

City of La Habra

Public Hearing on Proposed Rate Adjustments for the Utility Authority

CY 2022 and CY 2023



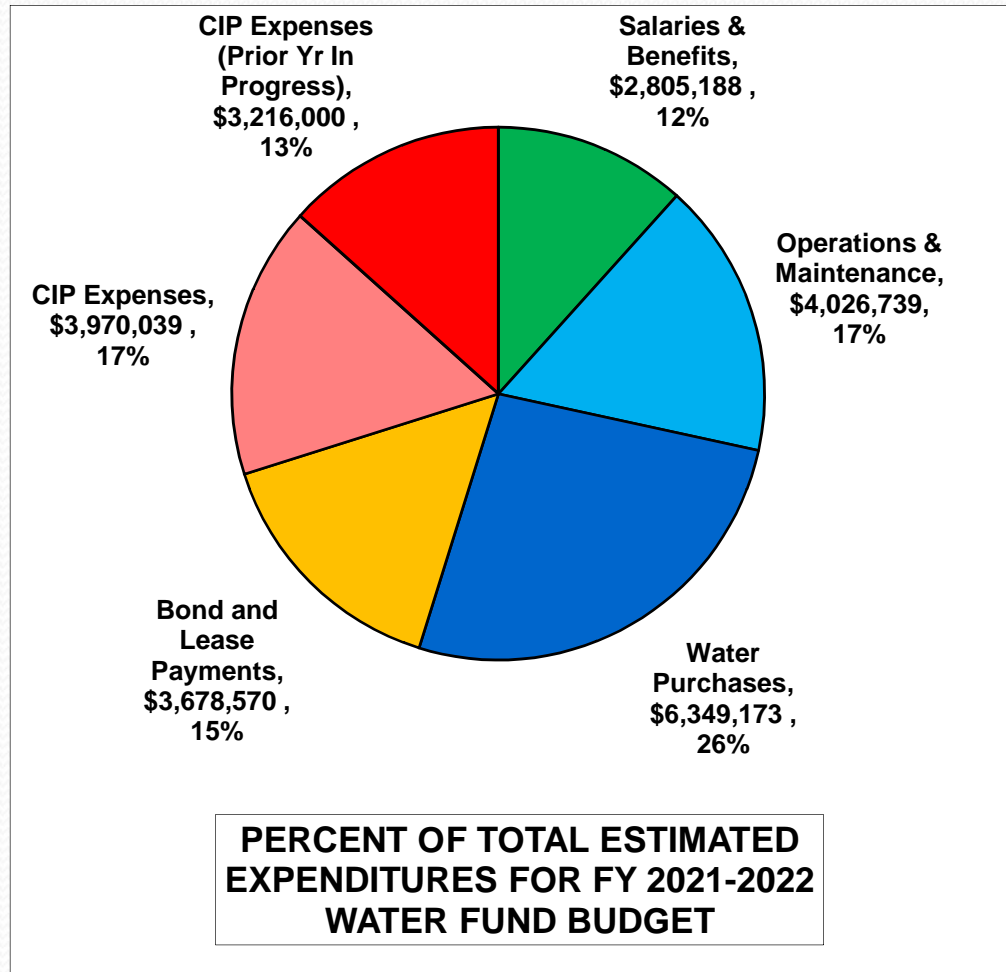
Proposition 218 Requirements

- Changes to water and sewer rates are governed by Proposition 218:
 - Revenues derived from rates and fees may not exceed the cost required to provide the service
 - The amount of the fee may not exceed the proportional cost of the service attributable to the parcel upon which the fee is imposed
 - The fee may not be imposed unless the service is actually used by, or immediately available to, the owner of the property

Water Rate Factors

- Operational Costs
 - The cost of purchased or imported water has increased due to years of dry weather and drought conditions
- Watermaster replenishment charges continue to represent 21% of all La Habra water costs.
 - Water Resource Development fee increasing substantially
 - Other water supply charges increasing by 6.9% (higher cost for electricity)
- Capital Project Expenses
 - Approximately \$20.3 Million in recommended Capital Improvement Projects over the next seven years.

