

NOTICE OF PUBLIC HEARING



PROPOSED 2010-2011 RATE INCREASES FOR CITY SERVICES

March 2010

The City of Davis is recommending customer rate increases for water and sanitary sewer services in order to cover operations and maintenance expenditures and needed replacement projects. Increases are necessary to maintain a sound infrastructure and to avoid catastrophic failures, reduced pressures or service interruptions. Systems are monitored regularly and repair and replacement costs are minimized by following a competitive bid process, using in-house design when possible, and carefully selecting parts and materials.

Questions?

Please visit www.cityofdavis.org to view frequently asked questions about the proposed rate increase including:

- how the sanitary sewer rate is calculated
- the water and sewer projects that need funding

Recommended Residential Rate Updates

(Commercial/Industrial customers see detailed rate schedule table *below*)

Water – Base Rate

(Effective August 1, 2010)

- Most residential customers have a $\frac{5}{8}$ " or $\frac{3}{4}$ " water meter. The proposed monthly base rate increase for that meter size is \$1.40; this equates to an increase from \$10.10 to \$11.50. For proposed increases to other meter sizes, see chart below.

Water – Variable Rate

(Effective September 1, 2010 – reflected on the December 2010 bill)

The proposed increase for a typical single-family residence is as follows:

- Tier 1— \$0.02 per ccf*, or from \$1.48 per ccf to \$1.50 per ccf
- Tier 2 — \$0.03 per ccf, or from \$1.87 per ccf to \$1.90 per ccf

*ccf – hundred cubic foot, 1ccf =748 gallons

The estimated \$10.4 million in revenue generated in 2009-2010 and \$10.9 million projected in 2010-2011 with the increase will cover operations and maintenance base expenditures, increased well maintenance, repairs and replacements, and city water conservation education and outreach programs. It will also pay for purchasing water from UC Davis and our city's share of the Davis-Woodland surface water project during 2010-2011.

Sanitary Sewer – Base Rate

(Effective August 1, 2010)

(Commercial/Industrial customers see detailed rate schedule table on *reverse side*)

- The proposed monthly base rate increase for a single-family residence would be \$0.11 per account, or from \$2.57 to \$2.68 and \$0.70 per dwelling unit on the property, or from \$17.76 to \$18.46.

Sanitary Sewer – Variable Rate

(Effective August 1, 2010)

- The proposed monthly variable rate for a single-family residence would increase by \$0.05 per ccf (based on 2009-2010 winter water use), or from \$2.49 to \$2.54 per ccf. **See the reverse side to estimate your sanitary sewer rate.**

The estimated \$11.9 million in revenue generated in 2009-2010 and \$12.8 million generated in 2010-2011 would be used for operations and maintenance, necessary repairs and replacement costs and future long-term treatment projects.

You Can Be Heard

Davis residents have an opportunity to comment on proposed rate changes at the May 4, 2010 public hearing. The meeting will be held in the City of Davis Community Chambers, 23 Russell Boulevard, at 6:30 p.m. The meeting agenda will be available on May 1 at www.cityofdavis.org/meetings.

Residents unable to attend the meeting may file a written protest with the City Clerk at or before the public hearing. Valid protests must contain:

Valid protests must contain:

- The property address
- Written evidence (example: a current copy of the City Services Bill) that the signer(s) is/are the owner(s) of the property, if the signer(s) was/were not shown on the last equalized assessment roll of Yolo County as the owner(s) of the property.

Protests can be mailed or personally delivered to:

City Clerk, City of Davis
23 Russell Boulevard
Davis, CA 95616-3896

If a majority of affected property owners file written protests, the proposed rate changes will not be implemented and 2009-2010 rates will remain in effect. If you have questions regarding this notice, call (530) 757-5686 Monday through Friday (except the March 26 and April 30 furlough days) between 8 a.m. and 5 p.m. or visit www.cityofdavis.org for answers to frequently asked questions.

FY 2010-2011 Proposed Water Rate Schedule

Water Base Rate —Customers shall pay the following monthly water base rate fees		
Meter Size	Current Base Rate (\$/month)	Proposed Base Rate (\$/month)
5/8 or 3/4-inch	\$10.10	\$11.50
1-inch	\$14.10	\$16.20
1 1/2-inch	\$24.30	\$27.90
2-inch	\$36.50	\$42.00
3-inch	\$69.10	\$80.00
4-inch	\$105.70	\$122.00
6-inch	\$207.60	\$238.00
8-inch	\$329.80	\$379.00

