



## Notice of Public Hearing Proposed Water and Wastewater Rates

Tuesday, March 3 @ 7 p.m.  
Poway City Council Chambers

### Proposed Rate Change Protests

As part of the rate setting process, on March 3, 2020, the City of Poway will conduct a public hearing on the proposed changes to water and wastewater rates and will consider all oral and written protests to the proposed changes. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. Only one written protest will be counted per identified parcel. While email is not an official rate protest mechanism under California law, the City Council values resident input and will read all email correspondence regarding rates.

#### Written protests must include:

- A description of the property, such as the address or assessor's parcel number; and
- The name and signature of the customer submitting the protest.

The City Council will receive a final tabulation of all written protests received by the City Clerk. Written protests must be received by the City Clerk's office no later than 12 p.m. March 3, 2020, or can be submitted in writing in the Council Chambers before the public hearing is closed. If a majority of the affected customers do not file written protests of the proposed rate changes, the Council will then consider and may adopt the rate changes described in this notice. If a majority of affected customers file written protests, the City Council will not adopt the proposed rate adjustments and the City will reconsider the rate structure and rates.

#### Please send written protests to:

City Clerk of the City of Poway  
PO Box 789  
Poway, CA 92074-0789

***The City is committed to providing the highest quality water and wastewater services at the lowest possible rates. To keep this commitment, each year the City evaluates its infrastructure needs and operations and maintenance costs for the next year. Based on this evaluation, rate adjustments are proposed for 2020. The rate adjustments being considered will become effective March 2020 for all bills mailed on or after May 1, 2020, and January 2021 for all bills mailed on or after March 1, 2021.***

### Why are you receiving this notice?

The City of Poway is mailing this notice to you because you are a water and/or wastewater customer responsible for payment of water and/or wastewater fees, or you are the owner of record for a property that receives water and/or wastewater service. This notice describes proposed adjustments to water and wastewater rates, rate structure changes, and provides notice of the upcoming public hearing at which these proposed changes will be considered by the Poway City Council.

### NOTICE OF PUBLIC HEARING PROPOSED WATER AND WASTEWATER RATES



On Tuesday, March 3 at 7 p.m. the Poway City Council will consider adopting proposed changes to water and wastewater charges. The rate adjustments being considered will become effective March 2020 for all bills mailed on or after May 1, 2020. The City bills for water and wastewater service bimonthly (every two months) based on consumption during the two months prior to the billing date.

#### DATE

Tuesday, March 3, 2020  
at 7 p.m.

#### LOCATION

City Council Chambers  
13325 Civic Center Dr.  
Poway, CA



## Proposed Changes to Water and Wastewater Rates

The City of Poway provides safe, reliable water on demand to its customers and purchases nearly 100 percent of its water from the San Diego County Water Authority (SDCWA). The cost to purchase and treat imported water continues to increase. The City proactively plans for increases in these costs, along with costs associated with operations, maintenance, and replacement of infrastructure along with maintaining appropriate reserves. **To accommodate these increases, the City is proposing adjustments in potable water rates over the next two years.**

The City of Poway maintains a wastewater system that provides customers with wastewater collection and conveyance services to the San Diego Metropolitan Wastewater System (Metro) where the wastewater is treated at the Point Loma Wastewater Treatment Plant and then discharged into the ocean. The City proactively plans for increases in costs associated with operations, maintenance, and replacement of infrastructure along with maintaining appropriate reserves. The City also pays a percentage share of the operation, maintenance, and capital replacement costs of the Metro system. **To accommodate these increases in costs, adjustments in wastewater rates over the next two years are being proposed.**

A two-year rate setting process strikes a balance between flexibility and efficiency. A two-year period is short enough to allow rate changes if future projections are different than anticipated while also reducing the administrative costs of adopting new rates. The rate evaluation for both water and wastewater services has been underway since January 2019, with City Council workshops held in October and November to receive public input.

### How are your rates calculated?

**To cover the costs of purchasing imported water, treating and distributing it, the city is proposing rate changes.** All water rates are allocated among customer classes (e.g., residential, non-residential) based on their proportionate use of the system. There are two components: the fixed charge based on the size of the meter and the variable charge based on the volume of water used. The proposed rates include increasing the fixed/variable ratio from 16% fixed/84% variable to 20%/80% to support the financial sustainability of the system. The proposed rates include moving to a three-tiered rate structure (versus the current two-tiered structure) for residential customers to more accurately recoup costs based on water usage. The usage charge is a flat per unit rate instead of a tiered rate for non-residential customers based on their usage patterns.

**To cover the costs of collecting, conveying, and treating wastewater, the city is proposing rate changes.** All wastewater rates are allocated amongst customer classes based on their proportionate use of the system. The proposed rates include moving to a “fixed plus variable” rate structure similar to water. Since residential customers impact the wastewater system differently than non-residential customers, rates are approached differently. For residential customers the variable rate is tied to their winter water usage (when most water is used indoors: wastewater out generally matches water in). For non-residential customers, it is based on water usage. The proposed rates also include increasing the fixed/variable ratio from 20% fixed/80% variable to 30%/70% to support the financial sustainability of the system.

**To cover the costs of purchasing imported recycled water and distributing it, the city is proposing rate changes.** The recycled water rate will no longer be a percentage of non-residential water rates; rather, it will be based on the costs associated with the recycled water service.



For additional information on how your rates have been calculated, please refer to the staff report on January 7, 2020 titled “Set Public Hearing for New Rate Structures and Proposed Two-Year Water, Recycled Water, and Wastewater Rates.”

