



City of  
**Santa Monica**<sup>®</sup>

## **NOTICE OF PROPOSED WATER RATE INCREASES**

### **1. Proposed Water Rate Increases**

The City of Santa Monica is proposing water rate increases for a five-year period beginning March 1, 2015. The proposed percentage increases are:

March 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019
9.0%	13.0%	13.0%	13.0%	13.0%

### **2. The Basis upon Which the Fee was Calculated**

The proposed rate increases, if adopted, will improve the financial position of the City's Water Fund, reduce the risk of revenue shortfalls from projected reduced water sales, fund identified self-sufficiency related improvements, and improve net operating parameters that are required to issue new municipal debt that may be needed for future water system improvements. A more detailed explanation of the City's projected revenues and deficits is provided in the City's Water Rate and Revenue Analysis ("Report"), which can be downloaded from the City's website at <http://www.water.smgov.net>. A hard copy of the Report is also available at the City Clerk's Office at 1685 Main Street, Room 213, Santa Monica, CA 90401.

### **3. Reason for the Proposed Water Rate Increases**

The City is implementing a comprehensive long range water system improvement program with the goal of having reliable infrastructure and a sustainable water supply by eliminating dependence on imported water sources to meet potable water needs by 2020. In order to achieve these goals, the City has implemented self-sufficiency water conservation programs. In addition, the City has implemented mandatory water reductions pursuant to its Water Shortage Response Plan, resulting in an immediate 20% reduction in water sales. Since most of the City's water production costs are fixed, the Water Fund is projected to be adversely impacted by the reduction in water sales and increases in conservation program costs. As a result, water rate increases are needed to finance the cost of providing water service.

### **4. How Revenues from the Water Rate Increases Will Be Used**

The proposed rate action will provide funding for local and imported water, operation and maintenance, capital infrastructure costs, appropriate reserve levels, and water

self-sufficiency goals. A more complete description of projected expenditures is included in Section 3 of the Report. The revenues derived from the proposed water rate increases will not exceed the funds required to provide water services. The revenues will not be used for any purposes other than to finance the costs of providing water services, and will not exceed the projected cost of service attributable to each parcel.

## **5. Date, Time and Location of the Public Hearing**

The City Council will hold a public hearing to consider the proposed water rate increases on February 24, 2015 at 5:45 pm in the City Council Chambers, 1685 Main Street, Room 213, Santa Monica, CA 90401. At the public hearing, any interested person may speak regarding the proposed resolution to adopt the proposed water rates.

## **6. Procedure for Submittal of Written Protests**

Any property owner of record whose property is subject to the proposed water rates may submit a written protest to the proposed rate increases. Only one written protest will be counted per identified parcel. Any written protest must:

- State that the identified property owners is in opposition to the propose rate increase;
- Provide the location of the identified parcel (by assessor's parcel number, street address, or customer account);
- Include the name and signature of the property owner submitting the protest; and
- If the person protesting was not shown on Los Angeles County's last equalized assessment roll as the property owner of record, provide written evidence that the person is the current property owner (example: current copy of water bill).

Written protests on the proposed rate increases may be submitted by mail or in person to the City Clerk, 1685 Main Street, Room 102, Santa Monica, CA 90401, but must be submitted no later than the conclusion of the public comment portion of the public hearing.

At the public hearing, the City Council will accept and consider all written protests and hear all oral comments to the proposed rate increases. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If by the close of the public hearing written protests against the rate increases are not presented by a majority of property owners, the City Council may adopt a resolution to increase the water rates up to the amount of the proposed rates identified in this notice. If adopted, the rates will become effective March 1, 2015, and on January 1 in subsequent years.

This notice is being mailed to the owner of record of each parcel in Santa Monica's service area. As a courtesy, this notice is also being mailed to all Santa Monica water account holders. If you do not receive water service from the City of Santa Monica this notice does not apply to you.

Sample bills incorporating the proposed rates and new rate structures are on the back of this notice. Additional information is available on the City's Water Resources Division website at <http://www.water.smgov.net> or by calling the Water Resources office at (310) 458-8975.



## Proposed Water Rate Increases and Sample Bills

<b>Sample Water Bill</b>	<b>Meter Size</b>	<b>Usage in HCF</b>	<b>Current</b>	<b>March 2015 9.0 %</b>	<b>Jan 2016 13%</b>	<b>Jan 2017 13.0 %</b>	<b>Jan 2018 13%</b>	<b>Jan 2019 13%</b>
Single Family	3/4"	30	\$ 95.00	\$ 103.55	\$ 117.01	\$ 132.22	\$ 149.41	\$ 168.84
11-unit Apartment Bldg	1-1/2"	77	\$ 233.75	\$ 254.79	\$ 287.91	\$ 325.34	\$ 367.63	\$ 415.42
Non-Residential	1"	37	\$ 132.09	\$ 143.98	\$ 162.70	\$ 183.85	\$ 207.75	\$ 234.75
Non-Residential	2"	192	\$ 685.44	\$ 747.13	\$ 844.26	\$ 954.01	\$ 1,078.03	\$ 1,218.18
Non-Residential	4"	709	\$ 2,531.13	\$ 2,758.93	\$ 3,117.59	\$ 3,522.88	\$ 3,980.85	\$ 4,498.37

