



## NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING REGARDING PROPOSED WATER RATES

### IN COMPLIANCE WITH PROP. 218 (California Constitution Article XIIIID, Section 6.)

Hearing Date & Time: March 4, 2024 5:00 PM

Hearing Location: 1655 13th Street, Firebaugh, CA 93622

#### ***Why are you receiving this notice?***

The City of Firebaugh (City) is mailing this notice to you because you are a water customer or are the owner of record of a property that receives water service. This notice describes proposed changes to the water rates and gives information about a public hearing to be held on March 4, 2024 at the Andrew Firebaugh Community Building, 1655 13th Street, Firebaugh, CA, 93622 regarding these proposed changes.

#### ***Purpose of the Hearing.***

Firebaugh City Council will hold a public hearing on proposed changes to the water rates and wastewater services furnished by the City, and will hear and consider any objections and/or support that members of the public wish to present on this issue.

#### ***What do water rates fund?***

The City provides water service to a mix of residential, commercial, industrial, and landscape customers. Monthly rates charged to system users (customers) are the primary source of revenue to operate the water systems and are used solely for this purpose. Rate revenue provides funding for annual operating and maintenance costs, capital projects to improve water infrastructure, administration, and maintaining adequate fund reserves and planning for contingencies.

In order to maintain a high level of water quality, several water system capital projects are proposed to be supported by your water payments that include the: well rehabilitation, well filters, leaky pipe replacements, master plan, water meters, and other projects.

#### ***Maintaining A Sustainable Water System***

Water rates support the overall financial plan for the water enterprise system. The financial plan accounts for increasing operating expenses, including support for rising personnel costs, electricity, chemicals, and other costs. The financial plan also includes ensuring adequate reserves and debt service coverage ratios are met.

#### ***Why are rate increases needed?***

Current rates do not provide adequate funding for long-term operation and maintenance expenses and capital projects. The City engaged a consultant to perform studies of the City's water fund, and to recommend user rates designed to meet the City's financial obligations, including operating and debt service costs, funds for needed capital projects, and maintenance of reserves. The rate structure developed in the studies complies with federal, state, and City laws and guidelines. They are consistent with good industry practices and are equitable among the City's customer classes. At the

City Council Meeting on December 4, 2023, the presentation of the study results was presented which included recommended utility rates through January of 2028. The City Council reviewed the report and approved the proposed rate schedule to be considered at a public hearing on March 4, 2024.

The proposed rates are based on a comprehensive utility rate study and financial plan to ensure reliable and functional water system. The City will annually review revenues and expenditures for the water and wastewater funds to ensure that sufficient and appropriate revenues are collected to effectively provide for the short and long-term service needs of the community. The rate study report providing the rate development methodology is available at City Hall and on the City's website at [www.firebaugh.org](http://www.firebaugh.org).

**New rates**

In order to provide necessary funding to operate and carry out long-term improvements of the water systems, the City is proposing to implement new rates as a series of annual revenue adjustments over the next five years. The following tables summarize the proposed water rates.

**Water Current and Proposed Fixed Charges**

Classification		Current Rate	May 1, FY 23-24	January 1, FY 24-25	January 1, FY 25-26	January 1, FY 26-27	January 1, FY 27-28
<b>All Customers Except Industrial</b>		<b>Fixed Charge (\$ per month)</b>					
	<u>Meter Size</u>						
	<= 1 inch and smaller	\$16.96	\$17.61	\$17.86	\$18.11	\$18.36	\$18.62
	1-1/2 inch	\$25.80	\$26.71	\$27.08	\$27.46	\$27.84	\$28.23
	2 inch	\$38.81	\$39.89	\$40.45	\$41.02	\$41.59	\$42.17
	3 inch	\$93.66	\$93.99	\$95.31	\$96.64	\$97.99	\$99.36
	4 inch	\$131.53	\$132.45	\$134.30	\$136.18	\$138.09	\$140.02
	6 inch	\$260.62	\$264.92	\$268.63	\$272.39	\$276.20	\$280.07
<b>Industrial</b>							
	<u>Included Volume</u>						
	2 inch 75	\$253.81	\$264.15	\$267.84	\$271.59	\$275.39	\$279.25
	3 inch 100	\$338.41	\$352.19	\$357.12	\$362.12	\$367.19	\$372.33
	4 inch 175	\$592.22	\$616.34	\$624.97	\$633.72	\$642.59	\$651.59
	6 inch 325	\$1,099.83	\$1,144.63	\$1,160.66	\$1,176.91	\$1,193.39	\$1,210.10
	14 inch 500	\$1,692.04	\$1,760.97	\$1,785.62	\$1,810.62	\$1,835.97	\$1,861.67
Public Housing Authority		\$39.04	\$39.56	\$40.11	\$40.67	\$41.24	\$41.82

