Notice of Public Hearing

on proposed Rate Increases and Drought Rates

Tuesday - June 23, 2009 at 6pm
City of Carlsbad - Council Chambers
1200 Carlsbad Village Drive
Carlsbad, California 92008

For questions about the public hearing process or the proposed water and wastewater rate increases and drought rates, please call (760) 602-2403.

Any person interested in objecting to the amount of the proposed increases may file **a signed written protest** with the City Clerk, at or before the hour fixed for the hearing. The written protest must contain the address of service, the rate change being protested, and the ground or grounds of protest. The protestor may appear at the hearing and be heard on the matter.

EXPLANATION OF RATE INCREASES

WATER RATES

City of Carlsbad/CMWD rate increases shown in the following tables may change depending on the level of drought conservation needed. The rates in each category are the maximum rates that the Council/Board may set to achieve the financial and conservation objectives desired at that time. The various levels of drought conservation include non-drought rates(base = 0% cutbacks) and drought rates assuming increasing levels of mandatory cutbacks. The reason for the increase in the base rate is to fund the increasing cost of water purchased from the San Diego County Water Authority (SDCWA) , as well as rising operating and maintenance costs. The reason for the drought rates is to respond to water supply limitations using a progressive pricing scale. The drought levels would be implemented and generally triggered by SDCWA and MWD's prior declaration of a drought level. In addition to rising costs, the SDCWA will require mandatory water cutbacks beginning July, 2009.

SEWER/WASTEWATER RATES

The proposed rates shown in the following tables are set to generate revenues for recovering costs associated with operations, maintenance, and replacement funding of the City's wastewater system, as well as establishing adequate operating reserves .

The proposed rate changes vary by customer category, based on a recent cost of service study to accurately and fairly allocate costs to the different customer categories.

RATE TABLES ARE SHOWN ON THE BACK SIDE OF THIS NOTICE

ASSEMBLY BILL 3030

On September 30, 2008 the Governor of California signed into legislation California Assembly Bill 3030, an act which added Section 53756 to the Government Code. This section allows agencies that provide water, wastewater or refuse collection service to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water and adjustments for inflation for both water and wastewater operations.

The schedule of fees or charges may include a schedule of adjustments, including a clearly defined formula for adjusting for inflation for operations and maintenance of the water and wastewater utility, provided the property-related fee or charge, as adjusted for inflation, does not exceed the cost of providing the service.

If an agency purchases wholesale water from another public agency, the schedule of fees or charges may provide for automatic adjustments for up to 5 years that pass through adopted increases or decreases in the wholesale water charges established by the other agency. The Council and Board would still be required to authorize the pass through amounts; only the majority protest public hearing is not required.

