



**NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING  
REGARDING PROPOSED WATER AND SEWER RATES**

Hearing Date & Time: October 19, 2021 at 6:00 p.m.

Hearing Location: City Hall, 225 Park Street, Lakeport, CA 95453

Pursuant to Section 3 of Executive Order N-08-21, issued by Governor Newsom on June 11, 2021, the regular meeting of the City Council for October 19, 2021 will be conducted both in person, and telephonically through Zoom.

If you cannot attend in person, and would like to speak on an agenda item, you can access the Zoom meeting remotely:

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join. <https://zoom.us/j/97368201787?pwd=a2NvVnN6MEFjQ2Exc2pTZkpIdU1sQT09>

Passcode: 477973

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 (669) 900-9128 or +1 (346) 248-7799 or +1 (253) 215-8782 or +1 (646) 558-8656 or +1 (301) 715-8592 or  
+1 (312) 626-6799

Webinar ID: 973 6820 1787

Passcode: 477973

International numbers available: <https://zoom.us/u/abNyiaqY1I>

The City wants you to know that you can also submit your comments by email to [virtualhost@cityoflakeport.com](mailto:virtualhost@cityoflakeport.com).

To give the City Clerk adequate time to print out your comments for consideration at the meeting, please submit your written comments prior to 3:30 p.m. on Tuesday, October 19, 2021.

Please indicate in the email Subject Line "FOR PUBLIC COMMENT" and list the item number you wish to comment on.

Comments that you want to have read to the Council will be subject to the three-minute time limitation (approximately 350 words). Written comments that are only to be provided to Council and not read at the meeting will be distributed to the Council prior to the meeting.

***Why are you receiving this notice?***

The City of Lakeport (City) is mailing this notice to you because you are a water and/or sewer customer or are the owner of record of a property that receives water or sewer service. This notice describes proposed changes to the water and sewer rates and gives information about a public hearing to be held on October 19, 2021 at City Hall, 225 Park Street, Lakeport, CA 95453 regarding these proposed changes.

***What do water and sewer rates fund?***

The City provides water service to approximately 2,758 customers, and sewer service to approximately 2,775 customers. Monthly rates charged to system users (customers) on a monthly basis are the primary source of revenue to operate the water and sewer systems and are used solely for this purpose. Rate revenue provides funding for annual operating and maintenance costs, including water and sewer treatment, capital projects to improve water and sewer infrastructure, debt service obligations, adequate fund reserves and planning for contingencies.

The proposed rates are based on a comprehensive utility rate study and financial plan developed by an independent consultant.

The rate structures for each utility were designed so that revenues derived from the proposed rate changes do not exceed the amount of revenue required for the property-related services provided by the City, nor will the revenue from the rates and charges referenced herein be used for any purpose other than that for which the corresponding rates are imposed. The amount of the proposed rates imposed on any parcel or person as an incident of property ownership will not exceed the proportional cost of the service(s) attributable to such parcel; and no rate will be imposed for a service unless that service is actually used by, or immediately available to, the property owner or customer in question.

### ***Why are rate increases needed?***

To develop water and sewer rates that will generate sufficient revenue to meet fiscal and policy objectives of the City, a determination of the annual revenue required from rates was completed. The first step of this analysis resulted in the identification of revenue requirements for the water and sewer utilities, including operating and maintenance expenses, capital expenses such as replacement of water and sewer lines, debt repayment costs (including required debt service coverage) and funding of reserves at appropriate levels to smooth out cash flow timing and provide for unexpected costs.

These revenue requirements were then compared to the total sources of funds during each year of the forecast period to determine the adequacy of projected revenues to meet those requirements. The study results demonstrated that revenue over the next five years from the City's current water and sewer rates will not fully provide for the costs identified above, and as a result, a series of rate revenue increases were calculated, which if implemented, will provide revenue sufficient to meet those needs. The rate study report providing the rate development methodology is available at City Hall and on the City's website at [www.cityoflakeport.com](http://www.cityoflakeport.com).