Water Variable Rate —Customers shall pay the following bi-monthly water consumption fees			
Customer Category	Use Tiers	Current Variable Cost/ ccf*	Proposed Variable Cost/ ccf*
Single-family Residential (use per dwelling unit)	Tier 1: 0-36 ccf Tier 2: >36 ccf	\$1.48 \$1.87	\$1.50 \$1.90
Multi-family Residential (use per dwelling unit)	Tier 1: 0-14 ccf Tier 2: >14 ccf	\$1.40 \$1.87	\$1.42 \$1.90
Small Commercial/Industrial (use per account)	Tier 1: 0-115 ccf Tier 2: >115 ccf	\$1.39 \$1.87	\$1.41 \$1.90
Large Commercial/Industrial (use per account)	Tier 1: 0-619 ccf Tier 2: >619 ccf	\$1.49 \$1.87	\$1.51 \$1.90
Irrigation (use per acre)	Tier 1: 0-363 ccf Tier 2: >363 ccf	\$1.39 \$1.87	\$1.41 \$1.90
Municipal Water	All consumption	N/A	\$1.41

* ccf – hundred cubic foot, 1ccf =748 gallons

Visit www.cityofdavis.org for questions about the proposed rate increases.



1717 5th Street, Davis CA 95616

Estimating Your Sanitary Sewer Rate

Your 2008/2009 monthly winter water use (X) _____

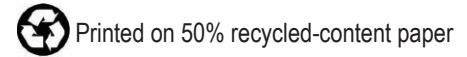
The number shown above is your 2008/2009 monthly winter water usage and should only be used as an estimate (assuming your water use does not change from winter to winter).

Your actual sanitary sewer rate will be based on your 2009/2010 winter water usage.

Find your customer category from the tables below and use the following equation to calculate your estimated monthly sanitary sewer rate:

Base Rate	+	Variable Rate	=	Total Sanitary Sewer Rate
_____	+	(X _____ x \$2.54)	=	_____
\$/mo/acct		\$/mo/unit		estimated monthly sewer rate*
CALCULATION EXAMPLE:				
\$2.68	+	(8 x \$2.54)	=	\$41.46
\$/mo/acct		\$/mo/unit		estimated monthly sewer rate
This example is based on an average single-family home with a monthly winter water use of 8 ccf.				
*Actual sewer rate will be based on your 2009/2010 winter water usage.				

Attend the Public Hearing
 Tuesday, May 4, 2010
 Meeting begins at 6:30 p.m.
 City of Davis Community Chambers
 23 Russell Boulevard
 Davis, CA 95616
 The meeting agenda will be
 available on May 1 at
www.cityofdavis.org/meetings



FY 2010-2011 Proposed Sanitary Sewer Rate Schedule

Residential Sanitary Sewer (Base Rate + Variable Rate*)—Based on winter water usage

Customer Category	Current Rate			Proposed Rate		
	Base Rate (Fixed)		Variable	Base Rate (Fixed)		Variable
	Cost/month/account	Cost/month/unit	Cost/ccf**	Cost/month/account	Cost/month/unit	Cost/ccf**
SF Single-family	\$2.57	\$17.76	\$2.49	\$2.68	\$18.46	\$2.54
M1 Single-family Condo	\$2.57	\$13.52	\$2.49	\$2.68	\$14.05	\$2.54
M2 Duplex	\$2.57	\$13.52	\$2.49	\$2.68	\$14.05	\$2.54
M3 Triplex	\$2.57	\$14.55	\$2.49	\$2.68	\$15.45	\$2.54
M4 Quadplex	\$2.57	\$14.86	\$2.49	\$2.68	\$15.62	\$2.54
M5 5+ units	\$2.57	\$10.07	\$2.49	\$2.68	\$10.55	\$2.54
MH Mobile Homes	\$2.57	\$10.51	\$2.49	\$2.68	\$10.92	\$2.54

Commercial Sanitary Sewer (Base Rate + Variable Rate*)—Based on winter water usage

Customer Category	Current Rate		Proposed Rate	
	Base Rate (Fixed) Cost/month/account	Variable Cost/ccf**	Base Rate (Fixed) Cost/month/account	Variable Cost/ccf**
C1 Office/Retail	\$2.57	\$4.19	\$2.68	\$4.48
C2 Laundry	\$2.57	\$4.27	\$2.68	\$4.55
C3 All Other	\$2.57	\$4.19	\$2.68	\$4.48
C4 Convalescent Hospital	\$2.57	\$4.47	\$2.68	\$4.69
C5 Auto/Service Station	\$2.57	\$4.55	\$2.68	\$4.78
C6 Restaurants	\$2.57	\$6.67	\$2.68	\$6.40
C7 Industrial	\$2.57	\$4.58	\$2.68	\$4.81

* Customers are charged a basic flat rate plus a variable rate, which is based on the individual customer's winter water use for the months of November through February and is computed using the cost per one hundred cubic foot (ccf) of water used.

** ccf – hundred cubic foot, 1 ccf = 748 gallons

Visit www.cityofdavis.org for questions about the proposed rate increases.