



## NOTICE OF PUBLIC HEARING REGARDING THE PROPOSED WATER RATE ADJUSTMENT

The City Council of the City of Vernon will conduct a Public Hearing, which you may attend.

**PLACE:** City Council Chambers  
4305 Santa Fe Avenue  
Vernon, CA 90058

**DATE & TIME:** Tuesday, August 16, 2016, at 9:00 A.M.

### REQUEST: Water Rate Adjustment

The City of Vernon is currently in the process of adjusting its water rates. You are receiving this notice because our records indicate that you are a water customer or property owner in the City of Vernon. The proposed adjustment to the water rates is needed to cover an increase in the following operating costs:

- Replenishment assessment for pumped water;
- Imported surface water supplies to augment the City's water demand requirements; and
- Capital improvements needed to maintain the City's water system.

### PROPOSED CEQA FINDING:

On **Tuesday, August 16, 2016, at 9:00 a.m.**, staff plans to recommend that the Vernon City Council adopt the proposed water rate adjustment, thereby determining that the proposed adjustment to the water rates will not have a significant effect on the environment pursuant to the California Environmental Quality Act (CEQA). The new rates, if approved by the City Council, are proposed to take effect September 1, 2016.

### Proposed Rate Schedule

Each customer's potable water bill is composed of three separate rate components: (i) a monthly charge based on the customer's meter size; (ii) a volumetric charge based on the volume of water actually consumed by the customer; and (iii) a charge based on the number of square feet in the customer's premises. This rate structure was designed to ensure that each customer is charged for only the cost of providing service to that customer. In Vernon, which is an industrial city by design, many water customers normally consume relatively little water on site, but rely on the constant availability of pressurized water from their potable connection for on-site fire safety purposes. The square footage charge reflects the cost of operating and maintaining infrastructure that allows this constant water availability to all customers.

To help customers compare the impact of the proposed rate adjustment, the following scenario is

provided: For a water customer with a 4” meter and 50,000 square foot manufacturing operation, using 5,500 Hundred Cubic Feet (HCF) of water at the current rate, the monthly water charge would be \$10,447 and would increase to \$11,900 under the proposed Water Rate Adjustments. For a water customer with a 2” meter and 50,000 square foot manufacturing operation, using 200 HCF of water at the current rate, the monthly water charge would be \$609 and would increase to \$646 under the proposed Water Rate Adjustments. The overall blended rate increase equates to 6.53%. The following tables show the existing and proposed potable water rates:

<b>Meter Charge (per month)</b>		
Meter Size	Current	Proposed
5/8"	\$7.52	\$8.23
3/4"	\$11.29	\$12.34
1"	\$18.82	\$20.57
1.5"	\$37.65	\$41.15
2.0"	\$60.23	\$65.84
3.0"	\$112.93	\$123.45
4.0"	\$188.23	\$205.75
6.0"	\$376.46	\$411.50
8.0"	\$602.33	\$658.41

<b>Volumetric Charge (per hundred cubic feet of water)</b>	
Current	Proposed
\$1.832	\$2.097

<b>Square Foot Charge (per improved square foot)</b>	
Current	Proposed
\$0.00362	\$0.00319

### **Automatic Pass Through and Inflation Adjustments**

The proposed \$2.097/HCF volumetric charge includes in the following water supply charges shown in the table below:

<b>Provider</b>	<b>Purpose</b>	<b>Portion of \$2.097</b>
Water Replenishment District of Southern California	Replenishment Assessment to Supply Water to City Wells	\$0.7064
Central Basin Municipal Water District	Purchased Water Charges	\$0.4033

~~Through January 1, 2021, if either of these providers change their rates as applicable to the City, the respective portion of the volumetric charge will automatically adjust by the percentage change in the entity’s applicable rate, causing an adjustment to the \$2.097 rate.~~

Additionally, each January 1, beginning January 1, 2017 and ending January 1, 2021, the volumetric charge will be automatically adjusted for pass through costs received originating from water purveyors.

These pass through adjustments will take effect without an additional hearing by the City Council. You will be mailed a notice of any pass through adjustment before it goes into effect.

\*HCF=Hundred Cubic Feet (748 Gallons)

## Your Opportunity to Be Involved

On **Tuesday, August 16, 2016 at 9:00 a.m.** in the City Council Chambers located at 4305 Santa Fe Avenue, Vernon, CA 90058, the City Council will hold a public hearing on the proposed water rates. At the hearing, the Council will consider all oral and written testimony regarding the proposal. You may also submit a formal written protest against the rate increase proposal (which includes the automatic adjustments). Written protests must be signed by a customer or property owner, and must include the assessor's parcel number or street address of the property for which the protest is submitted. Written protests may be delivered to the City Clerk at the public hearing, or mailed or delivered to the City Clerk at Vernon City Hall, 4305 Santa Fe Avenue, Vernon, California, 90058. Protests which are mailed or delivered to the City Clerk's Office must arrive at Vernon City Hall by 9:00 a.m. on August 16, 2016 to be counted. If at the conclusion of the public hearing, written protests against the rate increase proposal have been filed (and not withdrawn) with respect to a majority of the parcels subject to the proposed increase, the City Council will not adopt the increase. Protests will be accepted and tabulated according to the City's adopted Policy Governing the Acceptance and Tabulation of Utility Rate Protest: You can view the City's adopted Policy Governing the Acceptance and Tabulation of Utility Rate Protest at <http://www.cityofvernon.org/utilityrateprotests/>.

## Miscellaneous Rates

In addition to the general rates shown above, the City has special additional service charges for (i) fire suppression-only service connections; (ii) standby connections for customers primarily serviced by private wells; and (iii) temporary connections. You can view these rates, at <http://www.cityofvernon.org/misccharges/>.

## Questions

For more information about the proposed water charges you may contact Scott B. Rigg, Public Works and Water Superintendent, at 323-583-8811 ext. 279. The documentation supporting the proposed water charges is available in the office of the Department of Public Works, Water and Development Services, Vernon City Hall, 4305 Santa Fe Avenue, Vernon, California, between the hours of 7:00 a.m. and 5:00 p.m. Monday through Thursday.

**Americans with Disabilities Act (ADA):** In compliance with ADA, if you need special assistance to participate in the meeting, please contact the Office of the City Clerk at (323) 583-8811, ext. 897.

Dated: 6/28/2016

  
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Maria Ayala, City Clerk

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