Proposed rates have been calculated based on the City's cost to provide water and sewer service to users. For the water utility, projected expenses are allocated between monthly Service (fixed) Charges, Multi-Family Charges, and Volumetric Charges. The monthly Service Charge for each customer is based on the size of their meter and recovers fixed costs of providing water service, with costs allocated based on number of accounts and the size of the water meter. The Multi-Family Charge is based upon the number of dwelling units, with a Volume Charge for each customer based on the amount of water used, which recovers the variable costs of providing water service and costs associated with the delivery of water. Single-Family Residential water used is billed in three tiers, with the cost increasing in each successive tier, based on the cost of providing water at peak usage. The amount of Multi-Family water used is billed in two tiers, with the cost of water increasing in the second tier, based on the cost of water at peak usage. Non-Residential customers are subject to a uniform rate structure, such that the rate per 100 CF of water is billed at the same rate for all units of flow.

The proposed sewer rates consist of 1) a monthly Service Charge that designates the minimum amount a customer will pay, and 2) a Volumetric Rate per 100 CF based upon the amount of monthly metered water usage. The monthly Service Charge is constant regardless of the size of the water-metered connection. For Single-Family Residential customers, the charge is a flat monthly fee with no additional volumetric charges. For Apartments, the charge is a flat monthly fee per dwelling unit, again with no volume charge. Commercial/Non-Residential customers pay a flat monthly Service Charge. The Volumetric Rates for Commercial/Non-Residential customers are a uniform rate structure, such that the rate per 100 CF remains constant for all levels of metered usage.

### ***New rates***

In order to provide necessary funding for the water and sewer systems, the City is proposing to implement new rates as a series of annual adjustments starting on November 1, 2021, with additional increases following each July 1, until July 2025. The following tables summarize the proposed water and sewer rates. The Fixed and Volume charges will go into effect and remain in effect until superseded by Council action.

## Proposed Water Rates

Fiscal Years 2021-22 through FY 2025-26

Description	Existing Rates <sup>[1]</sup>	Projected For Fiscal Year Ending June 30:				
		2022	2023	2024	2025	2026
<b>Monthly Service Charge by Meter Size:</b>						
5/8 Inch x 3/4 Inch <sup>[2]</sup>	\$ 34.85	\$ 34.52	\$ 37.28	\$ 38.21	\$ 39.17	\$ 40.15
1.0 Inch	\$ 69.70	\$ 72.08	\$ 77.84	\$ 79.78	\$ 81.79	\$ 83.83
1.5 Inch	\$ 145.10	\$ 134.67	\$ 145.43	\$ 149.06	\$ 152.80	\$ 156.63
2.0 Inch	\$ 208.90	\$ 209.78	\$ 226.55	\$ 232.20	\$ 238.04	\$ 243.99
3.0 Inch	\$ 418.10	\$ 385.03	\$ 415.78	\$ 426.16	\$ 436.86	\$ 447.79
4.0 Inch	\$ 696.80	\$ 635.40	\$ 686.18	\$ 703.29	\$ 720.96	\$ 739.00
6.0 Inch	\$ 1,341.20	\$ 1,261.31	\$ 1,362.10	\$ 1,396.08	\$ 1,431.15	\$ 1,466.96
<b>Multi-Family Monthly Service Charge Per Dwelling Unit</b>						
Apartments	\$ 20.90	\$ 34.52	\$ 37.28	\$ 38.21	\$ 39.17	\$ 40.15
Duplex, Triplex and Mobile Home	\$ 26.15	\$ 34.52	\$ 37.28	\$ 38.21	\$ 39.17	\$ 40.15
Motel and Bed & Breakfast w/o Kitchen	\$ 17.45	\$ 34.52	\$ 37.28	\$ 38.21	\$ 39.17	\$ 40.15
Motel and Bed & Breakfast w/Kitchen	\$ 20.90	\$ 34.52	\$ 37.28	\$ 38.21	\$ 39.17	\$ 40.15
<b>Volumetric Rates Per 100 Cubic Feet:</b>						
<b>Single-Family Residential</b>						
0 - 600 Cubic Feet	\$ 1.92	\$ 2.92	\$ 3.16	\$ 3.24	\$ 3.32	\$ 3.40
601 - 1,200 Cubic Feet	\$ 3.36	\$ 4.71	\$ 5.08	\$ 5.21	\$ 5.34	\$ 5.47
Over 1,200 Cubic Feet	\$ 5.94	\$ 7.23	\$ 7.81	\$ 8.01	\$ 8.21	\$ 8.41
<b>Multi-Family</b>						
0 - 400 Cubic Feet	\$ 2.23	\$ 2.72	\$ 2.93	\$ 3.00	\$ 3.08	\$ 3.16
All Flow Over 400 Cubic Feet	\$ 5.54	\$ 4.12	\$ 4.44	\$ 4.55	\$ 4.67	\$ 4.79
<b>All Other Customers</b>						
Tier 1	\$ 2.23	\$ 4.39	\$ 4.75	\$ 4.87	\$ 4.99	\$ 5.11
Tier 2	\$ 5.54	\$ 4.39	\$ 4.75	\$ 4.87	\$ 4.99	\$ 5.11
<b>Notes:</b>						
[1] For Commercial & Irrigation customers, Tier 1 and Tier 2 thresholds are adjusted by meter size. For Apartments, Motels and Bed & Breakfast customers, the first tier is 300 cubic feet per dwelling unit. For Duplex, Triplex and Mobile Home customers, the first tier is 500 cubic feet per dwelling unit.						
[2] All Single-Family Residential customers are billed at the 5/8 x 3/4 Inch Service Charge Rate.						

