

NOTICE OF PUBLIC HEARING ON PROPOSED WATER AND WASTEWATER RATE INCREASE



Notice is hereby given that the City Council of City of El Segundo (“City”) will conduct a public hearing on February 16, 2021 at 6 pm in the City Hall, located at 350 Main Street, El Segundo, CA 90245, where it will consider adopting increases to the City’s water and wastewater rates and charges. The proposed increases are the result of a detailed multi-year budget analysis (“financial plan”) and findings of the El Segundo Water and Wastewater Rate Study Report (“Rate Study”) prepared by Raftelis, a financial consulting firm specializing in cost of service analyses and rate setting. A copy of this study is available on at www.elsegundo.org or hard copies are available for review at the City Clerk’s Office. For assistance in determining the impact of the proposed rate increase on your bill, please call Customer Service at 310-524-2300, or go to www.elsegundo.org for the rate calculator.

The Rate Study determined the appropriateness of the proposed rate increases and involved a fair and equitable cost allocation among water and wastewater customer categories. The net impact of the proposed changes in the rates for water and wastewater customers will vary based upon actual water consumption, customer class, and meter size.

Why am I Receiving This Notice?

You are receiving this notice because you are either a property owner in the City and/or a customer of record of one or more water and wastewater connections located within the service area of the City of El Segundo. You will be provided with a notice and ballot for each parcel of property and/or water and wastewater account you have with the City. Only one protest ballot will be counted for each parcel of property regardless of how many are submitted by customers or property owners for the parcel.

Background

The City of El Segundo provides water and wastewater service to approximately 5,100 customer connections. The City’s water utility relies on water service charges to fund the costs of operations, maintenance, and wholesale water purchases. The City is also responsible for the operation and maintenance of an extensive wastewater collection system but does not provide wastewater treatment. Wastewater on the east side of the City (east of Pacific Coast Highway) is sent to Los Angeles County Sanitation Districts (LACSD). The county bills those customers directly on their annual property tax bills. Wastewater from the west side is treated by the City of Los Angeles, which bills the City of El Segundo. These costs are included in the proposed rates. The City, in cooperation with Raftelis, examined its current and future revenue and reserve balances and its ability to fund the required capital needs along with ongoing operations.

The proposed changes are necessary to maintain and improve existing water and wastewater service. All customers are encouraged to conserve water to help reduce their water bills.

The proposed rates are designed to comply with state laws, improve rate equity and fairness, and fund the City’s costs of providing water and wastewater service including capital reinvestment.

Why is the City Proposing to Increase Rates?

Fund Wholesale Water Rate Increases

The City purchases water from the West Basin Municipal Water District, which plans to increase their wholesale rate to the City of El Segundo. The City will pass through this increased cost of water to its customers.



**February 16, 2021
6 PM**



**350 Main Street
El Segundo, CA 90245**

**310-524-2300
www.elsegundo.org**

Fund Wastewater Treatment Cost Increase

The west side of the City wastewater is treated by the City of Los Angeles, which is increase by 91% (2017 to 2021).

Repair & Replace Aging Pipelines

The City maintains over 65 miles of water pipelines which need to be repaired or replaced as they reach the end of their useful lives. Replacing them will ensure that the City can continue providing high-quality water to its customers 24 hours a day and meet safety requirements for fire flow and pressure.

In addition, the City operates a wastewater collection system that requires regular maintenance to meet the required environmental standards.

Proposed Water Rates

The City proposes to adopt the rates as shown in the following tables. The proposed rate structure includes two components: 1) a fixed monthly charge that is billed regardless of water use and is shown in the first table, and 2) a volumetric charge billed for each unit of metered water use as shown in the second table. The Single-Family Residential class has tiered rates with the tier breakpoints as shown. The volume rate applies to each hundred cubic feet (Ccf) of water use; one hundred cubic feet (Ccf) equals 748 gallons.

METER CHARGES/FIXED MONTHLY CHARGE					
Meter Size (inches)	April 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
5/8" and 3/4"	\$18.18	\$18.73	\$19.30	\$19.88	\$20.48
1"	\$24.71	\$25.46	\$26.23	\$27.02	\$27.84
1 1/2"	\$41.05	\$42.29	\$43.56	\$44.87	\$46.22
2"	\$60.65	\$62.47	\$64.35	\$66.29	\$68.28
3"	\$122.74	\$126.43	\$130.23	\$134.14	\$138.17
4"	\$214.23	\$220.66	\$227.28	\$234.10	\$241.13
6"	\$433.16	\$446.16	\$459.55	\$473.34	\$487.55
8"	\$923.29	\$950.99	\$979.52	\$1,008.91	\$1,039.18
10"	\$1,380.75	\$1,422.18	\$1,464.85	\$1,508.80	\$1,554.07

As shown in the table below the tier structure in the proposed rates will be changing. For Residential usage, tiers will go from four tier levels to three. For Non-Residential usage, tiers will go from four tier levels to a single uniform rate.

