



CITY OF MARTINEZ

525 Henrietta Street, Martinez, CA 94553-2394

NOTICE OF PUBLIC HEARING

Notice is hereby given that the City Council of the City of Martinez will hold a Public Hearing, pursuant to Municipal Code 13.04, on the following date and at the following location:

APRIL 17, 2024

7:00 P.M.

**Martinez City Hall, 525 Henrietta
Street And / Or
Zoom Video/Teleconference**

for the purpose of considering whether the City's water rates should be increased effective beginning January 1, 2025.

The City's water rates generate the revenues necessary to operate the water system and deliver safe potable water to its customers. The accompanying tables show the existing and proposed rates for all customers after the recommended adjustments are made.

Proposition 218 requires all California local water agencies to provide a mailed public notice 45 days before the public hearing at which water rate increases are proposed for approval. This document constitutes public notice.

To view the meeting Agenda, please stay tuned to our Council Meetings webpage at <https://www.cityofmartinez.org/government/meetings-and-agendas>. For further information, contact Joe Enke, City Engineer, at 925-372-3515 or jenke@cityofmartinez.org

Any customer of record who is subject to the proposed utility charge that is the subject of the hearing may submit a written protest to the City by:

- Delivery to the City Clerk Office, 525 Henrietta St. Martinez, CA during published business hours;
- Mail to the City Clerk Office, 525 Henrietta St. Martinez, CA, 94553 or
- Personally submitting the protest at the Public Hearing. All persons receiving water service, property owners, and other interested persons are invited to attend and be heard at this public hearing.

If you are a customer of record receiving water service, you may file a written protest to the proposed rates with the City Clerk which must be received prior to the closing of the public hearing. The protest must be signed by the customer of record and must include the name(s) of the customer(s) of record, water service address, and account number (if any). If customers of less than a majority of the properties receiving water

service file written protests, under state law, the City may implement the proposed rates commencing January 1, 2025. Mailed protests must be addressed to the City Clerk, 525 Henrietta Street, Martinez, California 94553, and be received by the City on or before **April 17, 2024**. No postmarks will be accepted.

A written report has been prepared indicating the estimated cost to provide water service and the revenue sources anticipated to provide the service. A copy of this report is available at the Engineering office located on the 1st floor at City Hall, 525 Henrietta St., Martinez, CA, 94553.

Explanation of Water Rates

There are up to two types of user fees on water bills that do not have private fire service or a backflow prevention device. They are a quantity charge and a service charge, as shown by the accompanying table. The total monthly charge being proposed for your water services include both types of fees. City charges are based on the costs to the City of providing water service. Since the last rate adjustment, the costs of such services has increased and are expected to continue due to increases in costs to the City for source water, water system improvements and escalating energy costs. The increase in rates being proposed is proportionate to the anticipated increase in these costs from Fiscal Year 2025 through Fiscal Year 2029.

The Quantity Charge is based on the amount of water used and the elevation of the water service and pays a share of the City's operating costs, debt service, and capital costs for water system infrastructure and improvements. Zone charges are based on the elevation of the water service and pays for the cost for pumping water to a higher elevation. The various zone elevations above mean sea level are approximately as follows. Zone I is 0 to 150 ft.; Zone II is 150 ft. to 300 ft.; Zone III is 300 ft. to 450 ft.; Zone IV and 450 ft. to 600 ft.

The service charge is a fixed fee based on the capacity of the meter used and pays for the costs for reading meters and billing customers, as well as infrastructure required to meet peak demands.

Certain properties are required to have backflow devices to protect the public water supply. Backflow Prevention Program charges are for customers with backflow devices on their connection to the water distribution system. Private fire protection service charges are for customers who request additional fire service for their property.

Need for Rate Increases

The proposed increases are necessary to maintain the financial stability and structural integrity of the City's Water Program, and to address new Federal and State regulatory mandates, as well as increasing costs affecting Water operations. Utility fee calculations are based on the cost of operation and maintenance expenses (including labor, utilities, supplies and materials), capital expenditures for infrastructure, and adequate reserves for meeting capital and operational needs. These rate increases addresses the rising costs of treating water as well as

maintaining the water distribution system; and the need to meet increasing mandates from both Federal and State agencies. The City is committed to proactively improving and maintaining our aging systems while providing excellent services at all levels.

Water System Needs

Between FY24 and FY29 (six fiscal years), total projected CIP expenditures are approximately \$34.8 million. Forecast CIP expenditures for the following two years, FY 30 and FY31, total \$11.6 million. CIP expenditures are projected to be funded with cash from water rates and use of the enterprise fund balance. Projected CIP expenditures for FY23 through FY31 are summarized in the table on the below.