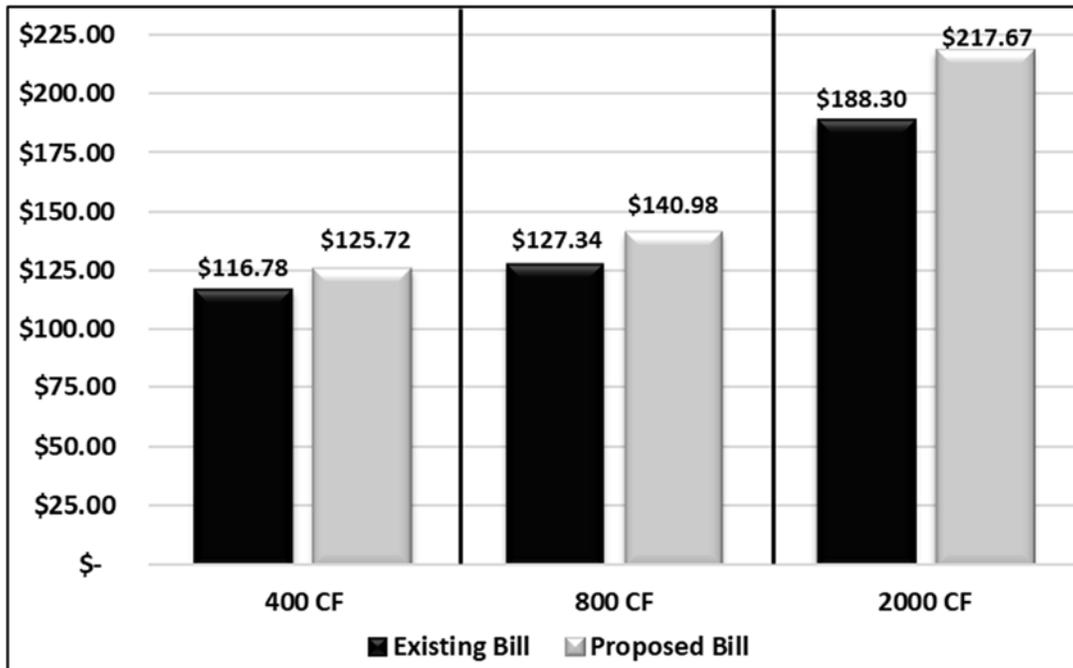
## Proposed Sewer Rates

Fiscal Years 2021-22 through FY 2025-26

Description	Existing Rates <sup>[2]</sup>	Projected For Fiscal Year Ending June 30:				
		2022	2023	2024	2025	2026
<b>Monthly Service Charge <sup>[1]</sup>:</b>						
Single-Family Residential	\$ 74.25	\$ 79.50	\$ 81.09	\$ 82.71	\$ 84.36	\$ 86.05
Apartments	\$ 57.25	\$ 58.48	\$ 59.65	\$ 60.84	\$ 62.05	\$ 63.30
Commercial	\$ 74.25	\$ 67.30	\$ 68.65	\$ 70.02	\$ 71.42	\$ 72.85
<b>Volumetric Rates Per 100 Cubic Feet:</b>						
0 - 1,000 Cubic Feet	\$ -	\$ 4.84	\$ 4.94	\$ 5.04	\$ 5.14	\$ 5.24
Over 1,000 Cubic Feet	\$ 8.81	\$ 4.84	\$ 4.94	\$ 5.04	\$ 5.14	\$ 5.24
<b>Notes:</b>						
[1] Single-Family Residential and Apartment customers are billed a flat monthly fee.						
[2] Under existing rates for Commercial customers, the monthly Service Charge includes a usage allowance of 1,000 cubic feet of flow. All flow exceeding 1,000 cubic feet is billed per 100 cubic feet.						

### Impact on your bill

With the proposed rates effective November 1, 2021, for a typical single-family home that uses eight (8) units of water every month (1 unit of water equals 100 cubic feet, or 748 gallons), the water portion of your bill would increase from \$53.09 per billing cycle (monthly) currently to \$61.48 per billing cycle, or approximately \$8 more per month. The sewer portion of the bill would increase from \$74.25 to \$79.50 per billing cycle. The accompanying graph provides a summary of combined bills, existing and proposed, for water and sewer under three usage scenarios.



***How do you file a protest or participate in the public hearing?