



CITY OF MANHATTAN BEACH

1400 Highland Avenue, Manhattan Beach, CA 90266

Visit www.manhattanbeach.gov/vwvrates • (310) 802-5312

Submit questions to publicworks@manhattanbeach.gov

March 28, 2023

CITY OF MANHATTAN BEACH NOTICE OF PUBLIC HEARING Proposed Changes to Wastewater Service Rates and Charges

NOTICE IS HEREBY GIVEN that the Manhattan Beach City Council (“City Council”) will hold a public hearing to consider proposed changes to the wastewater service rates and charges (hereinafter “rates” or “charges”) during its regularly scheduled meeting on Tuesday, May 16, 2023, at 6:00 PM, or as soon thereafter as the matter may be heard, at 1400 Highland Avenue, Manhattan Beach, California, in the City Council Chamber.

Manhattan Beach is proposing changes to its current wastewater service rates and is sending this notice to all property owners/ratepayers of record that receive wastewater service from the City and may be impacted by these changes. The new wastewater rates are proposed to be effective November 1, 2023, and will be adjusted each November 1st thereafter through November 1, 2027. The attached schedule shows the proposed rates, subject to potential pass-through adjustments. The rates effective November 1, 2027, cannot be increased unless the City undertakes the rate adjustment process again to change the rates at some time in the future.

Any property owner or tenant who is directly responsible for payment of wastewater service rates (i.e., a “wastewater customer”) may submit a protest against the proposed changes to the wastewater service rates. If you are a tenant *not directly responsible* for payment of wastewater service rates, you are receiving this notice as a courtesy, and the City Council will not consider your protest in determining whether a majority protest exists against the proposed changes to the wastewater service rates.

Property Owner/Rate Payer Tenant: If you *own* property in the City or *are a tenant who is directly responsible for payment* of City wastewater utility bills, you have the legal right to submit a protest to the proposed changes to the wastewater service rates.

Non-Rate Payer Tenant: If you *rent or lease* property in the City and are *not directly responsible* for the payment of wastewater utility bills, you are receiving this notice as a courtesy.

The proposed changes to the wastewater service rates are the result of a detailed rate analysis, which was reviewed by the City Council at its meeting on March 21, 2023. The analysis proposes a rate structure that allows the City to recover the City’s increased costs of providing wastewater service and a fair and equitable cost allocation among wastewater customer categories. The proposed changes to the wastewater service rates, which include proposed rate increases, are necessary to cover the following costs: fund routine operational and maintenance costs, ensure that the City can continue to reinvest in its wastewater infrastructure, afford anticipated increases in labor and material and maintain reserves to ensure funds are available to address emergency and other unanticipated capital expenses. The revenues derived from the proposed wastewater service rates will not exceed the funds required to provide wastewater service.

A written Wastewater Rate Study Report, prepared by Black & Veatch, an independent financial consulting firm specializing in cost-of-service analyses and rate setting, will be on file in the office of the City Clerk and available for public inspection and posted on the City’s website at www.manhattanbeach.gov/vwvrates, no later than May

1, 2023. The net impact of the proposed changes in the wastewater service rates for customers will vary based upon actual water consumption and meter size.

Any wastewater customer may submit a protest to the proposed changes to the wastewater service rates. A protest must:

1. Be in writing;
2. Include a statement protesting the proposed changes to the wastewater rates;
3. Identify the parcel of property subject to the proposed changes to the wastewater service rates (by street address or assessor's parcel number); and
4. Identify the wastewater customer and include the signature of the wastewater customer submitting the protest.

Protests may be submitted in one of three ways – email, mail or in-person delivery:

- Submit protests via email to the City Clerk's office at cityclerk@manhattanbeach.gov.
- Submit protests via mail or in-person delivery (during normal business hours) to

City Clerk's Office
City of Manhattan Beach City Hall
1400 Highland Avenue
Manhattan Beach, CA 90266

Protests must be submitted and received prior to the conclusion of the public hearing. Only one protest will be counted per parcel.

Prior to adopting new rates, the City Council will consider all written protests to the proposed changes to the wastewater service rates and all public comments. Emailed protests and protests that are mailed or personally delivered to the City Clerk's Office must be received by the City Clerk before 5:00 PM on May 16, 2023.

A **Community Meeting** will be held on Wednesday, April 19, 2023, at 6:00 PM in the City Council Chambers at City Hall, located at 1400 Highland Avenue, Manhattan Beach, California 90266. The hybrid-style meeting will take place in-person as well as on Zoom. The Zoom meeting link and ID number are as follows: <https://citymb-info.zoom.us/j/93376200363>. Meeting ID: 933 7620 0363.

Frequently Asked Questions

Why is the City considering changing the wastewater rates?

The City's current wastewater rates were last updated in 2014. The proposed rate increases will ensure the City's wastewater fund will be appropriately resourced to fund routine operational and maintenance costs, ensure that the City can continue to reinvest in its wastewater infrastructure, afford anticipated increases of labor and materials, and maintain reserves to ensure funds are available to address emergency and other unanticipated capital expenses.