Water Fund Expenditures



TOTAL REVENUE: \$19,152,292
TOTAL EXPENDITURES: \$16,859,670
NET REVENUE FOR CIP: \$2,292,622

Capital Improvement Projects

- Annual Water Valve Replacement Program
- Annual Main Line / Fire Hydrant Replacement
- Annual Water Meter Replacement
- Foothill Zone Consolidation Project

Approximately \$20.3 million of expenditures over 7 years

Turnover In The Water Division

Year	Hires	Resigned/ Terminated	Total Water Staff	% of Water Staff Turnover
2017	7	4	16	25%
2018	5	9	16	56%
2019	5	3	16	19%
2020	3	2	16	13%
2021	0	2	16	13%
Total	20	20	16	125%
Yearly Average	4.0	4.0		

PROPOSED FIXED METER CHARGE CY 2022

Meter Size	AWWA Ratio	Meter Count	Meter	Customer	Fixed Charge	Current Charge
General Service						
5/8"	1.00	8,637	\$14.55	\$3.48	\$18.04	\$17.99
3/4"	1.50	648	\$21.83	\$3.48	\$25.32	\$24.87
1"	2.50	3,456	\$36.38	\$3.48	\$39.87	\$38.64
1 1/2"	5.00	345	\$72.75	\$3.48	\$76.24	\$73.08
2"	8.00	526	\$116.40	\$3.48	\$119.89	\$114.41
3"	15.00	22	\$218.26	\$3.48	\$221.75	\$210.83
4"	25.00	13	\$363.76	\$3.48	\$367.25	\$348.58
6"	50.00	10	\$727.53	\$3.48	\$731.02	\$692.96
8"	80.00	5	\$1,164.04	\$3.48	\$1,167.53	\$1,106.21
Firelines						
2"	6.19	2	\$4.77	\$3.48	\$8.26	\$8.82
3"	17.98	0	\$13.86	\$3.48	\$17.35	\$17.60
4"	38.32	15	\$29.53	\$3.48	\$33.02	\$32.74
6"	111.31	7	\$85.78	\$3.48	\$89.27	\$87.11
8"	237.21	7	\$182.79	\$3.48	\$186.28	\$180.87
10"	426.58	2	\$328.73	\$3.48	\$332.22	\$321.92

PROPOSED VARIABLE USE CHARGES - CY 2022

Customer Class	Usage (ccf)	Supply	Base Delivery	Peaking	Total Rate	Current Rate	Difference
Single Family Residential							
Tier 1 (0-8 ccf)	943,826	\$0.91	\$1.35	\$0.33	\$2.60	\$2.54	2%
Tier 2 (9-16 ccf)	539,687	\$2.21	\$1.35	\$1.07	\$4.63	\$4.14	12%
Tier 3 (16+ ccf)	390,364	\$2.98	\$1.35	\$2.40	\$6.74	\$6.01	12%
Multifamily							
Uniform Tier	983,590	\$1.71	\$1.35	\$0.52	\$3.59	\$3.71	-3%
Commercial							
Uniform Tier	468,972	\$1.71	\$1.35	\$0.70	\$3.77	\$3.77	0%
Municipal							
Uniform Tier	97,754	\$1.71	\$1.35	\$1.27	\$4.34	\$4.59	-5%
Irrigation							
Uniform Tier	310,798	\$1.71	\$1.35	\$2.40	\$5.47	\$5.40	1%
Fireline							
Uniform Tier	50	\$1.71	\$1.35	\$2.40	\$5.47	\$5.40	1%

hcf/ccf = hundred cubic feet or 748 gallons

Sample Customer Impacts- Water

Single Family Residential – 5/8 inch meter*

	Usage (ccf)	Current Bill	Proposed Bill	Monthly Impact (%)	Monthly Impact (\$)	% Bills At or Below	Total Annual Impact
Low Volume	4	\$28.15	\$28.44	1%	\$0.29	9%	\$3.48
	8	\$38.31	\$38.84	1%	\$0.53	29%	\$6.36
Average Monthly	14	\$63.15	\$66.62	5%	\$3.47	61%	\$41.64
	18	\$83.45	\$89.36	7%	\$5.91	76%	\$70.92
Double Average	28	\$143.55	\$156.76	9%	\$13.21	93%	\$158.52
	36	\$191.63	\$210.68	10%	\$19.05	97%	\$228.60
Very High	40	\$215.67	\$237.64	10%	\$21.97	98%	\$263.64

* There are 8,637 residential 5/8 inch meter accounts out of 13,695 total accounts (63.1%).

