



CITY OF MANHATTAN BEACH

1400 Highland Avenue, Manhattan Beach, CA 90266

Visit www.manhattanbeach.gov/waterrates • (310) 802-5313

Submit questions to publicworks@manhattanbeach.gov

April 12, 2022

CITY OF MANHATTAN BEACH NOTICE OF PUBLIC HEARING

Proposed Changes to Water Service Rates and Charges

NOTICE IS HEREBY GIVEN that the Manhattan Beach City Council (“City Council”) will hold a public hearing to consider proposed changes to the water service rates and charges (hereinafter “rates” or “charges”) during its regularly scheduled meeting on Tuesday, June 7, at 6:00 PM, or as soon thereafter as the matter may be heard, at 1400 Highland Avenue, Manhattan Beach, California, in the City Council Chamber.

Manhattan Beach is proposing changes to its current water service rates, and is sending this notice to all property owners/rate payers of record that receive water service from the City and may be impacted by these changes. The new water rates are proposed to be effective November 1, 2022 and will be adjusted each November 1 thereafter through November 1, 2026. The attached schedule shows the proposed rates, subject to potential pass-through adjustments. The rates effective November 1, 2026 cannot be increased unless the City undertakes this process again to change the rates at some time in the future.

Any property owner or tenant who is directly responsible for payment of water service rates (i.e., a “water customer”) may submit a protest against the proposed changes to the water service rates. If you are a tenant that is *not directly responsible* for payment of water service rates, you are receiving this notice as a courtesy and the City Council will not consider your protest in determining whether a majority protest exists against the proposed changes to the water service rates.

Property Owner/Rate Payer: If you *own* property in the City or you *are a tenant who is directly responsible for payment* of City water utility bills, you have the legal right to submit a protest to the proposed changes to the water service rates.

Tenant/Non-Rate Payer: If you *rent or lease* property in the City and you are *not directly responsible* for payment of water utility bills, you are receiving this notice as a courtesy.

The proposed changes to the water service rates are the result of a detailed rate analysis, which was reviewed by the City Council at its meeting on April 5, 2022. The analysis proposes a rate structure that recovers sufficient revenue to cover the City’s increased costs of providing water service and a fair and equitable cost allocation among water customer categories. The proposed changes to the water service rates, which include proposed rate increases, are necessary to cover the following costs: water purchased from the Metropolitan Water District via West Basin Municipal Water District, costs relating to Water Replenishment District fees, operations, maintenance, maintaining reserve funds, and more than \$35 million in critical infrastructure investment planned over the next five years. The revenues derived from the proposed water service rates will not exceed the funds required to provide water service.

A written Water Rate Study Report, prepared by Raftelis, an independent financial consulting firm specializing in cost-of-service analyses and rate setting, will be on file in the office of the City Clerk and available for public inspection and posted on the City’s website (www.manhattanbeach.gov/waterrates), no later than May 7, 2022. The net impact of the proposed changes in the water service rates for water customers will vary based upon actual water consumption and meter size.

Any water customer may submit a protest to the proposed changes to the water service rates. A protest must:

1. Be in writing;
2. Include a statement protesting the proposed changes to the water rates;
3. Identify the parcel of property subject to the proposed changes to the water service rates (by street address or assessor's parcel number); and
4. Identify the water customer and include the signature of the water customer submitting the protest.

Protests may be submitted in one of three ways – email, mail or in-person delivery:

- Submit protests via email to the City Clerk's office at cityclerk@manhattanbeach.gov.
- Submit protests via mail or in-person delivery (during normal business hours) to

City Clerk's Office
City of Manhattan Beach City Hall
1400 Highland Avenue
Manhattan Beach, CA 90266

Protests must be submitted and received prior to the conclusion of the public hearing. Only one protest will be counted per parcel.

Prior to adopting new rates, the City Council will consider all written protests to the proposed changes to the water service rates and all public comments. Emailed protests and protests that are mailed or personally delivered to the City Clerk's Office must be received by the City Clerk before 5:00 PM on June 7, 2022.

A **Community Meeting** will be held on Thursday, April 21, 2022 at 6:00 PM in the City Council Chambers at City Hall (1400 Highland Avenue, Manhattan Beach, California 90266). The hybrid style meeting will take place in-person as well as on Zoom. The Zoom meeting link and ID number are as follows: <https://citymb-info.zoom.us/j/93376200363>.
Meeting ID: 933 7620 0363.