If the proposed new rates are approved, how will my wastewater bill be calculated?

The proposed rate table is shown at the end of this notice.

For a typical customer, the bill would include two components:

- A **Fixed Service Charge** that is the same every billing cycle. This charge covers the administrative costs of billing, customer service, and fixed capacity costs. The larger your meter, the higher the fee.
- A **Volumetric Charge**, which is calculated based on the amount of wastewater you produce. This charge covers the cost of operations, maintenance, maintaining reserve funds, and critical infrastructure investment planned over the next five years. The more wastewater you produce, the more you pay.

Components of a customer wastewater bill:

$$\text{Fixed Service Charge} + \text{Volumetric Charge} = \text{Customer Wastewater Bill}$$

What can the typical Manhattan Beach residential wastewater customer expect to pay under the proposed rates?

Our typical single-family residential customer has either a 3/4" or 5/8" meter connection and produces 20 hundred cubic feet (HCF) of wastewater bi-monthly. Please note, 100 cubic feet is equal to 748 gallons of wastewater. The proposed average single-family residential customer's wastewater bill will go up by approximately \$5.49 bimonthly during the first year of the proposed rate increases.

The proposed average single-family residential bimonthly customer wastewater bill effective November 1, 2023:

Fixed Service Charge		Volumetric Charge		Customer Wastewater Bill
\$12.80 (3/4" meter)	+	\$29.21 (20 HCF x \$1.46)	=	\$42.01

When would these proposed rates go into effect?

If adopted by the City Council after the public hearing, the new rates will become effective on November 1, 2023. (City invoices received after January 1, 2024 will reflect the new rates). In addition, there will be annual adjustments each successive November 1st through November 1, 2027. After the effective rates of November 1, 2027, the rates cannot be increased unless the City undertakes a Proposition 218 rate adjustment process again to change the rates at some time in the future.

If I want to exercise my right to protest the proposed changes to the rates, can you explain the steps again?

Any property owner or tenant directly responsible for the payment of wastewater utility bills may submit a protest against the proposed changes to the wastewater rates. If you choose to protest, you must submit such protest in writing through one of the following avenues:

1. Mailed or delivered to the City Clerk, City Clerk's Office at City Hall, 1400 Highland Avenue, Manhattan Beach, CA 90266. *prior to the end of the public hearing,*

2. Protests that are mailed or personally delivered to City Hall must be received by the City Clerk before **5:00 PM on May 16, 2023**.
3. Emailed no later than Tuesday, **May 16, 2023 by 5:00 PM**, to: cityclerk@manhattanbeach.gov.

What are the protest requirements?

To be counted in calculating a majority protest, a protest must: (1) be in writing, (2) identify the parcel of property subject to the proposed wastewater service rates (by street address or assessor's parcel number), (3) include a statement protesting the proposed changes to the wastewater rates, (4) identify the wastewater customer and (5) include the signature of the wastewater customer.

How many protests can be submitted per property?

No more than *one* protest per parcel of property will be counted in calculating a majority protest.

How many protests are needed to prevent the City Council from adopting the new rates?

Under Proposition 218 state law, the City Council cannot adopt the proposed rates if a majority (50% + 1) of the wastewater customers subject to the proposed wastewater rates submit written protests prior to the close of the public hearing.

I'd like to learn a little more.

Visit the City's website at www.manhattanbeach.gov/wwrates.

Join the Community Meeting on April 19, 2023 at 6:00 PM. The proposed changes to the wastewater service rates will be reviewed, and staff will be available to answer questions the public may have regarding this process. The hybrid-style meeting will be in-person in the City Council Chambers (1400 Highland Avenue Manhattan Beach, CA 90266) and on Zoom. The Zoom meeting link and meeting number are as follows: <https://citymb-info.zoom.us/j/93376200363>. Meeting ID: 933 7620 0363

I can't make the community meeting. Who do I call or email my questions to?

Contact Public Works at (310) 802-5312, email publicworks@manhattanbeach.gov or visit www.manhattanbeach.gov/wwrates.

Current/Proposed Rate Table

Effective November 1, 2023

Adjusted Each November 1 Thereafter Through November 1, 2027 as shown below

	Current	Nov. 1, 2023	Nov. 1, 2024	Nov. 1, 2025	Nov. 1, 2026	Nov. 1, 2027
Bi-Monthly Fixed Charge (\$/bi-mo)						
5/8" or 3/4"	11.12	12.80	14.98	15.58	16.20	16.69
1"	15.56	17.90	20.95	21.79	22.66	23.34
1-1/2"	22.98	30.65	35.87	37.30	38.79	39.96
2"	31.86	45.95	53.77	55.92	58.15	59.90
3"	55.56	86.76	101.50	105.56	109.79	113.08
4"	82.20	132.66	155.21	161.42	167.87	172.91
6"	156.24	260.16	304.38	316.56	329.22	339.10
8"	245.10	413.16	483.40	502.73	522.84	538.53
10"	348.76	617.16	722.08	750.96	781.00	804.43
Variable Usage Charge (\$/HCF)						
All Usage	1.27	1.46	1.71	1.78	1.85	1.90