Sample Customer Impacts- Water

Single Family Residential – 1 inch meter*

	Usage (ccf)	Current Bill	Proposed Bill	Monthly Impact (%)	Monthly Impact (\$)	% Bills At or Below	Total Annual Impact
Low Volume	4	\$48.80	\$50.27	3%	\$1.47	16%	\$17.64
	8	\$58.96	\$60.67	3%	\$1.71	38%	\$20.52
Average Monthly	14	\$83.80	\$88.45	6%	\$4.65	63%	\$55.80
	18	\$104.10	\$111.19	7%	\$7.09	76%	\$85.08
Double Average	28	\$164.20	\$178.59	9%	\$14.39	92%	\$172.68
	36	\$212.28	\$232.51	10%	\$20.23	97%	\$242.76
Very High	50	\$296.42	\$326.87	10%	\$30.45	99%	\$365.40

* There are 3,456 residential 1 inch meter accounts out of 13,695 total accounts (25.2%).

Sample Customer Impacts- Water

Multi-Family Residential*

	Usage (ccf)	# of Units**	Current Bill	Proposed Bill	Monthly Impact (%)	Monthly Impact (\$)	Total Annual Impact
5/8" Example	18	2	\$84.77	\$82.66	-2%	(\$2.11)	-\$25.32
3/4" Example	25	2	\$117.62	\$115.07	-2%	(\$2.55)	-\$30.60
1.0" Example	40	4	\$187.04	\$183.47	-2%	(\$3.57)	-\$42.84
1.5" Example	124	12	\$533.12	\$521.40	-2%	(\$11.72)	-\$140.64
2.0" Example	266	32	\$1,101.27	\$1,074.83	-2%	(\$26.44)	-\$317.28

*There are 908 multi-family accounts out of 13,695 total accounts (6.6%).

**The number of individual apartment/multi-family units for each example account.

Sample Customer Impacts- Water

Commercial*

	Usage (ccf)	Current Bill	Proposed Bill	Monthly Impact (%)	Monthly Impact (\$)	Total Annual Impact
5/8" Example	12	\$63.23	\$63.28	0%	\$0.05	\$0.60
3/4" Example	13	\$73.88	\$74.33	1%	\$0.45	\$5.40
1.0" Example	24	\$129.12	\$130.35	1%	\$1.23	\$14.76
1.5" Example	46	\$246.50	\$249.66	1%	\$3.16	\$37.92
2.0" Example	94	\$468.79	\$474.27	1%	\$5.48	\$65.76
3.0" Example	195	\$945.98	\$956.90	1%	\$10.92	\$131.04
4.0" Example	387	\$1,807.57	\$1,826.24	1%	\$18.67	\$224.04
6.0" Example	446	\$2,374.38	\$2,412.44	2%	\$38.06	\$456.72

