



## NOTICE OF PUBLIC HEARING ON PROPOSED WATER AND WASTEWATER RATE ADJUSTMENTS

Notice is hereby given that the Seal Beach City Council (the “City”) will conduct a public hearing on **February 22, 2021, at 7:00 PM**. Pursuant to the Governor’s Executive Orders the public hearing will be virtual and members of the public may attend the public hearing via remote participation. Information regarding remote participation will be posted on the City’s agenda for the City Council meeting at 211 Eighth Street, Seal Beach, CA 90740 and on the City’s website (<https://www.sealbeachca.gov>), or can be obtained by calling 562.431.2527, extension 1305.

At the public hearing, the City will consider adopting adjustments to the City’s current water and wastewater rates and charges.

### Why Am I Receiving This Notice?

You are receiving this notice because you are a customer of record or landlord of one or more of the water and wastewater connections located within the City’s service area. California’s Proposition 218 law requires water/wastewater service providers to notify customers, so that they can participate in a public hearing, when proposing increases to water and wastewater rates. If more than 50% of the City’s customers oppose the proposed rate adjustment(s), the City may not increase rates.

### Proposed Water and Wastewater Rate Changes

The City proposes to increase water revenue and revise the water rate structure. It also proposes to decrease wastewater revenue, which results in lower charges for most customers, and change the method by which it charges customers for wastewater service. The bill impact to typical single family customers is detailed at the end of this notice.

### How did the District Determine the Proposed Water Rate Increase and the Wastewater Rate Changes?

The City, along with an independent financial consultant, analyzed the financial health of its water and sewer enterprises over the next 5 years by projecting revenues and expenses as part of a rate study (“Rate Study”). Many factors were considered in the financial analysis including the operating and capital investments required to safely and reliably provide water and wastewater service to customers, as well as current reserves. The full Rate Study is available both online and at the above-referenced address by appointment only.

### Why are Water and Wastewater Rate Adjustments Needed?

The City’s has not increased water rates since 2014. Currently, the City’s water rates are among the lowest in Orange County. Water utility revenues are not sufficient to meet water system operating

and capital improvement costs, resulting in an operating deficit in the Water Fund. The main cost drivers for the City’s Water Utility are described below:

- The City’s drinking water is supplied through a combination of pumped ground water and purchased imported water. The City pays a pumping assessment to the Orange County Water District for every gallon of ground water pumped and this assessment has increased substantially over the last six years. The cost of imported water purchased through the Municipal Water District of Orange County has also increased substantially over this same period. These water supply sources are projected to increase in the future.
- The City needs to invest approximately \$16 million over the next 5 years to ensure water system reliability. These critical water infrastructure projects have been placed on hold pending sufficient funding.
- The cost to maintain emergency response, labor and personnel costs, treatment chemicals costs, energy costs, and system infrastructure repair costs have all increased over the last six years.

All these costs were factored into the proposed water rate/charge adjustments described in this notice and detailed in the Rate Study.

The City is proposing to decrease the wastewater enterprises’ revenue which will result in a lower wastewater bill for single family customers as detailed in this Notice. The full Rate Study is available both online at [www.sealbeachca.gov](http://www.sealbeachca.gov) and for review at the City offices at the above referenced address by appointment only.

### Proposed Rates for the Next Five Years

This notice summarizes the proposed rates/charges for water and wastewater services as shown in Tables A through B. Table C shows how a typical single family residence’s bill will be affected. The full rate calculations are detailed in the Rate Study available at City offices: 211 Eighth Street, Seal Beach, CA 90740 or online at <https://www.sealbeachca.gov>.

### Water Rates/Charges

The City’s current water rates consist of: 1) a water capital charge based on meter size, and 2) a charge that is based on the amount of water used in each of two tiers. The city’s current rates are detailed in the Rate Study on the City’s website at [www.sealbeachca.gov](http://www.sealbeachca.gov). This notice shows the City’s proposed bi-monthly rates for the next five years in Table A on the following page. The private fire charges are only applicable to those commercial accounts with private fire protection (this does not include single family homes). The volumetric water use rate is in dollars per hundred cubic feet (\$/hcf). One hundred cubic feet is equal to 748 gallons.