PROPOSED UTILITY RATES

	Current Rate		Proposed Rate			
WATER RATES	**CURRENT RATE**	**MAXIMUM RATE**	**MAXIMUM RATE**	**MAXIMUM RATE**	**MAXIMUM RATE**	**MAXIMUM RATE**
Delivery Charge		**0% CUTBACK**	**10% CUTBACK**	**20% CUTBACK**	**30% CUTBACK**	**40% CUTBACK**
Meter Size						
5/8"	flat rate $ 14.54	flat rate $ 15.25	flat rate $ 16.78	flat rate $ 16.78	flat rate $ 17.54	flat rate $ 19.83
3/4"	flat rate $ 17.87	flat rate $ 19.50	flat rate $ 21.18	flat rate $ 21.18	flat rate $ 22.14	flat rate $ 25.03
1"	flat rate $ 24.50	flat rate $ 27.50	flat rate $ 30.25	flat rate $ 30.25	flat rate $ 31.63	flat rate $ 35.75
1.5"	flat rate $ 42.26	flat rate $ 48.25	flat rate $ 53.08	flat rate $ 53.08	flat rate $ 55.49	flat rate $ 62.73
2"	flat rate $ 60.88	flat rate $ 73.00	flat rate $ 80.30	flat rate $ 80.30	flat rate $ 83.95	flat rate $ 94.90
2.5"	flat rate $ 73.13	flat rate $ 105.50	flat rate $ 116.05	flat rate $ 116.05	flat rate $ 121.33	flat rate $ 137.15
3"	flat rate $ 108.89	flat rate $ 139.00	flat rate $ 152.90	flat rate $ 152.90	flat rate $ 159.85	flat rate $ 180.70
4"	flat rate $ 176.49	flat rate $ 213.25	flat rate $ 234.58	flat rate $ 234.58	flat rate $ 245.24	flat rate $ 277.23
6"	flat rate $ 341.99	flat rate $ 419.75	flat rate $ 461.73	flat rate $ 461.73	flat rate $ 482.72	flat rate $ 545.68
8"	flat rate $ 541.28	flat rate $ 667.25	flat rate $ 733.98	flat rate $ 733.98	flat rate $ 767.34	flat rate $ 867.43
Single Family		Units	Units	Units	Units	Units
Tier 1	per unit $ 2.12	0 - 12 $ 2.29	0 - 12 $ 2.29	0 - 12 $ 2.29	0 - 8 $ 2.29	0 - 8 $ 2.29
Tier 2		13 - 20 $ 2.95	13 - 20 $ 3.69	13 - 20 $ 4.87	9 - 16 $ 5.46	9 - 14 $ 6.20
Tier 3		21 + $ 4.02	21 + $ 5.23	21 + $ 6.84	17 + $ 7.44	15 + $ 8.45
Multi-Family		Units	Units	Units	Units	Units
Tier 1	per unit $ 2.12	0 - 5 $ 1.93	0 - 5 $ 1.93	0 - 5 $ 1.93	0 - 4 $ 1.93	0 - 4 $ 1.93
Tier 2		6 - 10 $ 2.18	6 - 10 $ 2.73	6 - 10 $ 3.49	5 - 8 $ 3.93	5 - 8 $ 4.47
Tier 3		11 + $ 2.59	11 + $ 3.37	11 + $ 4.28	9 + $ 4.67	9 + $ 5.31
Non-Residential	per unit varied	per unit $ 2.64	per unit $ 3.17	per unit $ 3.70	per unit $ 3.83	per unit $ 4.23
Agricultural	per unit $ 1.81	per unit $ 3.41	per unit $ 4.44	per unit $ 4.27	per unit $ 4.61	per unit $ 5.12
Irrigation	per unit $ 2.01	per unit $ 2.97	per unit $ 3.57	per unit $ 4.91	per unit $ 5.20	per unit $ 5.94
Recycled	per unit $ 2.12	per unit $ 2.97	per unit $ 2.97	per unit $ 2.97	per unit $ 2.97	per unit $ 2.97

	Current Rate	Proposed Rate	
SEWER RATES			**% CHANGE**
	per month	**2009-10**	**per month**
Group I - Residential (Flat Monthly Charge)	$ 17.65	$ 20.93	18.6%
Group I - Multi-Family (per ccf, based on 90% water usage)	$ 2.51	$ 2.41	-4.0%
Group II - Commercial (per ccf of water usage)	$ 2.08	$ 1.96	-5.8%
Group III - Commercial (per ccf of water usage)	$ 2.73	$ 2.98	9.2%
Group IV - Commercial (per ccf of water usage)	$ 4.31	$ 5.53	28.3%
Group V - Other Institutional (per ccf of water usage)	$ 2.06	$ 1.87	-9.2%
Group V - Elementary School (per student)	$ 0.27	$ 0.43	59.3%
Group V - Junior High School (per student)	$ 0.53	$ 0.64	20.8%
Group V - High School (per student)	$ 0.80	$ 0.85	6.2%
Group V - Boarding School (per student)	$ 3.97	$ 4.45	12.1%
Group VI - Bio-Hydration Research Lab Inc. (per ccf of water usage)	$ 1.62	$ 1.70	4.9%

The above rates may be increased annually by the change in the "San Diego County Consumer Price Index - All Urban Consumers". In addition, CMWD may pass through increases in the wholesale cost of water purchases.