

**CITY OF COLTON**  
**REVISED**  
**NOTICE OF PUBLIC HEARING**  
**REGARDING PROPOSED RATE INCREASES TO WATER SERVICE FEES**

**NOTICE IS HEREBY GIVEN** that the City Council of the City of Colton (the "City") will conduct a Public Hearing on **April 5, 2016 at 6:00 p.m., in the Council Chambers at 650 N. La Cadena Dr., Colton, California 92324**, or as soon thereafter as the matter may be heard to consider adopting increases in the rates for its water service fees.

**WATER RATES**

On April 1, 2015 Governor Jerry Brown instituted California’s first-ever statewide mandatory water reductions, Executive Order B-29-15 mandating the implementation of several new conservation measures. On November 15, 2015, Governor Brown extended those conservation measures until October 31, 2016. Under drought regulations established pursuant to the Executive Order, the City was ordered to reduce its water consumption by 20%. City water customers have responded to these conservation mandates by reducing their water consumption 25%. The City engaged an independent rate consultant to study the effects of the 25% reduction in water sales, and the development of a new rate structure to provide a more stable source of revenues to fund utility obligations going forward as water sales continue decrease. The study concluded that the projected revenues from the City's current water rate structure are and will be insufficient to cover: (1) current and projected operations and maintenance costs for the water system, in particular energy, chemical supplies, water treatment costs, and debt service obligations; and (2) the capital infrastructure improvements needed to maintain, repair and update the City's aging water system. Accordingly, the study determined that rate increases are necessary to avoid operational deficits, further depletion of reserves, and an inability to address infrastructure and water quality improvements. A copy of the rate study is available for review in the City Clerk's Office at 650 La Cadena Dr., Colton, California 92324.

The proposed rates are calculated to recover the costs of the City in providing water and to proportionately allocate those costs on a parcel basis among customer classes. The water rate structure has two components: (1) a monthly service (delivery) charge (the "Service Charge"); and (2) a commodity charge (the "Commodity Charge"). The Service Charge is a fixed charge established on the basis of the size of the meter size serving a property and is calculated to recover a portion of the City's fixed costs of operating, maintaining, and delivering water. The Commodity Charge is a consumption charge calculated on the basis of recovering the cost of providing water to property owners and customers. For single family residential customers the Commodity Charge is a variable charge and consists of two tiers which impose higher rates as the level of consumption increases. For all other customers The Commodity Charge is a uniform rate per hundred cubic feet of water (“hcf”), or 748 gallons of water. The rates for the City's water service fees are proposed to take effect commencing July 1, 2016 and each July 1 thereafter for a five-year period. The proposed rates are as follow:

**Commodity Charge (\$/Hundred Cubic Feet) Effective on July 1**

<b>TIERS</b>	<b>Current</b>	<b>July 1 2016</b>	<b>July 1 2017</b>	<b>July 1 2018</b>	<b>July 1 2019</b>	<b>July 1 2020</b>
<b>Single Family Residential</b>						
Current Uniform Volumetric Rate	\$1.61					
Tier 1 – 0-18 hcf		\$1.47	\$1.64	\$1.65	\$1.67	\$1.69
Tier 2 – 19+ hcf		\$2.16	\$2.39	\$2.42	\$2.44	\$2.47
<b><u>All Other Customers</u></b>						
<b>Rate Per HCF of Water Consumed</b>	\$1.61	\$1.67	\$1.86	\$1.87	\$1.89	\$1.91

### Monthly Service Charge (\$/Meter Size) Effective on July 1

Meter Size	Current	July 1 2016	July 1 2017	July 1 2018	July 1 2019	July 1 2020
5/8 & 3/4"	\$16.70	\$22.78	\$25.29	\$25.54	\$25.80	\$26.06
1"	\$26.23	\$37.00	\$41.07	\$41.48	\$41.90	\$42.31
1 1/2"	\$47.00	\$72.54	\$80.52	\$81.32	\$82.14	\$82.96
2"	\$71.31	\$115.19	\$127.86	\$129.13	\$130.43	\$131.73
3"	\$84.86	\$228.91	\$254.09	\$256.63	\$259.20	\$261.79
4"	\$288.78	\$356.85	\$396.10	\$400.07	\$404.07	\$408.11
6"	\$489.49	\$712.24	\$790.59	\$798.49	\$806.48	\$814.54
8"	\$627.22	\$1,280.86	\$1,421.76	\$1,435.98	\$1,450.34	\$1,464.84
10"	\$896.96	\$1,707.33	\$1,895.14	\$1,914.09	\$1,933.23	\$1,952.56
12"	\$1,456.16	\$2,400.34	\$2,664.38	\$2,691.02	\$2,717.93	\$2,745.11

In addition to the water service charges described above, the City also imposes a fixed monthly fire meter service charge on certain commercial properties as a condition of extending or initiating water service by (1) the installation of a private fire suppression system, and (2) upon the request of the consumer or property owner for the delivery of water to the property for the purpose of fire service protection. The rates for the monthly commercial fire meter charge are established on the basis of the size of the meter serving a property and are calculated to recover the costs of providing water to such properties for private fire service protection. The proposed rates are set forth in the table below:

### Monthly Commercial Fire Meter Charge (\$/Meter Size) Effective on July 1

Meter Size	Current	July 1 2016	July 1 2017	July 1 2018	July 1 2019	July 1 2020
4"	\$62.28	\$79.30	\$88.02	\$88.90	\$89.79	\$90.69
6"	\$139.73	\$179.38	\$199.11	\$201.10	\$203.11	\$205.14
8"	\$242.99	\$312.81	\$347.22	\$350.69	\$354.20	\$357.74
10"	\$380.68	\$490.73	\$544.71	\$550.15	\$555.66	\$561.21

### PUBLIC HEARING AND PROTESTS

The record owner of the parcel upon which the water service fees are proposed to be imposed or any tenant directly responsible for the payment of water service fees (i.e., a customer of record who is not a property owner) may submit a written protest to the proposed increases to the City's water rates; provided, however, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or customer is in opposition to the proposed water rate increases; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the name and signature of the property owner or customer submitting the protest. Written protests may be submitted by mail or in person to the City Clerk at 650 N. La Cadena Dr., Colton, California 92324, or at the Public Hearing (date and time noted above), provided they are received prior to the conclusion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the City Clerk, that the enclosed protest is for the Public Hearing on the Proposed Increases to Water Service Rates.

The City Council will hear oral comments and consider all written protests to the proposed rate increases at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, the City Council will consider adoption of the increases to the City's water service fees described herein. If written protests against the proposed rate increases as outlined above are not presented by a majority of property owners or customers of record of the identified parcels upon which the rates are proposed to be imposed, the City Council will be authorized to impose the rate increases. If adopted, the proposed rate increases to the water service fees will be in effect beginning July 1, 2016 and each July 1 thereafter for a five-year period through 2020.

For further details regarding the bases and reasons for the proposed rate increases to the water service fees, or for any questions you may have regarding the proposed fees to be imposed on your parcel, please contact the Water Department at 909-370-6131.