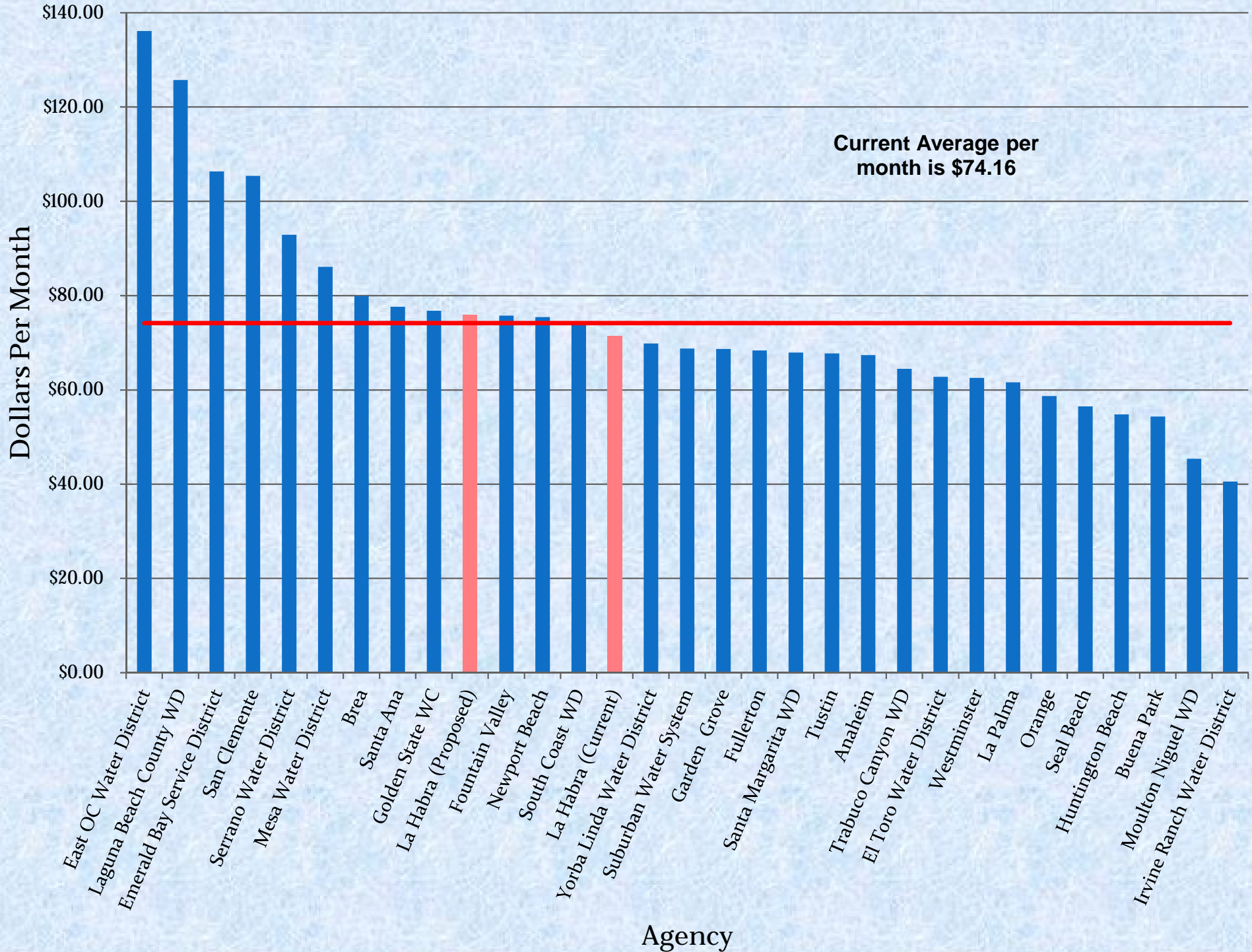
* There are 845 commercial accounts out of 13,695 total accounts (6.2%).

Summary of Recent Rate Adjustments* in Surrounding Cities

<u>Agency</u>	<u>% Increase</u>	<u>Date</u>
● City of Santa Ana	2.1%	7/1/22
● Trabuco Canyon Water District	2.6%	1/1/22
● Yorba Linda Water District	2.9%	7/1/21
● City of Tustin	5.1%	1/1/22
● City of La Habra	6.2%	1/1/22

* Assumed single family rates with smallest meter size at an average of 16 ccf of water usage per month

2021 Orange County Water Rates



Proposed Rate Schedule - Water

	Effective Date: 1/1/2021	1/1/2022	1/1/2023
GENERAL SERVICE	FY 2021	FY 2022	FY 2023
<u>Monthly Fixed Charges</u>	(current)		
Meter Size			
5/8"	\$17.99	\$18.04	\$18.58
3/4"	\$24.87	\$25.32	\$26.08
1"	\$38.64	\$39.87	\$41.07
1 1/2"	\$73.08	\$76.24	\$78.53
2"	\$114.41	\$119.89	\$123.49
3"	\$210.83	\$221.75	\$228.40
4"	\$348.58	\$367.25	\$378.27
6"	\$692.96	\$731.02	\$752.95
8"	\$1,106.21	\$1,167.53	\$1,202.56
<u>Volumetric Rates (per ccf)</u>			
Residential			
Tier (0-8 ccf)	\$2.54	\$2.60	\$2.68
Tier (9-16 ccf)	\$4.14	\$4.63	\$4.77
Tier (16+ ccf)	\$6.01	\$6.74	\$6.94
Multifamily			
Uniform Tier	\$3.71	\$3.59	\$3.70
Commercial			
Uniform Tier	\$3.77	\$3.77	\$3.88
Municipal			
Uniform Tier	\$4.59	\$4.34	\$4.47
Irrigation			
Uniform Tier	\$5.40	\$5.47	\$5.63

