

**PROPOSITION 218**

# NOTICE OF PUBLIC HEARING REGARDING PROPOSED ADJUSTMENTS FOR SEWER AND WATER RATES

DATE: TUESDAY, MARCH 19, 2024  
TIME: AT OR AFTER 7:30PM  
LOCATION: MONROVIA CITY HALL COUNCIL CHAMBERS  
415 SOUTH IVY AVENUE  
MONROVIA, CA 91016

On Tuesday, March 19, 2024, at or after 7:30 p.m., the Monrovia City Council will hold a public hearing to consider proposed adjustments to sewer and water rates as described in this notice. This notice and additional information are available on the City's website at [www.cityofmonrovia.org/rateadjustments](http://www.cityofmonrovia.org/rateadjustments) or by calling (626)

## NOTICE - SEWER AND WATER RATE ADJUSTMENTS



### Protest Mailer for the Proposed Sewer and Water Rate Adjustments

You have the right to protest the proposed sewer and water rate adjustment. A majority protest exists if, at the end of the public hearing, there are written protests submitted by a majority of the customers subject to the rate adjustment. The City Council cannot adopt the proposed sewer and water rate adjustments if a majority protest exists. If you do not wish to protest the proposed rate adjustment, do not return this form.

I, \_\_\_\_\_, protest the City of Monrovia's proposed sewer and water rate adjustments.

Service Address: \_\_\_\_\_

Signature: \_\_\_\_\_

If you wish to use this form as your protest, please fill out and mail in a stamped envelope or hand deliver to the City Clerk's Office, 415 South Ivy Ave., Monrovia, CA, 91016. The form must be received by the close of the public hearing on March 19, 2024.

**Reason for the Proposed Water Rate Adjustment**

Costs for operating the water utility have increased in recent years, including costs for personnel, maintenance and operations, and capital improvements. In 2017, the City completed a comprehensive water rate study and adopted five-year water rates for calendar years 2018 to 2022. The City has not adjusted water rates since January 2022.

For this proposed adjustment, the City retained NBS to calculate and propose water rate adjustments that account for current costs based on an applicable inflation factor to help keep up with escalating costs in the water utility. The City verified that the cost categories evaluated in 2017 are still accurate for current operations and maintenance. When preparing the proposed adjustment, NBS utilized the Construction Cost Index (CCI) as the basis for the proposed water rate adjustments and determined that the average CCI value equates to an increase of 7.20%, which was applied uniformly to both the fixed charges and the consumption charges listed in the City's current rate table.

Currently, the typical single-family residential customer pays an average of \$65.50/month for water service based on 10 units of water consumption. Based on the proposed rates, single-family residential customer bills will increase by \$4.76/month in 2024, bringing the typical residential customer bill to \$70.26/month, based on 10 units of consumption, effective May 2, 2024. A full listing of proposed rate changes for all customer classes is provided below:

Summary of Proposed Water Rates

FIXED RATES [STANDBY CHARGE]								
Single-Family Residential/ Multi-Family Residential			New Construction Developments of Five (5) or More Units			Hotel		
Meter Size	Current Rate	Eff. 5/2/2024	Meter Size	Current Rate	Eff. 5/2/2024	Meter Size	Current Rate	Eff. 5/2/2024
5/8 inch	\$41.10	\$44.06	5/8 inch	\$55.23	\$59.20	5/8 inch	\$41.10	\$44.06
3/4 inch	\$41.10	\$44.06	3/4 inch	\$55.23	\$59.20	3/4 inch	\$51.38	\$55.08
1 inch	\$52.08	\$55.83	1 inch	\$69.98	\$75.02	1 inch	\$77.42	\$83.00
1.5 inch	\$82.13	\$88.04	1.5 inch	\$110.35	\$118.29	1.5 inch	\$143.82	\$154.18
2 inch	\$103.94	\$111.43	2 inch	\$139.67	\$149.73	2 inch	\$216.39	\$231.97
3 inch	\$158.77	\$170.20	3 inch	\$213.32	\$228.69	3 inch	\$408.22	\$437.62
4 inch	\$207.86	\$222.83	4 inch	\$279.30	\$299.41	4 inch	\$617.73	\$662.22
6 inch	\$347.07	\$372.07	6 inch	\$466.34	\$499.92	6 inch	\$1,201.14	\$1,287.65
8 inch	\$590.95	\$633.51	8 inch	\$794.03	\$851.21	8 inch	\$3,172.77	\$3,401.28
Fire Meter			Commercial / Industrial / Landscape			ADDITIONAL UNIT CHARGE. [HOTEL & MULTI-FAMILY ONLY]		
Meter Size	Current Rate	Eff. 5/2/2024	Meter Size	Current Rate	Eff. 5/2/2024	Each Multi-Family Residential (MFR) & Hotel is Currently Charged a Fixed + an Additional Unit Charge for Each Additional MFR or Hotel Dwelling Unit		
5/8 inch	\$30.56	\$32.76	5/8 inch	\$41.10	\$44.06	Applicable to	Current Rate	Eff. 5/2/2024
3/4 inch	\$30.56	\$32.76	3/4 inch	\$41.10	\$44.06	Hotel & all MFR	\$23.05	\$24.71
1 inch	\$38.72	\$41.51	1 inch	\$52.08	\$55.83			
1.5 inch	\$61.06	\$65.46	1.5 inch	\$82.13	\$88.04			
2 inch	\$77.28	\$82.85	2 inch	\$103.94	\$111.43			
3 inch	\$118.04	\$126.54	3 inch	\$408.22	\$437.62			
4 inch	\$154.54	\$165.67	4 inch	\$617.73	\$662.22			
6 inch	\$258.04	\$276.62	6 inch	\$1,201.14	\$1,287.65			
8 inch	\$439.36	\$471.00	8 inch	\$3,172.77	\$3,401.28			
12 inch	\$745.49	\$799.18						
CONSUMPTION RATES [PER UNIT CHARGE]								
Consumption Charges For All Classes								
Applicable to			Current Rate			Eff. 5/2/2024		
All Classes & Meter Sizes			\$2.44			\$2.62		
Consumption Charges for New Construction Developments of Five (5) or More Units								
Applicable to			Current Rate			Eff. 5/2/2024		
New Const. Developments of 5+ Units			\$3.27			\$3.50		

