



NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING REGARDING PROPOSED WATER RATES

Hearing Date & Time: Tuesday, March 12, 2024 7:00 PM

Hearing Location: 25541 Barton Road, Loma Linda, CA 92354

Why are you receiving this notice?

The City of Loma Linda (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 Tuesday, March 12, 2024 at the City Hall, 25541 Barton Road, Loma Linda, CA, 92354 regarding these proposed changes.

What do water rates fund?

The City provides water service to a mix of residential, commercial, industrial, and landscape customers. Bi-monthly water 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: South Hills 1.6MG reservoir, water wells rehabilitation, valves, water meters, and various waterline replacements.

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 January 9, 2024, the rate study report 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 12, 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.lomalinda.ca.gov.

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 table summarizes the proposed water rates.

Impact on your bill

For the proposed rates effective June 1, 2024, a typical single family home that uses 35 hundred cubic feet (HCF) of water per bi-month (1 cubic foot is 7.48 gallons), the water portion of your bill would increase from \$120.11 per billing cycle (every 2 months) currently to \$129.90 per billing cycle or \$4.90 more per month for the June 1, 2024 increase.

Current and Proposed Water Fixed and Variable Charges

	Current Rate	June 1, FY 23-24	January 1, FY 24-25	January 1, FY 25-26	January 1, FY 26-27	January 1, FY 27-28
Meter Size		Fixed Charge (\$ per bi-month)				
3/4"	\$39.15	\$41.82	\$43.49	\$45.23	\$47.04	\$48.92
1"	\$54.47	\$57.54	\$59.84	\$62.23	\$64.72	\$67.31
1.5"	\$86.44	\$90.53	\$94.15	\$97.92	\$101.84	\$105.91
2"	\$136.00	\$141.28	\$146.93	\$152.81	\$158.92	\$165.28
3"	\$361.38	\$369.50	\$384.28	\$399.65	\$415.64	\$432.27
4"	\$504.65	\$516.33	\$536.98	\$558.46	\$580.80	\$604.03
6"	\$977.44	\$1,003.49	\$1,043.63	\$1,085.38	\$1,128.80	\$1,173.95
8"	\$1,517.81	\$1,560.23	\$1,622.64	\$1,687.55	\$1,755.05	\$1,825.25
10"	\$2,175.22	\$2,238.19	\$2,327.72	\$2,420.83	\$2,517.66	\$2,618.37
Fireline Size		Fixed Charge (\$ per bi-month)				
1"	\$1.01	\$1.06	\$1.10	\$1.14	\$1.19	\$1.24
1.5"	\$2.96	\$3.08	\$3.21	\$3.34	\$3.47	\$3.61
2"	\$6.31	\$6.57	\$6.83	\$7.10	\$7.38	\$7.68
2.5"	\$18.33	\$11.81	\$12.29	\$12.78	\$13.29	\$13.82
3"	\$39.06	\$19.08	\$19.85	\$20.64	\$21.47	\$22.33
4"	\$113.47	\$40.66	\$42.29	\$43.98	\$45.74	\$47.57
6"	\$241.78	\$118.12	\$122.85	\$127.76	\$132.87	\$138.18
8"	\$434.82	\$251.72	\$261.79	\$272.26	\$283.15	\$294.48
10"	\$702.35	\$452.68	\$470.79	\$489.62	\$509.20	\$529.57
		Variable Charge (\$ per HCF)				
Single-family Residential						
Tier 1 - 0 to 18 HCF	\$1.91	\$2.23	\$2.32	\$2.41	\$2.51	\$2.61
Tier 2 - 18 to 50 HCF	\$2.74	\$2.82	\$2.93	\$3.05	\$3.17	\$3.30
Tier 3 - Over 50 HCF	\$3.87	\$3.95	\$4.11	\$4.27	\$4.44	\$4.62
Multunit Residential	\$2.11	\$2.23	\$2.32	\$2.41	\$2.51	\$2.61
Commercial	\$2.75	\$2.79	\$2.90	\$3.02	\$3.14	\$3.27
Irrigation	\$3.02	\$3.13	\$3.25	\$3.38	\$3.52	\$3.66

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

Section 6 of the California Constitution, Article XIID (Prop. 218), requires a notification be sent to the record owner of each identified parcel upon which any new water or wastewater rates or charges that are being proposed for adoption 45 days in advance of the public hearing.

If you oppose any of the proposed rate increases, your protest must be submitted in writing to be considered, even if you plan to attend the public hearing. Your written protest must be received by the City Clerk of the City of Loma Linda prior to the 12th day of March, 2024, public hearing.

Protests must contain the following information:

- 1) A description of the property, such as the assessors parcel number;
- 2) Your City of Loma Linda municipal services account number;
- 3) Whether you are the property owner of record or a tenant (Please note that if you were not the owner of the property as of San Bernardino County’s last tax roll, please include written confirmation that you presently own the property).

The Loma Linda City Council will consider all protests against the proposed rate increases. If written protests against the proposed increases are presented by the majority of property owners, the City Council will not impose the increases.

If there is no majority protest and should the City Council adopt the proposed rates, increases in the water and wastewater rates shall become effective as of June 1, 2024.

You may send your written protest to: City Clerk, City of Loma Linda, 25541 Barton Road, Loma Linda, CA 92354

Mail Date: January 18, 2024