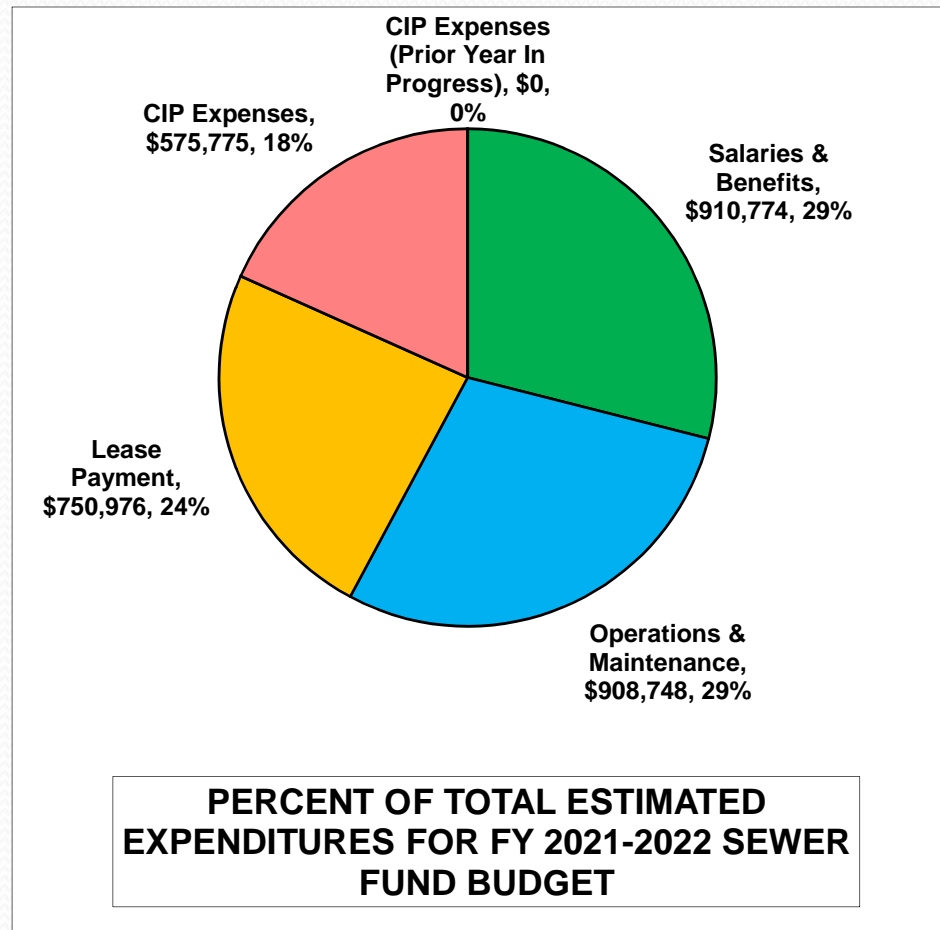
Proposed Rate Schedule - Fireline

	Effective Date: 1/1/2021	1/1/2022	1/1/2023
FIRELINE SERVICE	FY 2021	FY 2022	FY 2023
<u>Monthly Fixed Charges</u>	(current)		
Meter Size			
2"	\$8.82	\$8.26	\$8.51
3"	\$17.60	\$17.35	\$17.87
4"	\$32.74	\$33.02	\$34.01
6"	\$87.11	\$89.27	\$91.95
8"	\$180.87	\$186.28	\$191.87
10"	\$321.92	\$332.22	\$342.19
<u>Volumetric Rates (per ccf)</u>			
Fireline			
Uniform Tier	\$5.40	\$5.47	\$5.63

Sewer Rate Factors

- Operational Costs
- Capital Improvement Project Expenses
 - \$2.0 Million in Capital Projects in the next five years.
 - Annual Sewer Rehabilitation
 - Sewer Lateral Program
 - Former County Island Sewer Design
- SWQCB Regulations
 - Costs to maintain compliance with the State Water Quality Control Board

Sewer Fund Expenditures



TOTAL REVENUE: \$2,930,567

TOTAL EXPENDITURES: \$3,146,273

NET REVENUE FOR CIP: (\$215,706)

Rate Structure Remains Unchanged

- Revenue requirement allocated based on wastewater flow
- Proposed rate structure
 - Residential: fixed per dwelling unit, variable per hcf of wastewater flow
 - Non-residential: variable per hcf of wastewater flow, minimum charge