**Table A: Proposed Monthly 5-Year Potable Water Rates and Charges**

Fixed Charge by Meter Size - Applicable to All Customer Classes						
Meter Size (inches)	Current	May 2021	January 2022	January 2023	January 2024	January 2025
5/8	\$37.86	\$36.79	\$41.20	\$44.91	\$48.50	\$52.38
3/4	\$37.86	\$36.79	\$41.20	\$44.91	\$48.50	\$52.38
1	\$47.89	\$54.72	\$61.28	\$66.80	\$72.14	\$77.92
1 1/2	\$72.97	\$106.00	\$118.72	\$129.40	\$139.75	\$150.93
2	\$103.06	\$160.35	\$179.59	\$195.75	\$211.41	\$228.33
3	\$183.32	\$285.30	\$319.53	\$348.29	\$376.16	\$406.25
4	\$273.06	\$474.70	\$531.66	\$579.51	\$625.87	\$675.94
6	\$524.39	\$934.74	\$1,046.91	\$1,141.13	\$1,232.42	\$1,331.01
8	\$825.34	\$1,495.09	\$1,674.50	\$1,825.20	\$1,971.22	\$2,128.92
10	\$1,176.45	\$2,140.04	\$2,396.84	\$2,612.56	\$2,821.56	\$3,047.29
6 Leisure World	\$788.86	\$467.37	\$523.45	\$570.56	\$616.21	\$665.51
2 Aquatic Park	\$103.06	\$241.99	\$271.03	\$295.42	\$319.05	\$344.58

Private Fire Charge						
Meter Size (inches)	Current	May 2021	January 2022	January 2023	January 2024	January 2025
4	\$50.40	\$38.22	\$42.80	\$46.65	\$50.39	\$54.42
6	\$113.42	\$111.01	\$124.33	\$135.52	\$146.36	\$158.07
8	\$201.62	\$236.57	\$264.95	\$288.80	\$311.90	\$336.86
10	\$315.04	\$425.43	\$476.48	\$519.36	\$560.91	\$605.79

Volumetric Rate - \$/hcf						
Customer Class	Tier Breakpoint per Dwelling	May 2021	January 2022	January 2023	January 2024	January 2025
<b>Single Family Residential</b>						
Tier 1	0 to 17 hcf <sup>1</sup>	\$2.65	\$2.97	\$3.24	\$3.49	\$3.77
Tier 2	>17 hcf	\$2.80	\$3.14	\$3.42	\$3.69	\$3.99
<b>Multi-Family Residential</b>						
Tier 1	0 to 17 hcf	\$2.65	\$2.97	\$3.24	\$3.49	\$3.77
Tier 2	>17 hcf	\$2.77	\$3.10	\$3.38	\$3.65	\$3.94
<b>Leisure World</b>						
Tier 1	0 to 17 hcf	\$2.65	\$2.97	\$3.24	\$3.49	\$3.77
Tier 2	>17 hcf	\$2.77	\$3.10	\$3.38	\$3.65	\$3.94
<b>Commercial</b>						
Commercial		\$2.65	\$2.97	\$3.24	\$3.49	\$3.77
Irrigation		\$2.71	\$3.04	\$3.31	\$3.57	\$3.86
City		\$2.68	\$3.00	\$3.27	\$3.53	\$3.82
Aquatic Park		\$3.00	\$3.36	\$3.66	\$3.95	\$4.27

**Wastewater Rates and Charges<sup>2</sup>**

Currently, the City charges customers connected to the wastewater system for the costs of collecting wastewater and conveyance to the Orange County Sanitation District for treatment. The current wastewater charge is 22% of a customer’s **water** bill plus a fixed wastewater capital charge based on meter size. The City proposes to **decrease** the wastewater enterprises’ revenue due to healthy sewer enterprise reserves resulting in decreased wastewater bills for single family customers. The proposed wastewater rate structure is a fixed charge for single family residential customers - meaning the charge is the same for all single family homes **regardless** of water use. For non-single-family customers, the rate structure consists of a fixed charge and a volumetric rate per unit of water discharged to the sewer. The current and proposed rate structures are fully described in the Rate Study available on the City’s website at [www.sealbeachca.gov](http://www.sealbeachca.gov). The proposed wastewater rates are shown in Table B.

**Table B: Proposed Monthly Wastewater Rates/Charges**

Customer Class	May 2021	January 2022	January 2023	January 2024	January 2025
Single Family Residential (Bi-monthly Flat)	\$48.04	\$48.04	\$48.04	\$48.04	\$48.04
<b>Customer Class</b>					
Leisure World (Monthly Flat)	\$1,099.03	\$1,099.03	\$1,099.03	\$1,099.03	\$1,099.03
<b>Other Customers (Multi-family, Commercial, and City)</b>					
Bi-monthly Fixed Charge	\$1.22	\$1.22	\$1.22	\$1.22	\$1.22
Volumetric Rate (\$/hcf)	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
<b>Other Customer (Navy)</b>					
Monthly Fixed Charge	\$0.61	\$0.61	\$0.61	\$0.61	\$0.61
Volumetric Rate (\$/hcf)	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24

<sup>1</sup> hcf = hundred cubic feet of water, 1 hcf = 748 gallons

<sup>2</sup> The City of Seal Beach only provides wastewater service to residences that are located on Loyola Plaza within the College Park West neighborhood. The remaining portion of the College Park West neighborhood is not provided wastewater service by the City.

