

NOTICE OF PUBLIC HEARING

Proposed Adjustments to Water and Sewer Rates and Charges

Recently Raftelis Financial Consultants and the Water Resources Department completed an evaluation of the City's water, sewer and recycled water financial condition and rates. This effort consisted of a comprehensive cost of service analysis for the three funds. Included within was a review of revenues, expenses, reserves, capital replacements, vehicle replacements, and other items. Through this effort it was determined revenue increases are now needed to allow the utilities to remain solvent and to continue to maintain utility facilities. Additionally, as the City's utilities age, replacements are necessary to prevent them from being in a constant state of disrepair. Finally, the debt service covenants the City agreed to require the utilities to maintain levels of financial stability.

Based on the analysis conducted the City is proposing new rates and charges for its water and sewer utilities, which include, in some cases, a revised rate restructure. The proposed rates are necessary to cover increased operational costs for water treatment, to fund replacements of old and failing infrastructure, to cover the cost of debt service, and to recover lost revenues due to reduced sales.

As part of the preparation of the cost of service analysis, City staff conducted seven community meetings. At these meetings staff presented the proposed rates and the rationale behind the decisions made in developing the draft rate structure and answered questions. Staff also presented the draft analysis to the City Council and to the Pomona Chamber of Commerce, in May and June, respectively.

COST REDUCING ACTIVITIES

Several years ago the City issued bonds as a way to finance necessary improvements to the water and sewer systems. These improvements have led to a 33 percent reduction in water pipeline leaks, eliminating costly repairs. Although considerable improvement has been made, much work remains to be completed. In 2016 the Water Resources Department embarked on completing a department wide Strategic Plan. This Plan evaluated every function within the department in an effort to find ways to operate more efficiently, reduce costs, evaluate staffing needs, and to create a framework to deliver the highest quality service to the City's water and sewer customers. As part of the Plan, the rates being proposed are necessary to implement many of the improvements recommended for the sustainability of the Department and to reduce the long term operating costs of the Department.

WATER TREATMENT

The bonds issued also covered the construction of four water treatment facilities necessary to remove perchlorate and volatile organic compounds. These plants were required to allow for the continued use of water production wells with a capacity of over 2.6 billion gallons of potable water on an annual basis. Without these water treatment facilities, the City would have been required by the State Water Resources Control Board to permanently remove them from service, leading to the City having to purchase treated imported water at an annual cost of nearly \$9 million.

PUBLIC HEARING

The California Constitution requires that the property owner of record of each parcel receive notification of water and sewer changes being proposed for adoption by the City Council 45 days in advance of a public hearing. Below are the proposed rates and charges that will be considered by the City Council at a public hearing on **April 15, 2019, at 7:00 p.m.** at the City of Pomona Council Chambers located at 505 South Garvey Avenue in the City of Pomona. If you oppose the proposed rates, your protest must be submitted in writing to be considered, even if you plan to attend the public hearing. Written protests must be signed by a property owner or current utility customer, must include the property address or parcel number, and must state which rate is being protested, and be delivered to the City Clerk prior to the public hearing in order to be considered.

HOW TO FIND OUT MORE INFORMATION

Anyone seeking additional information may call Mr. Chris Diggs in the Water Resources Department at (909) 802-7412.

CURRENT POTABLE WATER RATES AND CHARGES

Current Potable Water Rate Structure				
SFR Inside City	Cost per CCF	Meter	Inside	Outside
1-15 Units	\$1.01	5/8"	\$ 52.65	\$ 65.81
16-75 Units	\$1.85	3/4"	\$ 71.10	\$ 88.90
76 Units and Over	\$3.32	1"	\$ 108.07	\$ 135.11
SFR Outside City		1-1/2"	\$ 200.47	\$ 250.62
1-15 Units	\$1.28	2"	\$ 311.34	\$ 389.18
16-75 Units	\$2.31	3"	\$ 570.03	\$ 712.59
76 Units and Over	\$4.19	4"	\$ 939.60	\$1,174.52
NON SFR Inside City		6"	\$1,863.54	\$2,329.46
1-15 Units	\$1.01	8"	\$2,972.23	\$3,715.33
16 Units and Over	\$2.01	10"	\$4,265.75	\$5,332.22
NON SFR Outside City				
1-15 Units	\$1.28			
16 Units and Over	\$2.57			

PROPOSED POTABLE WATER RATES AND CHARGES

Bimonthly Potable Water Service Charge					
Meter	July 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023
5/8"	\$ 41.29	\$ 45.52	\$ 50.19	\$ 55.33	\$ 59.21
3/4"	\$ 60.92	\$ 67.17	\$ 74.05	\$ 81.64	\$ 87.35
1"	\$ 100.18	\$ 110.45	\$ 121.77	\$ 134.25	\$ 143.65
1-1/2"	\$ 198.33	\$ 218.65	\$ 241.07	\$ 265.77	\$ 284.38
2"	\$ 316.10	\$ 348.50	\$ 384.22	\$ 423.60	\$ 453.26
3"	\$ 590.91	\$ 651.48	\$ 718.25	\$ 791.87	\$ 847.31
4"	\$ 983.49	\$ 1,084.30	\$ 1,195.44	\$ 1,317.97	\$ 1,410.23
6"	\$ 1,964.95	\$ 2,166.36	\$ 2,388.41	\$ 2,633.22	\$ 2,817.55
8"	\$ 3,142.70	\$ 3,464.83	\$ 3,819.97	\$ 4,211.52	\$ 4,506.33
10"	\$ 4,516.75	\$ 4,979.71	\$ 5,490.13	\$ 6,052.87	\$ 6,476.57