PROPOSED WASTEWATER RATES

	January 2022	January 2023
Monthly Fixed Charge		
Class		
Single Family Residential	\$4.80	\$4.80
Apartment	\$4.10	\$4.10
Sewer Only Residential	\$13.83	\$13.83
Non-Residential Minimum Charge	\$9.49	\$9.49
*Non-residential customers subject to a minimum charge equal to fixed charge for Apartment customers with an average month (ccf) of wastewater flow (7 ccf)		
Sewer Use Charge (per ccf of water flow)		
Single Family Residential	\$0.44	\$0.44
Apartment	\$0.60	\$0.60
Non- Residential	\$1.19	\$1.19

Sample Customer Impacts- Sewer

Single-Family Residential

	Usage (ccf)	Units	Current Bill	Proposed Bill	Monthly Impact (%)	Monthly Impact (\$)	Total Annual Impact
Low Volume	4	1	\$7.16	\$6.56	-8.4%	(\$0.60)	(\$7.20)
	8	1	\$9.12	\$8.32	-8.8%	(\$0.80)	(\$9.60)
Average Monthly	12	1	\$11.08	\$10.08	-9.0%	(\$1.00)	(\$12.00)
	16	1	\$13.04	\$11.84	-9.2%	(\$1.20)	(\$14.40)
Double Average	24	1	\$16.96	\$15.36	-9.4%	(\$1.60)	(\$19.20)
	32	1	\$20.88	\$18.88	-9.6%	(\$2.00)	(\$24.00)
Very High	40	1	\$24.80	\$22.40	-9.7%	(\$2.40)	(\$28.80)
Sewer Only Customer	0	1	\$11.50	\$9.49	-17.5%	(\$2.01)	(\$24.12)

* There are 10,885 residential units out of 21,395 total units citywide (50.9%).

Sample Customer Impacts- Sewer

Multi-Family Residential

	Usage (ccf)	# of Units**	Current Bill	Proposed Bill	Monthly Impact (%)	Monthly Impact (\$)	Total Annual Impact
5/8" Example	44	3	\$37.16	\$33.76	-9.1%	(\$3.40)	(\$40.80)
1.0" Example	72	4	\$56.08	\$50.88	-9.3%	(\$5.20)	(\$62.40)
1.5" Example	180	14	\$161.00	\$146.40	-9.1%	(\$14.60)	(\$175.20)
3/4" Example	330	25	\$291.70	\$265.20	-9.1%	(\$26.50)	(\$318.00)
2.0" Example	268	32	\$297.72	\$271.52	-8.8%	(\$26.20)	(\$314.40)

* There are 9,541 multi-family units out of 21,395 total units citywide (44.6%).

**The number of individual apartment/multi-family units for each example account. Note that each individual dwelling unit is charged the fixed meter charge.

