



Notice of Public Hearing Regarding Proposed Water Rate Increases

The City of Paso Robles is proposing to gradually phase in water rate adjustments over the next five years to support water system operating and maintenance expenses, fund the City's share of debt service for the Nacimiento Water Project, and provide funding for capital improvements needed to support safe and reliable service. The City's water utility is a self-supporting enterprise that relies primarily on service charge revenues to meet annual funding needs. As such, water rates need to be set at levels adequate to fund the costs of providing service. The City will hold a public hearing on the proposed water rate increases as follows:

Date: December 20th, 2022

Time: 6:30 pm

Place*: Paso Robles City Hall, 1000 Spring Street, Paso Robles, CA 93446

* If the City determines to hold the Public Hearing solely via the internet or teleconferencing due to a state of emergency or public health concern pursuant to California Government Code 54953 or other applicable law, information will be posted on our website www.prcity.com as soon as possible and included in the meeting agenda.

Water Rate Increases Needed to Fund Capital Improvements to Aging Facilities & Keep Up with Cost Inflation

The City's water system consists of 19 wells, water treatment facilities, 4 storage tanks, pump stations and approximately 175 miles of water mains. Many of these facilities are aging and require replacement. Based on a recent engineering evaluation of the water system and an updated Water System Master Plan, the City has identified over \$20 million of high-priority capital improvements needed over the next five years to rehabilitate and replace aging infrastructure, address deficiencies, and improve water system reliability. In addition, the proposed rate increases are needed to keep rates aligned with the cost of providing service and support funding important capital projects. To help minimize rate increases, the City plans to partially draw down water fund reserves over the next few years to help fund high-priority capital improvements.

Typical Residential Bills Are Projected to Remain in the Middle Range Compared to Regional Agencies

The proposed rates are designed to increase water rate revenues by 5% per year for each of the next 5 years. The proposed rates also include some modifications to the water rate structure designed to better align rates with the cost of providing service. Due to these rate structure modifications, the impacts to monthly water bills will vary based on each customer's water meter size and amount of water use. The City's water bills for a typical home are currently in the lower-middle range based on a survey of 18 regional agencies. With the proposed rate increases, typical residential water bills are projected to remain in the middle range.

100% of Water Rate Revenues Are Used to Fund Water System Expenses Only

As a public utility, the City's water enterprise does not profit from charges for water service. Pursuant to California law, all water rate revenues collected are used to pay for the costs of operating and maintaining the water system and investing in the City's aging water infrastructure.

Proposed Water Rates

The City is proposing to gradually phase in water rate increases over the next five years and adopt a new water rate schedule shown below. The City's water rates include two components:

- Monthly Fixed Charges:** The City's current Monthly Fixed Charges are the lowest of 18 regional agencies surveyed and are very low by industry standards. The City is proposing to phase in increases to its Monthly Fixed Charges to better align rates with the costs of providing service. The proposed Monthly Fixed Charges would be billed based on water meter size, with larger meters paying higher fixed charges in proportion to the capacity of each meter size. *With full implementation of the proposed charges over the next 5 years, the City's fixed meter charges for residential customers will remain among the lowest in the region.*
- Usage Charges:** The City charges a uniform rate for all water use. Usage Charges are billed in units of one hundred cubic feet (1 unit = 1 hcf). One unit or one hcf equals approximately 748 gallons. Hence the proposed Usage Charges will increase over the next 5 years from the current equivalent level of \$0.88 per hundred gallons to \$0.98 per hundred gallons, or slightly less than 1 cent per gallon.

Proposed Water Rates						
	Current Water Rates	Proposed Water Rates Effective On or After				
		April 1 2023	January 1 2024	January 1 2025	January 1 2026	January 1 2027
Monthly Fixed Charges						
<i>Monthly charge billed based on meter size</i>						
Single Family 3/4 & 1-inch	\$10.00	\$13.00	\$16.00	\$19.00	\$22.00	\$25.00
3/4-inch Other	10.00	13.00	16.00	19.00	22.00	25.00
1-inch Other	10.00	16.33	22.67	29.00	35.34	41.67
1.5-inch	10.00	24.67	39.33	54.00	68.66	83.33
2-inch	10.00	34.67	59.33	84.00	108.66	133.33
3-inch	10.00	58.00	106.00	154.00	202.00	250.00
4-inch	10.00	91.33	172.67	254.00	335.34	416.67
6-inch & larger	10.00	174.67	339.33	504.00	668.66	833.33
Usage Charges						
<i>Billed based on metered water use in each billing period</i>						
Rate per unit (\$/hcf)	\$6.56	\$6.68	\$6.81	\$6.96	\$7.13	\$7.32

Note: 1 Unit = One hundred cubic feet (1 hcf), which equals approximately 748 gallons.

Community Input, Written Protest Procedures & Statute of Limitations

Members of the public are invited to attend the Public Hearing and provide input. Property owners of record and customers liable for payment of water rates may submit a written protest against the proposed rates. Written protests must: a) identify the affected property or properties by Assessor's Parcel Number (APN) or address, b) include the name and original signature of the customer or property owner submitting the protest and c) indicate opposition to the proposed water rates. Written protests can be mailed or delivered to: Attn: City Clerk, City of Paso Robles, 1000 Spring Street, Paso Robles, CA 93446. Protests submitted by e-mail, facsimile or other electronic means are not counted. Pursuant to California law, one written protest will be counted per parcel. The proposed rates cannot be adopted if written protests are received from a majority of affected parcels. Written protests must be submitted prior to the close of the Public Hearing.

Pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fees, including the proposed water rates and any future changes to the City's water rates.

For more information or questions about the proposed water rate increases, please contact the Utilities Department at (805) 237-3864 or visit us at www.prcity.com/water