***

The City will consider the new rate structure and proposed revenue increase at a public hearing on Tuesday, October 19th, 2021 at 6:00 p.m. at City Hall, 225 Park Street, Lakeport, CA 95453. You are invited to present oral or written testimony at the public hearing, or via the virtual meeting. Any owner or customer of record of a parcel subject to the proposed rates may submit a written protest against the proposed rate revisions. If written protests are filed for a majority of the affected parcels, the proposed rate revisions will not be adopted.

In order for a written protest to be counted it must include the following: a statement indicating that the identified property owner or customer of record is in opposition to the proposed rate changes; whether the protest is against the proposed water rates, the proposed sewer rates, or both; the street address or Assessor's Parcel Number (APN) for the parcel(s) with respect to which the protest is made; and the name and signature of the owner or customer.

Protests may be mailed, or hand delivered to 225 Park Street, Lakeport, CA 95453, or delivered to the City Clerk at the Public Hearing. To be valid, a signed written protest must be received by the City Clerk before the conclusion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the City Clerk, that the enclosed protest is for the Public Hearing on the Proposed Rate Changes – Water and Sewer Service Fees.

The City Council will hear and consider all written and oral protests to the proposed rate changes at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, there will be no more written protests accepted and no more testimony taken, and the City Council will consider adoption of the proposed rates for water and sewer service described in this notice. If written protests as outlined above, are not presented by a majority of property owners or customers of record, the City Council will be authorized to adopt the proposed rates. While both property owners and customers of record may submit written protests, only one protest will be counted for each parcel. If adopted, the rates for water and sewer service will be in effect beginning November 1, 2021.