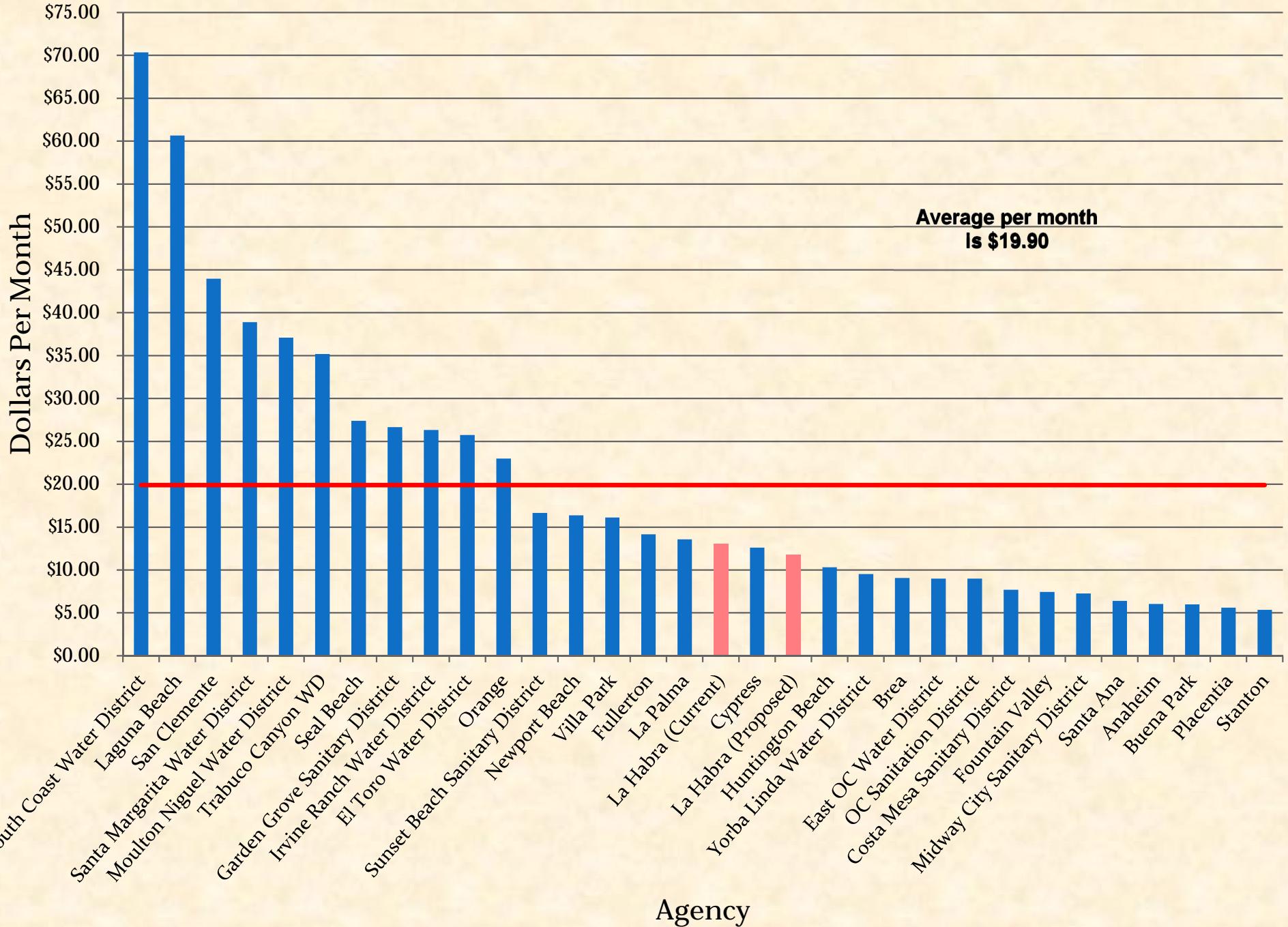
Sample Customer Impacts- Sewer

Non-Residential (Commercial, Church, Municipal)

	Usage (ccf)	Units	Current Bill	Proposed Bill	Monthly Impact (%)	Monthly Impact (\$)	Total Annual Impact
5/8" Example	40	-	\$49.60	\$47.60	-4.0%	(\$2.00)	(\$24.00)
3/4" Example	33	-	\$40.92	\$39.27	-4.0%	(\$1.65)	(\$19.80)
1.0" Example	117	-	\$145.08	\$139.23	-4.0%	(\$5.85)	(\$70.20)
1.5" Example	74	-	\$91.76	\$88.06	-4.0%	(\$3.70)	(\$44.40)
2.0" Example	387	-	\$479.88	\$460.53	-4.0%	(\$19.35)	(\$232.20)
3.0" Example	1269	-	\$1,573.56	\$1,510.11	-4.0%	(\$63.45)	(\$761.40)
4.0" Example	2266	-	\$2,809.84	\$2,696.54	-4.0%	(\$113.30)	(\$1,359.60)
6.0" Example	264	-	\$327.36	\$314.16	-4.0%	(\$13.20)	(\$158.40)
Minimum Charge	6	-	\$11.50	\$9.49	-17.5%	(\$2.01)	(\$24.12)

* There are 824 non-residential units out of 21,395 total units citywide (3.9%).