## CURRENT AND PROPOSED WATER RATES

Bi-Monthly Water Meter Service Charges			
METER SIZE	CURRENT	3/4/2020	1/1/2021
5/8"	42.28	41.14	43.00
3/4" and 1" fire	42.28	55.62	58.13
1"	70.47	84.58	88.39
1 1/2"	140.90	156.96	164.03
2"	225.44	243.82	254.80
3"	422.72	518.89	542.25
4"	704.52	924.25	965.85
6"	1,409.05	1,894.22	1,979.46
8"	2,254.46	3,486.72	3,643.63

Bi-Monthly Water Commodity Charges (\$/Unit)			
CUSTOMER CLASS	CURRENT	3/4/2020	1/1/2021
<b>Single Family Residential</b>			
Tier 1: 1-199 Units	5.36	N/A	N/A
Tier 2: 200+ Units	7.65	N/A	N/A
Tier 1: 1-20 Units	N/A	4.59	4.80
Tier 2: 21-56 Units	N/A	5.35	5.60
Tier 3: 56+ Units	N/A	7.45	7.79
Multi-family Residential	5.47	4.69	4.91
Landscape Irrigation	5.47	6.52	6.82
Non-residential	5.47	4.99	5.22
Recycled Water	4.92	4.06	4.25
City Potable Usage	2.36	4.99	5.22

1 unit = 748 gallons

## CURRENT AND PROPOSED WASTEWATER RATES

Bi-Monthly Wastewater Service Charges			
METER SIZE	CURRENT	3/4/2020	1/1/2021
<b>Single Family Residential (Residential wastewater flow based on 85% of lowest winter water use averaged over the past three years.)</b>			
Flat	21.34	N/A	N/A
<b>Non-residential, Multi-family, Mobile Home</b>			
5/8"	28.16	N/A	N/A
3/4"	28.16	N/A	N/A
1"	38.23	N/A	N/A
1 1/2"	63.44	N/A	N/A
2"	93.69	N/A	N/A
3"	174.35	N/A	N/A
4"	265.07	N/A	N/A
6"	617.97	N/A	N/A
8"	819.62	N/A	N/A
<b>Customer Class</b>			
All Customer Classes (Except Schools)	N/A	26.63	28.31

Bi-Monthly Commodity Rates (\$/Unit Wastewater)			
CUSTOMER CLASS	CURRENT	3/4/2020	1/1/2021
<b>Single Family Residential</b>			
Tier 1: 0-5 Units	29.54	N/A	N/A
Tier 2: 6-12 Units	52.12	N/A	N/A
Tier 3: 13-19 Units	78.45	N/A	N/A
Tier 4: 20-26 Units	85.99	N/A	N/A
Tier 5: 27-37 Units	101.04	N/A	N/A
Tier 6: 38-50 Units	116.09	N/A	N/A
Tier 7: 51+ Units	127.39	N/A	N/A
Single Family Residential	N/A	4.38	4.66
Multi-family & Mobile Home	4.02	5.50	5.85
<b>Non-Residential</b>			
General Commercial	4.02	4.74	5.04
Medium-low	4.60	5.31	5.65
Medium-low	5.35	5.96	6.34
Medium-high	6.85	6.09	6.48
High	8.15	8.39	8.92
Light Industry	4.22	5.16	5.49
Industrial Special User	4.02	5.20	5.53
Government & Membership Organizations	4.02	3.89	4.14
Churches	4.02	4.74	5.04
Elementary School (ADA)	4.02	4.80	5.11
Secondary & High School (ADA)	4.02	4.76	5.06

### Wastewater Rate Notes:

Multi-family and mobile home customers' wastewater flow is calculated based on 75% of bimonthly water use for accounts without a landscape meter and 85% of bimonthly water use for accounts with a landscape meter. Non-residential customers' wastewater flow is calculated based on 75%, 85% or 90% of bimonthly water use depending on customer class. Wastewater flow for schools is estimated based on the average flow per student per day using 75% or 85% of the water use from the March/April billing period.

Any water rates or fees associated with water service, including raw water, not addressed within this notice shall remain in full force and effect as previously adopted by the Poway City Council.



PO Box 789  
Poway, California 92074-0789  
www.poway.org

**DATED MATERIAL - DO NOT DELAY DELIVERY**

## Important information about your WATER and WASTEWATER account!

### Facts about Poway's Water and Wastewater System

Poway imports nearly 100% of its water through the San Diego County Water Authority (SDCWA). The City's water system includes:

- **294** miles of transmission and distribution pipelines
- **5,044** water valves, **21** pressure reducing stations and **14** pump stations (designed to raise water to higher elevations)
- **19** reservoirs (Lake Poway holds ~one billion gallons of water)
- One **24** million gallon/day water treatment plant
- **2,435** fire hydrants
- Approximately **45,000** tests to ensure Poway water meets or exceeds the State and Federal standards for water quality.

Poway contracts with the City of San Diego (Metro) for wastewater treatment and disposal. The City's wastewater infrastructure transports wastewater to various treatment plants within the County of San Diego in a safe and reliable manner. It includes:

- **186** miles of wastewater pipes
- **5** lift stations (designed to raise wastewater material to a higher elevation)
- More than **4,000** maintenance covers.

The cost to provide water service in Poway is about \$27.7 million per year. Wastewater service costs are approximately \$11.3 million per year. Over half of the City's water and wastewater expenditures are pass-through costs (raw water, wastewater treatment), which the City cannot control.

**If you have questions regarding this notice, please call our Finance Department at (858) 668-4411.**