate changes. Only one written protest per parcel will be counted. Written protests may be submitted by mail to the City Clerk, City of Porterville, 291 North Main Street, Porterville, CA 93257, or in person at the public hearing, so long as they are received prior to the conclusion of public testimony at the public hearing. Please identify on the front of the envelope "Water Rate Protest" for any protest, whether mailed or submitted in person to the City Clerk. Protests submitted verbally, or by e-mail, facsimile, or other electronic means will not be accepted.

Each protest must (1) be in writing; (2) state opposition to the proposed water rate increase; (3) provide the location of the owner's identified parcel (by assessor's parcel number or street address); and (4) include the original signature of the property owner or customer of record submitting the protest. Only one written protest per parcel will be counted.

At the conclusion of the public hearing, the City Council will consider adopting the proposed rate increases, which are outlined on the reverse side of this notice. If, at the close of the public hearing, written protests against the proposed water rate increases are submitted by a majority of record owners of affected parcels and customers of record (50% plus one), the City will not approve the proposed water rates. If, at the close of the public hearing, written protests against the proposed rate increases do not present a majority of record owners of affected parcels and customers of record, the City Council will be authorized to impose rate increases up to the amounts proposed. If adopted, new water rates will be effective August 1, 2016.

THE NEED FOR WATER RATE INCREASES: The City makes every effort to provide its customers with water in the most efficient and cost effective manner possible. The City continuously evaluates operational costs and utilization of the assets it holds, it also needs to keep pace with inflation, maintain and upgrade aging infrastructure, and other cost increases. The costs to operate the water system have increased, just like the costs of food, electricity and other basic household commodities. Rates need to be raised to: (1) adequately fund the water system so it can be operated safely and provide residents and businesses with clean, safe and reliable potable water; (2) fund capacity enhancement projects; (3) provide timely maintenance of existing facilities; and (4) design & implementation of infrastructure needed and required by the Sustainable Groundwater Management Act (SGMA); (5) address capital costs, increasing costs of water quality monitoring imposed by SGMA; (6) fund a pipe replacement program.

PROPOSED WATER RATE INCREASES: The City's Water Development, Operations and Replacement Funds are declining to a point where maintenance and replacement projects are being deferred due to lack of funding. The purpose of the Water Operating and Replacement Fund is to ensure that the water supply and distribution system will have the capacity to serve its residents. The suggested increase, charted below, will augment the Water Operating Fund to include a water main replacement program. The implementation of SGMA, will demand funding for; sustainable recharge; water level monitoring; development of infrastructure and basin wide collaboration.

PROPOSED RATES (2016/17): The proposed water rates include two components: (1) a monthly meter charge and (2) a variable (water consumption-based) use charge. The meter charge is a fixed amount calculated to recover a portion of the City's fixed costs of operating and maintaining the water system and is established on the basis of the size of the water meter serving the property. The fixed meter charge is due regardless of the quantity of water consumed. The variable water use charge is the rate the City charges per unit of water consumed (one unit of water equals 748 gallons or 100 cubic feet). The variable charge will be different from one bill to another, depending on the quantity of water consumed. Currently, the City charges a \$10.00 flat rate on a typical residential meter and charges \$0.90 per 100 cubic feet of water. City Council will consider a rate increase of \$6.50 on a typical residential meter as well as a \$0.85 water rate increase per 100 cubic feet of water consumed. A proportional increase on all other meters is also being considered (see graphs on reverse side for additional information).

PROPOSED ANNUAL FIXED RATE INCREASE (BASED ON 2.3% ADJUSTMENTS): In addition to considering these proposed rate increases, City Council will also consider an annual rate increase of 2.3%. The proposed 2.3% adjustments, would take place over the next five years (through FY 2021/22), after which time no further automatic adjustments would take place absent a new notice and hearing pursuant to Proposition 218. Under the proposed annual rate increase structure, Porterville residents are likely to see an increase of \$0.04 per 100 cubic feet of water, or about \$1.29 per month for the average customer (inclusive of the meter rate increase). If implemented, the fixed rate of 2.3% increase charges will take effect starting July 1, 2017. Customers will be notified annually of the increase in their May and June water bills.

PROPOSED WATER CONSERVATION PLAN PHASE V RATE INCREASE: Furthermore, at the public hearing, City Council will consider authorizing a 20% water consumption rate increase in Phase V of the City’s Water Conservation Plan. We are currently in transition to Phase III of the plan effective June 1, 2016 through November 30, 2016; Phase V is the City’s Emergency Response Phase and implemented in times of severe water supply shortages due to drought or other emergencies. This rate increase will encourage water conservation, will also serve as a provision to recover the lost revenues from water conservation which are needed to pay for routine maintenance of the water system, and will assist with continued adequacy of the City’s water supply.