Frequently Asked Questions

Why is the City considering changing the water rates?

The City's current water rates, last updated in 2014, have failed to keep up with the higher costs the City incurs to provide water service. These costs include water purchased from the Metropolitan Water District via West Basin Municipal Water District, costs relating to Water Replenishment District fees, operations, maintenance, maintaining reserve funds, and more than \$35 million in critical infrastructure investment planned over the next five years.

If the proposed new rates are approved, how will my water bill be calculated?

The proposed rate table is shown at the end of this notice.

For a typical customer, the bill would include two components:

- A **Fixed Service Charge** that is the same every billing cycle. This charge covers the administrative costs of billing, customer service, meter maintenance and fixed capacity costs. The larger your meter, the higher the fee.
- A **Volumetric Charge**, which is calculated based on the amount of water you use. This charge covers the cost of water purchased from the Metropolitan Water District via West Basin Municipal Water District, costs relating to Water Replenishment District fees, operations, maintenance, maintaining reserve funds, and more than \$35 million in critical infrastructure investment planned over the next five years. The more water you use, the more you pay.

For select customers, the bill would include an additional component:

- A **Private Fire Charge**, which is assigned to customers with a separate, dedicated fire meter (private fire connection).

Components of a customer water bill:

Fixed Service Charge + Volumetric Charge + (if applicable) Private Fire Charge = Customer Water Bill

What can the typical Manhattan Beach residential water customer expect to pay under the proposed rates?

Our typical single-family residential customer has either a 3/4" or 5/8" water meter and uses 10 hundred cubic feet (HCF) of water per month. Please note, 100 cubic feet is equal to 748 gallons of water. The proposed average single family residential customer's water bill will go up by approximately \$25.00 bimonthly during the first year of the proposed rate increases.

The proposed average single family residential bimonthly customer water bill effective November 1, 2022:

Fixed Service Charge		Volumetric Charge		Customer Water Bill
\$28.93 (3/4" meter)	+	\$131.20 (20 HCF x \$6.56)	=	\$160.13

What are pass-through adjustments?

The City purchases water from the Metropolitan Water District via West Basin Municipal Water District and pays fees to the Water Replenishment District ("wholesale water costs"). As part of the proposed changes to rates, the City has made estimates of future increases based on historical data and the proposed rates set forth in the table below reflect the City's forecast of such increases in wholesale water costs. In the event that the City's wholesale water costs exceed such forecast, the City will pass through to its customers the additional costs of wholesale water. In no event shall such rates be increased by more than the cost of providing water service.

When would these proposed rates go into effect?

If adopted by the City Council after the public hearing, the new rates will become effective on November 1, 2022 (City invoices received after January 1, 2023 will reflect the new rates). In addition, there will be annual adjustments each successive November 1st through November 1, 2026. The rates effective November 1, 2026, cannot be increased, unless the City undertakes this rate adjustment process again to change the rates at some time in the future.

If I want to exercise my right to protest the proposed changes to the rates, can you explain the steps again?

Any property owner or tenant who is directly responsible for payment of water utility bills may submit a protest against the proposed changes to the water rates. If you choose to protest, you must submit such protest in writing through one of the following avenues:

1. Delivered to the City Clerk *prior to the end of the public hearing*.
2. Mailed or personally delivered to the City Clerk's Office at City Hall, 1400 Highland Avenue, Manhattan Beach, CA 90266. Protests that are mailed or personally delivered to City Hall must be received by the City Clerk before 5:00 PM on June 7, 2022.
3. Emailed no later than Tuesday, June 7, 2022 by 5:00 PM, to: cityclerk@manhattanbeach.gov

What are the protest requirements?

To be counted in calculating a majority protest, a protest must: (1) be in writing, (2) identify the parcel of property subject to the proposed water service rates (by street address or assessor's parcel number), (3) include a statement protesting the proposed changes to the water rates, (4) identify the water customer and (5) include the signature of the water customer.

How many protests can be submitted per property?

No more than *one* protest per parcel of property will be counted in calculating a majority protest.

How many protests are needed to prevent the City Council from adopting the new rates?

Under Proposition 218 state law, the City Council cannot adopt the proposed rates if a majority of the water customers subject to the proposed water rates submit written protests prior to the close of the public hearing.

I'd like to learn a little more.

