



**CITY OF MARTINEZ  
NOTICE OF PUBLIC HEARING  
WATER RATE INCREASE**

The City of Martinez City Council will hold a public hearing on **Wednesday, April 17, 2019** to consider whether the City's water rates should be increased effective beginning **January 1, 2020**.

The City's water rates generate the revenues necessary to operate the water system and deliver safe potable water to its customers. The accompanying tables show the existing and proposed rates for all customers after the cost of service study adjustments are made.

Proposition 218 requires all California local water agencies to provide a mailed public notice 45 days before the public hearing at which water rate increases are proposed for approval. This document constitutes the public notice. The public hearing will be held during a regular City Council meeting, as follows:

**APRIL 17, 2019 - 7:00 PM  
CITY COUNCIL CHAMBERS  
525 HENRIETTA ST. MARTINEZ, CA 94553**

Any customer of record who is subject to the proposed utility charge that is the subject of the hearing may submit a written protest to the City by:

- Delivery to the City Clerk Office, 525 Henrietta St. Martinez, CA during published business hours;
- Mail to the City Clerk Office, 525 Henrietta St. Martinez, CA, 94553 or
- Personally submitting the protest at the Public Hearing.

All persons receiving water service, property owners, and other interested persons are invited to attend and be heard at this public hearing. If you are a customer of record receiving water service, you may file a written protest to the proposed rates with the City Clerk which must be received prior to the closing of the public hearing. The protest must be signed by the customer of record and must include the name(s) of the customer(s) of record, water service address, and account number (if any). If customers of less than a majority of the properties receiving water service file written protests, under state law, the City may implement the proposed rates commencing January 1, 2020. Mailed protests must be addressed to the City Clerk, 525 Henrietta Street, Martinez, California 94553, and be received by the City on or before **April 17, 2019**. No postmarks will be accepted.

A written report has been prepared indicating the estimated cost to provide water service and the revenue sources anticipated to provide the service. A copy of this report is available at the office of the City Engineer in City Hall, 525 Henrietta St.

## **Explanation of Water Rates**

There are up to two types of user fees on water bills that do not have private fire service or a backflow prevention device. They are a quantity charge and a service charge, as shown by the accompanying table. The total monthly charge being proposed for your water services include both types of fees. City charges are based on the costs to the City of providing water service. Since the last rate adjustment, the costs of such services has increased and are expected to continue due to increases in costs to the City for source water, water system improvements and escalating energy costs. The increase in rates being proposed is proportionate to the anticipated increase in these costs from January 1, 2020 through December 31, 2024.

The Quantity Charge is based on the amount of water used and the elevation of the water service and pays a share of the City's operating costs, debt service, and capital costs for water system infrastructure and improvements. Zone charges are based on the elevation of the water service and pays for the cost for pumping water to a higher elevation. The various zone elevations above mean sea level are approximately as follows. Zone I is 0-150 ft.; Zone II is 150 ft. to 300 ft.; Zone III is 300 ft. to 450 ft.; Zone IV and 450 ft. to 600 ft.

The service charge is a fixed fee based on the capacity of the meter used and pays for the costs for reading meters and billing customers, as well as infrastructure required to meet peak demands.

Backflow prevention device fees. Certain properties are required to have backflow devices to protect the public water supply. Private fire protection service charges are for customers who request additional fire service for their property.

## **Need for Rate Increases**

The proposed increases are necessary to maintain the financial stability and structural integrity of the City's Water Program, and to address new Federal and State regulatory mandates, as well as increasing costs affecting Water operations. Utility fee calculations are based on the cost of operation and maintenance expenses (including labor, utilities, supplies and materials), capital expenditures for infrastructure, and adequate reserves for meeting capital and operational needs. This rate increase addresses the rising costs of treating water as well as maintaining water distribution system; and the need to meet increasing mandates from both Federal and State agencies. The City is committed to proactively improving and maintaining our aging systems while providing excellent services at all levels within our programs.

## **Water System Needs**

The City completed a Water System Master Plan and a Water Treatment Plant Master Plan. The Plans identified \$19,800,000 of improvements over the next five years needed to meet the needs of our customers.