Potable Water Commodity Rate Structure

Inside/Outside Water Use	July 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023
Domestic	Cost per CCF	Cost per CCF	Cost per CCF	Cost per CCF	Cost per CCF
1-13 Units	\$1.77	\$1.95	\$2.15	\$2.37	\$2.54
14-35 Units	\$2.24	\$2.47	\$2.72	\$3.00	\$3.21
36 Units and Over	\$2.36	\$2.60	\$2.87	\$3.16	\$3.38
Irrigation					
1-13 Units	\$1.88	\$2.07	\$2.28	\$2.51	\$2.69
13-35 Units	\$2.60	\$2.87	\$3.16	\$3.48	\$3.72
36 Units and Over	\$2.65	\$2.92	\$3.22	\$3.55	\$3.80

CURRENT RECYCLED WATER RATES AND CHARGES**Recycled Water Commodity Rate Structure**

	Current Rate/Acre Foot
Recycled Water	\$ 602.43
Impaired Water	\$ 731.52

PROPOSED RECYCLED WATER RATES**Recycled Water Commodity Rate Structure**

July 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023
\$ 566.47	\$ 589.42	\$ 546.92	\$ 566.55	\$ 587.74

Currently there is no service charge for recycled water. The current commodity rates are shown below.

Bimonthly Recycled Water Service Charge

Meter	July 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023
2"	\$ 63.22	\$ 69.70	\$ 76.84	\$ 84.72	\$ 90.65
3"	\$ 118.18	\$ 130.30	\$ 143.65	\$ 158.37	\$ 169.46
4"	\$ 196.70	\$ 216.86	\$ 239.09	\$ 263.59	\$ 282.05
6"	\$ 392.99	\$ 433.27	\$ 477.68	\$ 526.64	\$ 563.51
8"	\$ 628.54	\$ 692.97	\$ 763.99	\$ 842.30	\$ 901.27
10"	\$ 903.35	\$ 995.94	\$ 1,098.03	\$ 1,210.57	\$ 1,295.31
12"	\$ 1,963.33	\$ 2,164.57	\$ 2,386.43	\$ 2,631.04	\$ 2,815.22
14"	\$ 2,944.78	\$ 3,246.62	\$ 3,579.40	\$ 3,946.29	\$ 4,222.53
16"	\$ 3,926.24	\$ 4,328.68	\$ 4,772.37	\$ 5,261.54	\$ 5,629.85
18"	\$ 4,907.70	\$ 5,410.74	\$ 5,965.34	\$ 6,576.79	\$ 7,037.17

CURRENT AND PROPOSED SEWER RATES

Water and Sewer Rates and Reserves

Attachment 1

January 28, 2019

Current and Proposed Sewer Rates

	Current Inside/Outside	July 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023
Bimonthly Service Charge	\$ 6.45	\$ 9.39	\$ 9.96	\$ 10.56	\$ 11.19	\$ 11.75
Rate Per Unit of Consumption	\$ 0.56	\$ 0.70	\$ 0.74	\$ 0.78	\$ 0.83	\$ 0.87

FIRE SERVICES

Fire Service Rates

Size	Current Inside	Current Outside	July 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023
2" or less	\$ 73.50	\$ 93.13	\$ 8.64	\$ 9.53	\$ 10.50	\$ 11.58	\$ 12.39
3"	\$ 127.54	\$ 159.40	\$ 25.10	\$ 27.67	\$ 30.51	\$ 33.63	\$ 35.99
4"	\$ 191.35	\$ 240.42	\$ 53.48	\$ 58.96	\$ 65.01	\$ 71.67	\$ 76.69
6"	\$ 353.33	\$ 444.18	\$ 155.36	\$ 171.28	\$ 188.84	\$ 208.19	\$ 222.76
8"	\$ 512.90	\$ 643.01	\$ 331.07	\$ 365.00	\$ 402.41	\$ 433.66	\$ 474.72
10"	\$ 674.91	\$ 844.32	\$ 595.37	\$ 656.40	\$ 723.68	\$ 797.86	\$ 853.71
12"	\$ 802.52	\$ 1,006.35	\$ 961.69	\$ 1,060.26	\$ 1,168.94	\$ 1,288.76	\$ 1,378.97

CONSTRUCTION WATER

Construction water is billed at the same rate as potable and recycled water, depending of the type of water being utilized.

This notice is being sent to property owners in the City of Pomona listed in the Los Angeles County Assessor's database as well as utility customers. As a result you may receive this notice in duplicate. We apologize for any inconvenience this may cause.