CIP Scenario 2	Current	Projected						Future	Future	FY24-FY29
	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total
Annual Water Supply and Demand Assessment	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	180,000
Annual Water GIS Updates	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	120,000
Water Main Replacement	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,200,000	2,400,000	2,600,000	2,800,000	12,600,000
Thomas Hill Reservoir Foundation Repair	300,000	2,000,000								2,000,000
Howe Road Pump Stations Improvements	300,000									0
St. Mary's Pump Station Modifications	400,000									0
Clearwell Seismic Retrofit		500,000								500,000
Arnold Drive Pump Station Replacement		2,000,000								2,000,000
Water Treatment Plant Master Plan		200,000								200,000
Zone 2 and Zone 3 Service Area Conversion Study		75,000								75,000
Water Treatment Plant Settled Water Contacts/Miscellaneous			250,000							250,000
AWIA RRA/ERP Update			200,000							200,000
Urban Water Management Plan			100,000					100,000		100,000
Reservoir Seismic Improvement and Renovations First Tier				3,400,000						3,400,000
Reservoir Seismic Improvement and Renovations Second Tier					3,500,000	3,500,000				7,000,000
Muir Oaks Tank and Hydropneumatics Replacement							3,500,000	3,500,000		3,500,000
Reservoir Seismic Improvements and Renovations Third Tier							600,000			600,000
Reserve for FY28 and Onward						1,000,000	1,100,000	1,200,000	1,300,000	2,100,000
Total	3,050,000	6,825,000	2,600,000	5,450,000	5,550,000	6,750,000	7,650,000	7,450,000	4,150,000	34,825,000

Note: Values for FY23 - FY27 are from the list of CIP projects in the current (FY24) budget. Values for FY28 and onward are estimated.

Proposed Rates

The following quantity charges are multiplied by the amount of water used by a customer in determining the bi-monthly amount billed. One hundred cubic feet (HCF) equals approximately 748 gallons. Quantity Charge, \$/hundred cubic feet (HCF)