WATER CONSUMPTION/VOLUMETRIC CHARGE ¹	
Volumetric	Monthly Tier Break Points
Residential	
Tier I	0-9
Tier II	10-13
Tier III	14+
Non-Residential	Single Tier
Chevron	Single Tier

Volumetric	April 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
Residential					
Tier I	\$2.88	\$2.97	\$3.06	\$ 3.16	\$3.26
Tier II	\$5.47	\$5.64	\$5.81	\$5.99	\$6.17
Tier III	\$6.86	\$7.07	\$7.29	\$7.51	\$7.74
Non-Residential	\$4.17	\$4.30	\$4.43	\$4.57	\$4.71
Chevron	\$4.90	\$5.05	\$5.21	\$5.37	\$5.54

Recycled Water Rates

Recycled water rates from West Basin will continue to be directly passed through to the customer. The customer will also pay the fixed charge as shown below. Most non-city recycled users will no longer pay a surcharge, and the surcharge to Chevron will increase as shown below.²

Meter Size (inches)	April 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
Chevron	\$1.01	\$1.05	\$1.09	\$1.13	\$1.17

Meter Size (inches)	April 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
5/8" and 3/4"	\$18.18	\$18.73	\$19.30	\$19.88	\$20.48
1"	\$24.71	\$25.46	\$26.23	\$27.02	\$27.84
1 1/2"	\$41.05	\$42.29	\$43.56	\$44.87	\$46.22
2"	\$60.65	\$62.47	\$64.35	\$66.29	\$68.28
3"	\$122.74	\$126.43	\$130.23	\$134.14	\$138.17
4"	\$214.23	\$220.66	\$227.28	\$234.10	\$241.13
6"	\$433.16	\$446.16	\$459.55	\$473.34	\$487.55
8"	\$923.29	\$950.99	\$979.52	\$1,008.91	\$1,039.18
10"	\$1,380.75	\$1,422.18	\$1,464.85	\$1,508.80	\$1,554.07

¹Note the water consumption/volumetric charge is based upon current anticipated rate increases from West Basin Municipal Water District. If the District increases or decreases these anticipated rate increases, the charges shown will be increased or decreased consistent with these rate changes by West Basin.

²Direct West Basin recycled rates are not shown in this notice. If the District increases or decreases these rates, the City's charges to the customer will change consistent with these changes by West Basin.

Private Fire Protection Rates

The City proposes to charge private fire protection rates, shown in the following table, to customers with private fire protection connections to cover costs associated with maintaining the capacity to fight fires. This charge only applies to customers with private fire connections.

Meter Size (inches)	April 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
5/8" and 3/4"	\$8.73	\$9.00	\$9.27	\$9.55	\$9.84
1"	\$9.13	\$9.41	\$9.70	\$10.00	\$10.30
1 1/2"	\$10.56	\$10.88	\$11.21	\$11.55	\$11.90
2"	\$13.03	\$13.43	13.84	\$14.26	\$14.69
3"	\$21.90	\$22.56	\$23.24	\$23.94	\$24.66
4"	\$37.20	\$38.32	\$39.47	\$40.66	\$41.88
6"	\$92.11	\$94.88	\$97.73	\$100.67	\$103.70
8"	\$186.83	\$192.44	\$198.22	\$204.17	\$210.30
10"	\$329.29	\$339.17	\$349.35	\$359.84	\$370.64

Proposed Wastewater Rates

The current wastewater charges include a fixed monthly charge and a volumetric charge. Single family residential customers will be billed a flat rate each month. Other classes will have a minimum fixed charge assuming 9 Ccf, along with additional volumetric charges for usage above the 9 Ccf minimum. The volume rate and minimum bill amount depends on whether the resident is in the west side or east side.³

Minimum Charge	April 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
SFR	\$39.07	\$42.60	\$46.65	\$51.09	\$55.95
MFR	\$39.07	\$42.60	\$46.65	\$51.09	\$55.95
Institutional West	\$39.07	\$42.60	\$46.65	\$51.09	\$55.95
Commercial West	\$58.23	\$63.47	\$69.50	\$76.11	\$83.35
Industrial West	\$65.22	\$71.10	\$77.86	\$85.26	\$93.36
Non-Res East	\$14.86	\$16.21	\$17.75	\$19.44	\$21.29
ADU	\$16.02	\$17.47	\$19.13	\$20.95	\$22.95

Volumetric	April 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
SFR	N/A	N/A	N/A	N/A	N/A
MFR	\$4.01	\$4.37	\$4.79	\$5.25	\$5.75
Institutional West	\$4.01	\$4.37	\$4.79	\$5.25	\$5.75
Commercial West	\$6.13	\$6.69	\$7.33	\$8.03	\$8.80
Industrial West	\$6.91	\$7.54	\$8.26	\$9.05	\$9.91
Non-Res East	\$1.32	\$1.44	\$1.58	\$1.74	\$1.91

Public Hearing

The property owner of record pursuant to the latest certified property record rolls from the County of Los Angeles, or any tenant directly responsible for payment of water and wastewater rates (i.e., a customer of record who is not a property owner), may submit a written protest to the proposed rate increases to the City's water and wastewater rates; provided, however, only one protest will be counted per identified parcel. A protest form for each service, water and wastewater is enclosed and if you want to have your protest counted you must use the attached form and return in accordance with the requirements set forth on the protest form. You can protest the proposed water rate increases or wastewater increases, or both, but you must submit a properly completed protest form for each service that you wish to protest. All written protests must be received prior to the conclusion of the public comment portion of the public hearing. Any protest submitted via email, facsimile, or other electronic means will not be accepted as a formal written protest. For any protest submittal, whether mailed or submitted in person, if you do not use the enclosed return envelopes, please identify on the front of the envelope that the enclosed letter is for the public hearing on Proposed Water and Wastewater Rate Increases. The City Council will consider all written protests timely submitted and hear and consider all public comments made at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a properly completed written protest. At the conclusion of the public hearing, the City Council will determine whether to adopt the proposed rate increases described in this notice. If, after the close of the public hearing, written protests against the proposed rate increases are not presented by a majority parcels upon which they are proposed to be imposed, the City Council will be authorized to impose the rate increases. If you have any questions regarding the information provided in this notice, or the rates applicable to your property, please contact Customer Service at 310-524-2300 or 310-524-2319.

³Note the wastewater rates are based upon current anticipated treatment rate increases from the City of Los Angeles. If the City of Los Angeles increases or decreases these anticipated rate increases, the charges shown will be increased or decreased consistent with these rate changes by the City of Los Angeles.