## Projected Capital Improvement Expenditures, FY 19-FY24

All Values in \$thousands Summary	Budget	Projected					FY20 - FY24	Pct of
	FY19	FY20	FY21	FY22	FY23	FY24	Total	Total
Webster Drive Hydro Syst Replacement	1,400	6,000					6,000	30%
Arnold Dr Pump #3 Modifications			600	2,500			3,100	16%
1948 Building Maintenance					500	2,500	3,000	15%
Water Treatment Plant Improvements					675		675	3%
Annual Water Main Replacement		400	860		465	485	2,210	11%
Ozone Equipment	300	1,500					1,500	8%
St. Mary's Hydro System Upgrade	500	-500		500	1,000		1,000	5%
All Other Projects		520	1,521	22	243	25	2,331	12%
<b>Total</b>	<b>2,200</b>	<b>7,920</b>	<b>2,981</b>	<b>3,022</b>	<b>2,883</b>	<b>3,010</b>	<b>19,816</b>	<b>100%</b>

### System improvements include:

- St. Mary's pump system upgrades
- Howe Road Pump Station improvements
- Webster Drive Pump station replacement
- Muir Oaks tank replacement
- Various new and upgraded pipelines

### Treatment Plant improvements include:

- Variable Speed Control pumps
- Seismic Retrofit (1948 Building)
- Ozone Disinfection replacement

## Proposed Rates

**The following quantity charges are multiplied by the amount of water used by a customer in determining the monthly amount billed. One hundred cubic feet (HCF) equals approximately 748 gallons.**

### Quantity Charge, \$/hundred cubic feet (HCF)

Quantity Rates by Zone, \$/hcf	Adopted	Estimated 5% Incr.	Recommended				
			Effective dates > 3/31/2018		3/31/2019		
			1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
	Fiscal Years > FY17-FY18	FY18-FY19	FY19-FY20	FY20-FY21	FY21-FY22	FY22-FY23	FY23-FY24
Zone I (0-150 ft.)	\$4.29	\$4.50	\$5.03	\$5.54	\$6.12	\$6.74	\$7.43
Zone II (>150 -300 ft.)	\$4.55	\$4.78	\$5.22	\$5.75	\$6.33	\$6.97	\$7.66
Zone III (>300 - 450 ft.)	\$4.73	\$4.97	\$5.37	\$5.90	\$6.49	\$7.13	\$7.83
Zone IV (>450 ft.)	\$5.01	\$5.26	\$5.58	\$6.12	\$6.72	\$7.38	\$8.09

### Meter Charges, \$/two months

	Adopted	Estimated 5% Incr.	Recommended				
			1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
<i>Effective dates &gt;</i>	<i>3/31/2018</i>	<i>3/31/2019</i>	<i>1/1/2020</i>	<i>1/1/2021</i>	<i>1/1/2022</i>	<i>1/1/2023</i>	<i>1/1/2024</i>
<i>Fiscal Years &gt;</i>	<i>FY17-FY18</i>	<i>FY18-FY19</i>	<i>FY19-FY20</i>	<i>FY20-FY21</i>	<i>FY21-FY22</i>	<i>FY22-FY23</i>	<i>FY23-FY24</i>
Meter Charges, \$/two months							
5/8-inch Lifeline	\$31.20	\$32.75	\$34.75	\$37.75	\$40.75	\$44.25	\$48.00
5/8-inch Full Rate	\$62.40	\$65.50	\$69.50	\$75.50	\$81.50	\$88.50	\$96.00
1-inch with fire service	\$80.32	\$84.35	\$91.00	\$98.50	\$106.50	\$115.50	\$125.00
1-inch	\$140.32	\$147.50	\$120.00	\$130.00	\$141.00	\$152.50	\$165.00
1 1/2-inch	\$270.30	\$284.00	\$204.00	\$221.00	\$239.00	\$259.00	\$281.00
2-inch	\$426.20	\$448.00	\$305.00	\$330.00	\$358.00	\$388.00	\$420.00
3-inch	\$841.84	\$884.00	\$574.00	\$621.00	\$673.00	\$730.00	\$790.00
4-inch	\$1,309.50	\$1,370.00	\$876.00	\$949.00	\$1,028.00	\$1,114.00	\$1,206.00
6-inch	\$2,608.54	\$2,740.00	\$1,720.00	\$1,860.00	\$2,010.00	\$2,180.00	\$2,360.00
8-inch	\$4,686.96	\$4,920.00	\$3,060.00	\$3,310.00	\$3,590.00	\$3,890.00	\$4,210.00
10-inch	\$7,544.76	\$7,920.00	\$4,910.00	\$5,320.00	\$5,760.00	\$6,240.00	\$6,760.00
12-inch			\$7,260.00	\$7,860.00	\$8,520.00	\$9,230.00	\$9,990.00