Current FY23, Adopted FY24, and Recommended FY25-FY29 Water Rates and Charges

Effective date > Fiscal Years >	Adopted		Recommended					Adopted		Recommended				
	Current	Increases						Increases						
	1/1/2023 FY23	1/1/2024 FY24	1/1/2025 FY25	1/1/2026 FY26	1/1/2027 FY27	1/1/2028 FY28	1/1/2029 FY29	FY23- FY24	FY24- FY25	FY25- FY26	FY26- FY27	FY27- FY28	FY28- FY29	
	% increase >	varies	6.0%	6.0%	6.0%	6.0%	6.0%							
Quantity Rates by Zone, \$/hcf														
Zone I (0-150 ft.)	\$6.74	\$7.43	\$7.88	\$8.35	\$8.85	\$9.38	\$9.94	10.2%	6.1%	6.0%	6.0%	6.0%	6.0%	
Zone II (>150 -300 ft.)	\$6.97	\$7.66	\$8.12	\$8.60	\$9.12	\$9.67	\$10.25	9.9%	6.0%	5.9%	6.0%	6.0%	6.0%	
Zone III (>300 - 450 ft.)	\$7.13	\$7.83	\$8.30	\$8.80	\$9.33	\$9.89	\$10.48	9.8%	6.0%	6.0%	6.0%	6.0%	6.0%	
Zone IV (>450 ft.)	\$7.38	\$8.09	\$8.58	\$9.09	\$9.64	\$10.22	\$10.83	9.6%	6.1%	5.9%	6.1%	6.0%	6.0%	
Meter Charges, \$/two months														
5/8-inch Ufeline	\$44.25	\$48.00	\$51.00	\$54.00	\$57.00	\$60.00	\$64.00	8.5%	6.3%	5.9%	5.6%	5.3%	6.7%	
5/8-inch Full Rate	\$88.50	\$96.00	\$102.00	\$108.00	\$114.00	\$121.00	\$128.00	8.5%	6.3%	5.9%	5.6%	6.1%	5.8%	
1-inch with fire service	\$115.50	\$125.00	\$133.00	\$141.00	\$149.00	\$158.00	\$167.00	8.2%	6.4%	6.0%	5.7%	6.0%	5.7%	
1-inch	\$152.50	\$165.00	\$175.00	\$186.00	\$197.00	\$209.00	\$222.00	8.2%	6.1%	6.3%	5.9%	6.1%	6.2%	
1 1/2-inch	\$259.00	\$281.00	\$298.00	\$316.00	\$335.00	\$355.00	\$376.00	8.5%	6.0%	6.0%	6.0%	6.0%	5.9%	
2-inch	\$388.00	\$420.00	\$450.00	\$480.00	\$510.00	\$540.00	\$570.00	8.2%	7.1%	6.7%	6.3%	5.9%	5.6%	
3-inch	\$730.00	\$790.00	\$840.00	\$890.00	\$940.00	\$1,000.00	\$1,060.00	8.2%	6.3%	6.0%	5.6%	6.4%	6.0%	
4-inch	\$1,114.00	\$1,206.00	\$1,280.00	\$1,360.00	\$1,440.00	\$1,530.00	\$1,620.00	8.3%	6.1%	6.3%	5.9%	6.3%	5.9%	
6-inch	\$2,180.00	\$2,360.00	\$2,500.00	\$2,650.00	\$2,810.00	\$2,980.00	\$3,160.00	8.3%	5.9%	6.0%	6.0%	6.0%	6.0%	
8-inch	\$3,890.00	\$4,210.00	\$4,460.00	\$4,730.00	\$5,010.00	\$5,310.00	\$5,630.00	8.2%	5.9%	6.1%	5.9%	6.0%	6.0%	
10-inch	\$6,240.00	\$6,760.00	\$7,170.00	\$7,600.00	\$8,060.00	\$8,540.00	\$9,050.00	8.3%	6.1%	6.0%	6.1%	6.0%	6.0%	
12-inch	\$9,230.00	\$9,990.00	\$10,590.00	\$11,230.00	\$11,900.00	\$12,610.00	\$13,370.00	8.2%	6.0%	6.0%	6.0%	6.0%	6.0%	
Private Fire Protection Service Charges, \$/two months														
2-inch or smaller	\$145.00	\$157.00	\$166.00	\$176.00	\$187.00	\$198.00	\$210.00	8.3%	5.7%	6.0%	6.3%	5.9%	6.1%	
3-inch	\$289.00	\$313.00	\$332.00	\$352.00	\$373.00	\$395.00	\$419.00	8.3%	6.1%	6.0%	6.0%	5.9%	6.1%	
4-inch	\$451.00	\$488.00	\$517.00	\$548.00	\$581.00	\$616.00	\$653.00	8.2%	5.9%	6.0%	6.0%	6.0%	6.0%	
6-inch	\$901.00	\$976.00	\$1,030.00	\$1,090.00	\$1,160.00	\$1,230.00	\$1,300.00	8.3%	5.5%	5.8%	6.4%	6.0%	5.7%	
8-inch	\$1,630.00	\$1,760.00	\$1,870.00	\$1,980.00	\$2,100.00	\$2,230.00	\$2,360.00	8.0%	6.3%	5.9%	6.1%	6.2%	5.8%	
10-inch	\$2,620.00	\$2,830.00	\$3,000.00	\$3,180.00	\$3,370.00	\$3,570.00	\$3,780.00	8.0%	6.0%	6.0%	6.0%	5.9%	5.9%	
12-inch	\$3,880.00	\$4,200.00	\$4,450.00	\$4,720.00	\$5,000.00	\$5,300.00	\$5,620.00	8.2%	6.0%	6.1%	5.9%	6.0%	6.0%	
Backflow Prevention Program Charges, \$/two months														
½ or ¾-inch	\$38.00	\$39.00	\$41.00	\$43.00	\$46.00	\$49.00	\$52.00	2.6%	5.1%	4.9%	7.0%	6.5%	6.1%	
1-inch	\$38.00	\$39.00	\$41.00	\$43.00	\$46.00	\$49.00	\$52.00	2.6%	5.1%	4.9%	7.0%	6.5%	6.1%	
1½ and 1¾-inch	\$60.00	\$62.00	\$66.00	\$70.00	\$74.00	\$78.00	\$83.00	3.3%	6.5%	6.1%	5.7%	5.4%	6.4%	
2-inch	\$60.00	\$62.00	\$66.00	\$70.00	\$74.00	\$78.00	\$83.00	3.3%	6.5%	6.1%	5.7%	5.4%	6.4%	
2½-inch	\$79.00	\$81.00	\$86.00	\$91.00	\$96.00	\$102.00	\$108.00	2.5%	6.2%	5.8%	5.5%	6.3%	5.9%	
3-inch	\$96.00	\$99.00	\$105.00	\$111.00	\$118.00	\$125.00	\$133.00	3.1%	6.1%	5.7%	6.3%	5.9%	6.4%	
4-inch	\$101.00	\$104.00	\$110.00	\$117.00	\$124.00	\$131.00	\$139.00	3.0%	5.8%	6.4%	6.0%	5.6%	6.1%	
6-inch	\$156.00	\$160.00	\$170.00	\$180.00	\$191.00	\$202.00	\$214.00	2.6%	6.3%	5.9%	6.1%	5.8%	5.9%	
8-inch	\$205.00	\$211.00	\$224.00	\$237.00	\$251.00	\$266.00	\$282.00	2.9%	6.2%	5.8%	5.9%	6.0%	6.0%	
10-inch	\$245.00	\$251.00	\$266.00	\$282.00	\$299.00	\$317.00	\$336.00	2.4%	6.0%	6.0%	6.0%	6.0%	6.0%	