The rates for Lifeline will increase by 7.2%, going from \$3.30 to \$3.54 for 5/8" and 3/4" metered accounts and from \$5.95 to \$6.38 for 1" metered accounts. The per unit consumption rate will also increase from \$0.85 to \$0.91.

**Annual Cost Adjustment Methodology for Water Rates**

If adopted, the proposed water rate structure will also include subsequent annual cost inflation adjustments using the CCI, calculated by the Engineering News Record. The CCI tracks the change in prices for a specific combination of goods and services related to construction, including labor, steel, concrete, and lumber. The CCI rate adjustment will be calculated each year in March and implemented the following July 1st, beginning July 1, 2025, through July 1, 2028.

**Senior/Low Income/Veteran Discounts**

A discount program is offered to seniors (65+), low-income, and veteran customers. To apply, please visit [www.cityofmonrovia.org/rateadjustments](http://www.cityofmonrovia.org/rateadjustments).

**How to Protest the Proposed Rate Adjustments**

All interested persons are invited to attend the public hearing and be heard about the proposed sewer and water rate adjustments. All customers receiving sewer or water services may protest the proposed adjustments by submitting a written protest by mail or in person to the City Clerk's Office, located at 415 South Ivy Avenue, Monrovia, CA, 91016. Written protests must be received (not postmarked) by the City Clerk before or during the public hearing. Any protest submitted by email or other electronic means will not be accepted. The protest must be signed by the customer, and the customer must include the service address of all properties serviced. If a majority (50%+1) of affected customers protest the proposed rate adjustment, then the City Council cannot adopt the new rates.

This notice is being sent to all Monrovia sewer and water customers. If you are responsible for more than one bill, you will receive more than one notice. Each sewer and water customer will be allowed one protest vote per bill.

**Purpose of This Notice**

You are receiving this notice because you are a property owner or account holder for sewer and/or water services in the City of Monrovia. The Monrovia City Council will be holding a public hearing to consider recommended rate adjustments to sewer and water service charges. The average monthly increase for a single-family residential customer, effective May 2, 2024, is approximately \$7.71/month, which includes \$2.95/month for sewer and \$4.76/month (based on 10 units of consumption) for water, with additional annual increases in subsequent years. The full details of this proposal are located within this notice.

The public hearing will be held on Tuesday, March 19, 2024, at or after 7:30 pm, at the Monrovia City Council Chambers, located at 415 South Ivy Avenue. The rate adjustments, if adopted, will go into effect for the billing period beginning after May 2, 2024.

**About Monrovia’s Sewer Utility**

The City of Monrovia operates its own sewer utility, providing service to approximately 8,700 residential and commercial/non-residential customers. The City is responsible for maintaining 92 miles of sewer pipelines. Wastewater treatment is conducted by the Los Angeles Sanitation District at the San Jose Creek Treatment Facility, located in Whittier, California. The City operates the sewer collection system under the jurisdiction of the Los Angeles Regional Water Quality Control Board, the State Water Resources Board, and the United States Environmental Protection Agency.