### Private Fire Protection Service Charges, \$/two months

	Adopted	Estimated 5% Incr.	Recommended				
			1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
<i>Effective dates &gt;</i>	<i>3/31/2018</i>	<i>3/31/2019</i>	<i>1/1/2020</i>	<i>1/1/2021</i>	<i>1/1/2022</i>	<i>1/1/2023</i>	<i>1/1/2024</i>
<i>Fiscal Years &gt;</i>	<i>FY17-FY18</i>	<i>FY18-FY19</i>	<i>FY19-FY20</i>	<i>FY20-FY21</i>	<i>FY21-FY22</i>	<i>FY22-FY23</i>	<i>FY23-FY24</i>
Private Fire Protection Service Charges, \$/two months							
2-inch or smaller	\$106.20	\$112.00	\$114.00	\$123.00	\$134.00	\$145.00	\$157.00
3-inch	\$201.94	\$212.00	\$227.00	\$246.00	\$267.00	\$289.00	\$313.00
4-inch	\$309.64	\$325.00	\$355.00	\$384.00	\$416.00	\$451.00	\$488.00
6-inch	\$608.84	\$639.00	\$709.00	\$768.00	\$832.00	\$901.00	\$976.00
8-inch	\$1,087.44	\$1,140.00	\$1,280.00	\$1,390.00	\$1,500.00	\$1,630.00	\$1,760.00
10-inch	\$1,745.58	\$1,830.00	\$2,060.00	\$2,230.00	\$2,420.00	\$2,620.00	\$2,830.00
12-inch	\$2,583.24	\$2,710.00	\$3,050.00	\$3,300.00	\$3,580.00	\$3,880.00	\$4,200.00

### Backflow Prevention Program Charges, \$/two months

	Adopted	Estimated 5% Incr.	Recommended				
			1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
<i>Effective dates &gt;</i>	<i>3/31/2018</i>	<i>3/31/2019</i>	<i>1/1/2020</i>	<i>1/1/2021</i>	<i>1/1/2022</i>	<i>1/1/2023</i>	<i>1/1/2024</i>
<i>Fiscal Years &gt;</i>	<i>FY17-FY18</i>	<i>FY18-FY19</i>	<i>FY19-FY20</i>	<i>FY20-FY21</i>	<i>FY21-FY22</i>	<i>FY22-FY23</i>	<i>FY23-FY24</i>
Backflow Prevention Program Charges, \$/two months							
5/8 or 3/4-inch	\$37.54	\$39.00	\$35.00	\$36.00	\$37.00	\$38.00	\$39.00
1-inch	\$37.54	\$39.00	\$35.00	\$36.00	\$37.00	\$38.00	\$39.00
1 1/4 and 1 1/2-inch	\$40.04	\$42.00	\$55.00	\$57.00	\$59.00	\$60.00	\$62.00
2-inch	\$40.04	\$42.00	\$55.00	\$57.00	\$59.00	\$60.00	\$62.00
2 1/2-inch	\$40.04	\$42.00	\$73.00	\$75.00	\$77.00	\$79.00	\$81.00
3-inch	\$72.66	\$76.00	\$89.00	\$91.00	\$93.00	\$96.00	\$99.00
4-inch	\$80.16	\$84.00	\$93.00	\$96.00	\$98.00	\$101.00	\$104.00
6-inch	\$110.28	\$116.00	\$144.00	\$148.00	\$152.00	\$156.00	\$160.00
8-inch	\$145.42	\$153.00	\$191.00	\$196.00	\$200.00	\$205.00	\$211.00
10-inch	\$183.02	\$192.00	\$228.00	\$233.00	\$239.00	\$245.00	\$251.00

I certify under a penalty of perjury under the Laws of California that on February 7, 2019, at/or by 5:00 p.m., I posted this notice at City Hall, 525 Henrietta Street, Martinez CA 94553.

RICHARD G. HERNANDEZ, CITY CLERK



BY: Melissa Espinoza, Deputy City Clerk  
DATED: February 7, 2019