BILL IMPACT: A typical single family home uses 22 units (16,456 gallons or 2,200 cubic feet) of water in a billing cycle. A typical monthly bill would increase from \$29.80 to \$55.00 under the proposed initial increase. Should the annual rate increase pass, a typical monthly bill would increase as follows over the next five years. Please note that bills will be lower or higher than shown depending on actual quantity of water used.

	Current	2016/17	2017/18	2018/19	2019/20	2021/22
<i>Monthly Bill</i>	\$29.80	\$55.00	\$56.26	\$57.53	\$58.81	\$60.10

City staff can assist you with answering any questions about your water bill. If you have any questions regarding the information provided in this notice, or the rates applicable to your property, please contact Field Services at (559) 782-7514.

METERED RATES		Proposed Metered Rates per Fiscal Year (FY)				
Water Rate Schedule	Current Rates	Proposed Rates (2016/17)	Annual Fixed Rate Increases			
			FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<i>Projected Fixed Rate Increase</i>			2.3%	2.3%	2.3%	2.3%
WATER CONSUMPTION CHARGE <i>(per 100 cubic feet)</i>	\$0.90	\$1.75	\$1.79	\$1.83	\$1.87	\$1.91
PHASE V RATE INCREASE†	\$1.08	\$2.10	\$2.15	\$2.20	\$2.24	\$2.29
METER SIZE						
<i>Less than 1"</i>	\$10.00	\$16.50	\$16.88	\$17.27	\$17.67	\$18.08
<i>1"</i>	\$11.00	\$18.15	\$18.57	\$19.00	\$19.44	\$19.89
<i>1 1/4"</i>	\$13.50	\$22.28	\$22.79	\$23.31	\$23.85	\$24.40
<i>1 1/2"</i>	\$16.00	\$26.40	\$27.01	\$27.63	\$28.27	\$28.92
<i>2"</i>	\$20.00	\$33.00	\$33.76	\$34.54	\$35.33	\$36.14
<i>3"</i>	\$27.00	\$44.55	\$45.57	\$46.62	\$47.69	\$48.79
<i>4"</i>	\$33.00	\$54.45	\$55.70	\$56.98	\$58.29	\$59.63
<i>6"</i>	\$40.00	\$66.00	\$67.52	\$69.07	\$70.66	\$72.29
<i>8"</i>	\$50.00	\$82.50	\$84.40	\$86.34	\$88.32	\$90.36

UNMETERED FLAT RATES		Proposed Unmetered Flat Rates per Fiscal Year (FY)				
Water Rate Schedule	Current Rates	Proposed Rates (2016/17)	Annual Fixed Rate Increases			
			FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<i>Projected Fixed Rate Increase</i>			2.3%	2.3%	2.3%	2.3%
<i>Trailer Parks</i>	\$19.68	\$36.32	\$37.16	\$38.01	\$38.88	\$39.77
PHASE V RATE INCREASE†	\$23.62	\$43.59	\$44.59	\$45.62	\$46.67	\$47.74
<i>All Others</i>	\$42.80	\$79.01	\$80.83	\$82.69	\$84.59	\$86.54
PHASE V RATE INCREASE†	\$51.36	\$94.81	\$96.99	\$99.22	\$101.50	\$103.83

BACKFLOW DEVICES		Proposed Backflow Device Rates per Fiscal Year (FY)				
Water Rate Schedule	Current Rates	Proposed Rates (2016/17)	Annual Fixed Rate Increases			
			FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<i>Projected Fixed Rate Increase</i>			2.3%	2.3%	2.3%	2.3%
DEVICE SIZE						
<i>1"</i>	\$6.36	\$10.49	\$10.73	\$10.98	\$11.23	\$11.49
<i>1 1/2" – 2 1/2"</i>	\$8.90	\$14.69	\$15.03	\$15.38	\$15.73	\$16.09
<i>3"</i>	\$10.20	\$16.83	\$17.22	\$17.62	\$18.03	\$18.44
<i>4"</i>	\$12.70	\$20.96	\$21.44	\$21.93	\$22.43	\$22.95
<i>6" – 10"</i>	\$56.00	\$92.40	\$94.53	\$96.70	\$98.92	\$101.20

†Phase V Rate Increases will occur only if directed by City Council to transition into the City’s Emergency Response Phase V of its Water Conservation Plan.