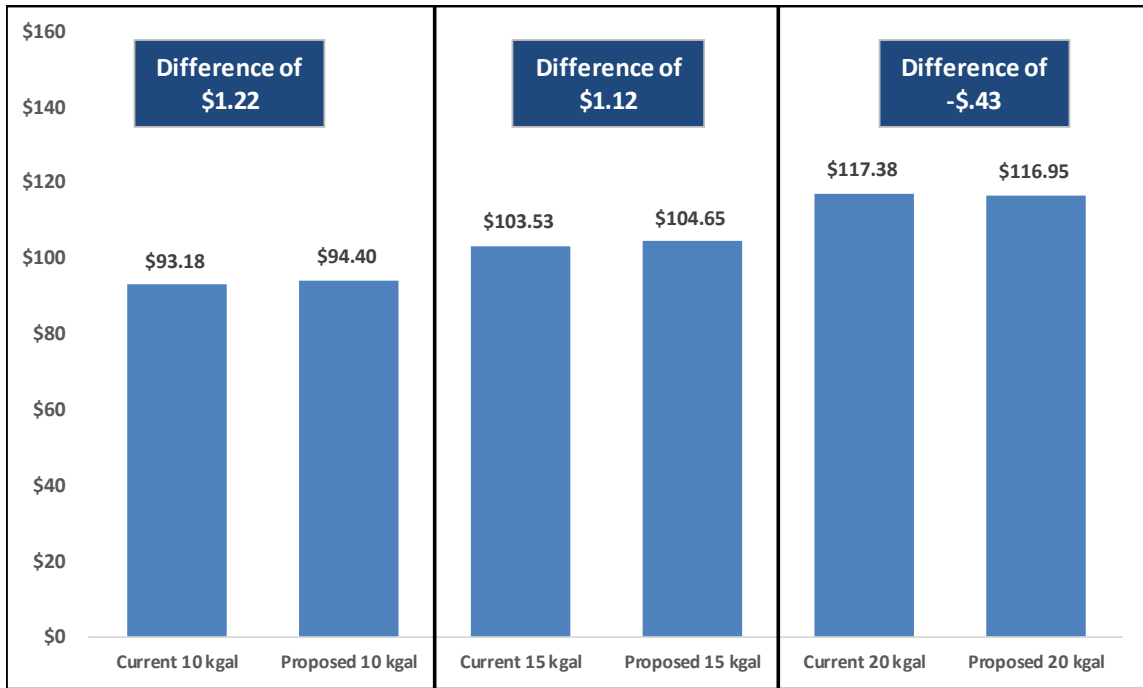
## Water Current and Proposed Variable Charges

Classification	Current Rate	May 1, FY 23-24	January 1, FY 24-25	January 1, FY 25-26	January 1, FY 26-27	January 1, FY 27-28
Variable Charge (\$ per 1,000 gal)						
<b>Single-family Residential</b>						
Tier 1 - 0 to 7 units	\$1.67	\$1.76	\$1.78	\$1.80	\$1.83	\$1.86
Tier 2 - 8 to 15 units	\$2.07	\$2.05	\$2.08	\$2.11	\$2.14	\$2.17
Tier 3 - Over 15	\$2.77	\$2.46	\$2.49	\$2.52	\$2.56	\$2.60
<b>Multifamily Residential</b>						
	\$1.86	\$2.02	\$2.05	\$2.08	\$2.11	\$2.14
<b>Commercial</b>						
	\$1.86	\$2.02	\$2.05	\$2.08	\$2.11	\$2.14
<b>Industrial (Charge Over Included Volume)</b>						
	\$3.33	\$3.49	\$3.54	\$3.59	\$3.64	\$3.69
<b>Public Authority/Schools</b>						
	\$1.86	\$2.02	\$2.05	\$2.08	\$2.11	\$2.14
<b>Landscape Irrigation</b>						
	\$2.54	\$2.62	\$2.66	\$2.70	\$2.74	\$2.78
<b>Las Deltas [1]</b>						
Tier 1 - 0 to 5000 units	\$3.17	\$3.21	\$3.25	\$3.30	\$3.35	\$3.40
Tier 2 - 5001 and Over	\$3.49	\$3.54	\$3.59	\$3.64	\$3.69	\$3.74

### ***Impact on your bill***

For the proposed rates effective May 1, 2024, a typical single family home that uses 10 thousand gallons (kgal) of water per month, the water portion of your bill would increase from \$34.86 per billing cycle (every month) currently to \$36.08 per billing cycle or \$1.22 more per month. The accompanying graph provides a summary of the combined water and sewer bill, existing and proposed, for water consumption under three usage scenarios of 10 kgal, 15, kgal, and 20 kgal per month. The dark blue boxes represent the total increases by usage level. The City's water bills are currently near or at the middle of other communities in the county compared and would remain near the middle after the first rate increase.

### Combined Water and Sewer Bill Impact



**Example bill calculations using proposed May 1, 2024 rates at 10 thousand gallons (kgal):**

Water: ..... \$17.61 Monthly ¾" Meter Charge + \$1.76/HCF X 7 kgal + \$2.05/kgal X 3 kgal = \$36.08  
 Sewer:..... \$58.32 Monthly = \$58.32  
 Total Water and Sewer: ..... \$36.08 + \$58.32 Monthly = \$94.40

***How do you file a protest or participate in the public hearing?***

The City Council will consider the new water rate increase at a public hearing on Monday, March 4, 2024 at 5:00 p.m. at Andrew Firebaugh Community Building, 1655 13th Street, Firebaugh, CA, 93622. You are invited to present oral or written testimony at the public hearing.

**Any owner or customer of record of a parcel subject to the proposed rates may submit a written protest against the proposed rate revisions. If written protests are filed with respect to a majority of the affected property parcels, the proposed rate revisions will not be adopted.**

A written protest must contain the street address or Assessor's Parcel Number (APN) for the parcel(s) with respect to which the protest is made. The protest must also be signed by the owner or customer. Protests may be mailed or hand delivered to the City's offices at 1133 "P" Street, Firebaugh, CA, 93622. Protests may also be delivered to the City Clerk at the public hearing. To be valid, a signed written protest must be received by the City Clerk at or before the time of the protest hearing.