## How Will the Typical Total Water and Wastewater Bill for a Single-Family Residence Change?

Table C shows the projected bill change for a typical Single Family residence, with a ¾ inch meter using 15 hcf (11,222 gallons) of water bi-monthly. Though a typical Single Family customer's water bill will go up, the typical wastewater bill will go down for a total bill decrease. The Rate Study Report details the bill impacts for all other customers and can be found at [www.sealbeachca.gov](http://www.sealbeachca.gov).

**Table C: Typical Bill Impact for a Single Family Residence<sup>3</sup>**

Single Family Residence	Current Bill	Proposed Bills				
		May 2021	January 2022	January 2023	January 2024	January 2025
Water	\$71.31	\$76.54	\$85.72	\$93.44	\$100.92	\$108.99
Wastewater	\$59.01	\$48.04	\$48.04	\$48.04	\$48.04	\$48.04
<b>Total</b>	<b>\$130.32</b>	<b>\$124.58</b>	<b>\$133.76</b>	<b>\$141.48</b>	<b>\$148.96</b>	<b>\$157.03</b>

<sup>3</sup> This table does not apply to Leisure World and the neighborhood of College Park West, with the exception of the residences that are located on Loyola Plaza.

## If You Oppose the Proposed Rate Adjustments – Protest Procedures

Pursuant to State law, protests may be provided by any City customer, or owner of property subject to the proposed rate adjustments, against any or all of the proposed rate adjustments described in this Public Notice. **Written protests must be received by February 22, 2021 at 7 PM** (a postmarked date is not acceptable). If a written protest is mailed, it must be addressed to the **City Clerk, 211 Eighth Street, Seal Beach, CA 90740**. Each written protest must: (i) clearly identify the person submitting the protest; (ii) clearly state that the identified property owner, tenant (if such tenant is directly liable for payment of District water billing(s)) or customer is opposed to the proposed rate changes; (iii) clearly identify the property or customer account (by assessor's parcel number or street address); and (iv) include the signature of the property owner or tenant, as applicable. Protests, addressed to the City Clerk, may also be deposited in the drop box, located at: **211 Eighth Street, Seal Beach, CA 90740**. Only one (1) written protest per parcel or customer address/account will be considered.

Due to the inability to verify the authenticity of each individual protest, protests received by telephone, electronic mail (e-mail), or via social media sites, including, but not limited to, Facebook or Twitter shall **NOT** be accepted.

Pursuant to the Governor's Executive Orders the public hearing will be virtual. All interested parties are invited to attend the public hearing via remote participation. The City Council will receive oral comments via teleconference, but protests must be submitted in writing as described herein. Oral comments made at the public hearing will qualify as formal protests of the proposed rate adjustments if accompanied by a written protest setting forth the required information (as set forth above). If written protests are submitted by a majority of the affected property owners or customers, the proposed rate adjustments will not be imposed. If written protests against the proposed rate adjustments, as described herein, are not presented by a majority of the property owners or customers, the City Council may consider and adopt the proposed rate adjustments as referenced above.

If a property owner or customer does not submit a written protest to the proposed rate adjustments, as referenced herein, that are applicable to that property owner or customer, then such property owner or customer may be barred from instituting, or participating in, any legal action or challenge the action(s) of the City Council to adopt the proposed rate adjustments as referenced herein.

If you have any questions regarding the proposed rate adjustments or have questions on how to submit a written protest, please visit the City website at [www.sealbeachca.gov](http://www.sealbeachca.gov) or you may contact Steve Myrter, P.E., Public Works Director, at **562.431.2527, extension 1321** or by email at [smyrter@sealbeachca.gov](mailto:smyrter@sealbeachca.gov).



211 Eighth Street, Seal Beach, CA 90740  
562.431.2527, extension 1305  
[www.sealbeachca.gov](http://www.sealbeachca.gov)

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7 PM**

Please visit [www.sealbeachca.gov](http://www.sealbeachca.gov) for conference call information to participate via audio/video.