2021 Orange County Sewer Rates



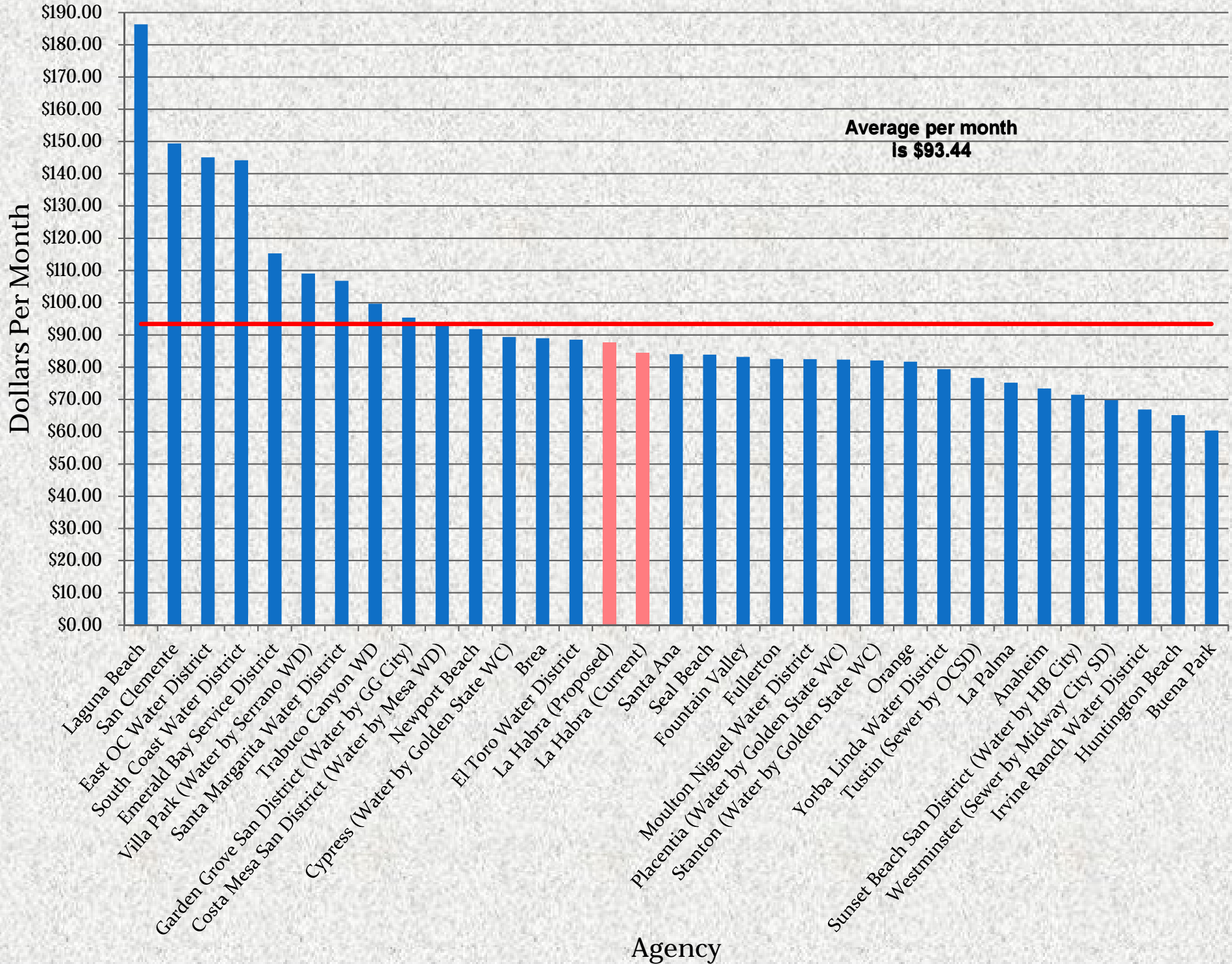
Sample Combined Customer Impact

Water and Sewer Rate*

	Usage (ccf)	Current Combined Bill	Proposed Combined Bill	Monthly Impact (\$)	Total Annual Impact
Single Family Residential 5/8" Example	16	\$84.47	\$84.58	\$0.11	\$1.32
Single Family Residential 1.0" Example	16	\$105.12	\$106.69	\$1.57	\$18.84
Multi-Family Residential 3/4" Example (25 MF units)	330	\$1,305.25	\$1,221.61	(\$83.64)	(\$1,003.68)
Multi-Family Residential 2.0" Example (32 MF units)	268	\$1,406.41	\$1,322.94	(\$83.47)	(\$1,001.64)
Commercial 3/4" Example	33	\$190.20	\$186.67	(\$3.53)	(\$42.36)
Commercial 2.0" Example	387	\$2,053.28	\$2,010.02	(\$43.26)	(\$519.12)
Commercial 4.0" Example	2,266	\$11,701.24	\$11,430.15	(\$271.09)	(\$3,253.08)

* Accounts shown are examples of typical average accounts in La Habra.

2021 Orange County Combined Water/Sewer Rates



Summary Recommendation

- Conduct public hearing on resolution amending the Master Schedule of Fees pertaining to water and sewer usage, connections, and fees; and
- Adopt Resolution approving an amendment to the Master Schedule of Fees pertaining to water and sewer usage, connections, and fees.