Visit the City's website at www.manhattanbeach.gov/waterrates.

Join the Community Meeting on Thursday, April 21, 2022 at 6:00 PM. The proposed changes to the water service rates will be reviewed and staff will be available to answer questions the public may have regarding this process. The hybrid meeting will be in-person in the City Council Chambers, (1400 Highland Ave. Manhattan Beach, CA 90266) and on Zoom. The Zoom meeting link and meeting number are as follows: <https://citymb-info.zoom.us/j/93376200363>.

Meeting ID: 933 7620 0363

I can't make the community meeting. Who do I call or email my questions to?

Contact Public Works at (310) 802-5313, email publicworks@manhattanbeach.gov or visit www.manhattanbeach.gov/waterrates.

Proposed Rate Table
Effective November 1, 2022

Adjusted Each November 1 Thereafter through November 1, 2026 as shown below
(in Addition to Wholesale Water Costs Pass-through Adjustment)

BiMonthly Fixed Service Charge

Meter Size	Nov. 2022	Nov. 2023	Nov. 2024	Nov. 2025	Nov. 2026
5/8" or 3/4"	\$28.93	\$31.54	\$34.23	\$35.60	\$37.03
1"	\$40.62	\$44.28	\$48.05	\$49.98	\$51.98
1.5"	\$69.86	\$76.15	\$82.63	\$85.94	\$89.38
2"	\$104.95	\$114.40	\$124.13	\$129.10	\$134.27
3"	\$216.05	\$235.50	\$255.52	\$265.75	\$276.38
4"	\$379.79	\$413.98	\$449.17	\$467.14	\$485.83
6"	\$771.58	\$841.03	\$912.52	\$949.03	\$987.00
8"	\$1,414.82	\$1,542.16	\$1,673.25	\$1,740.18	\$1,809.79
10"	\$2,233.50	\$2,434.52	\$2,641.46	\$2,747.12	\$2,857.01

BiMonthly Private Fire Charge

Meter Size	Nov. 2022	Nov. 2023	Nov. 2024	Nov. 2025	Nov. 2026
5/8" or 3/4"	\$13.19	\$14.38	\$15.61	\$16.24	\$16.89
1"	\$17.46	\$19.04	\$20.66	\$21.49	\$22.35
1.5"	\$26.97	\$29.40	\$31.90	\$33.18	\$34.51
2"	\$37.76	\$41.16	\$44.66	\$46.45	\$48.31
3"	\$71.34	\$77.77	\$84.39	\$87.77	\$91.29
4"	\$121.92	\$132.90	\$144.20	\$149.97	\$155.97
6"	\$249.22	\$271.65	\$294.75	\$306.54	\$318.81
8"	\$443.52	\$483.44	\$524.54	\$545.53	\$567.36
10"	\$702.25	\$765.46	\$830.53	\$863.76	\$898.32

Volumetric Rate

Customer Class	Nov. 2022	Nov. 2023	Nov. 2024	Nov. 2025	Nov. 2026
SFR	\$6.56	\$7.16	\$7.77	\$8.09	\$8.42
MFR	\$6.53	\$7.12	\$7.73	\$8.04	\$8.37
Commercial	\$6.54	\$7.13	\$7.74	\$8.05	\$8.38
City / LA County	\$6.55	\$7.14	\$7.75	\$8.06	\$8.39
Schools	\$6.66	\$7.26	\$7.88	\$8.20	\$8.53
Private Fire	\$5.41	\$5.90	\$6.41	\$6.67	\$6.94

Current Rate Table

Regular Water Service		FY 2021
BiMonthly Fixed Regular Service Charge		
5/8" or 3/4"		\$40.46
1"		\$63.64
1.5"		\$101.48
2"		\$147.26
3"		\$296.30
4"		\$406.60
6"		\$787.98
8"		\$1,245.64
10"		\$1,779.60
Variable Use (HCF) Tier Breakpoint		
<i>For Meters <= 1"</i>		
Tier 1	14	\$4.28
Tier 2	48	\$5.86
Tier 3	49+	\$9.38
<i>For Meters > 1"</i>		
Uniform		\$5.51
Fire Service		
BiMonthly Fixed Fireline Charge		
2"		\$43.52
3"		\$61.82
4"		\$82.42
6"		\$139.62
8"		\$208.28
10"		\$288.36
<i>Variable Use (HCF)</i>		
Uniform		\$9.38