**Sewer Utility Enterprise Funding**

In order to pay for the costs of operating and maintaining the sewer system, the City assesses a sewer fee, each month, to both residential and commercial/non-residential customers. The City maintains a separate Sewer Fund to account for revenues collected from customers, which are restricted, and may only be used towards costs related to the sewer utility.

**Reason for the Proposed Sewer Rate Adjustment**

The sewer utility has experienced cost increases to operate and maintain the system in recent years; however, rates have not been adjusted since 2020. In November 2022, the City Council approved a contract with NBS Government Finance Group (NBS), a public finance consulting firm with expertise in the areas of utility rates and finance, to assist in reviewing and updating rates. NBS conducted a comprehensive sewer rate study that identifies appropriate rates based on a full cost-of-service analysis. Based on this rate study, the proposed sewer rate adjustments take into consideration the City’s ongoing operating costs and necessary capital improvements that will allow the City to provide the community with safe and reliable sewer service. A copy of the rate study is available at [www.cityofmonrovia.org/rateadjustments](http://www.cityofmonrovia.org/rateadjustments).

Currently, the typical single-family residential customer pays \$9.66/month for sewer service. Based on the proposed rates, single-family residential customer bills will increase by \$2.95/month, effective May 2, 2024, bringing the single-family residential customer bill to \$12.61/month. Rates will continue to increase each July 1, beginning July 1, 2024 through July 1, 2027. At July 1, 2027, it is estimated that the residential bill will be \$16.50/month, which is a cumulative increase of \$6.84/month more than what residents are paying today.

A full listing of proposed rate changes for all customer classes is provided below:

**Summary of Proposed Sewer Rates**

<b>FIXED RATES [STANDBY CHARGE]</b>						
<b>Property Type</b>	<b>Current Rate</b>	<b>Effective 5/2/2024</b>	<b>Effective 7/1/2024</b>	<b>Effective 7/1/2025</b>	<b>Effective 7/1/2026</b>	<b>Effective 7/1/2027</b>
Residential	\$9.66	\$12.61	\$14.25	\$14.96	\$15.71	\$16.50
<b>Multiple Dwelling</b>						
for first unit	\$9.66	\$12.61	\$14.25	\$14.96	\$15.71	\$16.50
plus, for each additional unit	\$5.42	\$4.51	\$5.09	\$5.35	\$5.61	\$5.89
Duplex	\$15.08	\$17.12	\$19.34	\$20.31	\$21.32	\$22.39
Triplex	\$20.50	\$21.62	\$24.43	\$25.65	\$26.93	\$28.28
Quadplex	\$25.92	\$26.13	\$29.52	\$31.00	\$32.55	\$34.17
<b>Trailer Park</b>						
for first space	\$9.66	\$12.61	\$14.25	\$14.96	\$15.71	\$16.50
plus, for each additional space	\$5.42	\$4.51	\$5.09	\$5.35	\$5.61	\$5.89
Lifeline	\$3.62	\$4.74	\$5.36	\$5.63	\$5.91	\$6.20
Cemetery/Horticultural Facilities	\$9.66	\$12.61	\$14.25	\$14.96	\$15.71	\$16.50
Government/Public Facilities	\$156.10	\$210.65	\$238.04	\$249.94	\$262.44	\$275.56
<b>Commercial/Industrial (inc. motels, hotels, churches)</b>						
for first 1,000 cubic feet of water used	\$21.03	\$23.89	\$26.99	\$28.34	\$29.76	\$31.25
plus, for additional 100 cubic feet of water used	\$0.23	\$0.24	\$0.27	\$0.28	\$0.30	\$0.31

**About Monrovia’s Water Utility**

The City of Monrovia owns and operates its own water utility, providing water service to approximately 9,500 residential and commercial/non-residential customers. The City maintains 111 miles of water pipelines, 12 reservoirs, 2 water treatment facilities, and 5 active wells. The City of Monrovia draws its water from the Main San Gabriel Basin, which is managed by the Main San Gabriel Basin Watermaster. The Main San Gabriel Basin Watermaster allocates the amount of water each agency can pump, based on adjudicated water rights, to ensure this local water resource is sustainable, and the City must purchase additional water rights, as needed, to meet its consumer demand.

**Water Utility Enterprise Funding**

In order to pay for water system costs, the City assesses a water fee, each month, to both residential and commercial/non-residential customers. The water service charges are comprised of two components: 1) A fixed monthly water service (“stand by”) charge based on the customer’s water meter size; and 2) A per unit consumption charge that varies based on the amount of water used during each monthly billing period. The City maintains a separate Water Fund to account for revenues collected from customers, which are restricted, and may only be used towards costs related to the water utility.