

CURRENT AND PROPOSED WATER RATES (TABLE 1)

USE	Current	Proposed				
		August 1, 2010	July 1, 2011	July 1, 2012	July 1, 2013	July 1, 2014
Consumption Rate (\$/unit: 1 unit is 748 gallons)						
Single Family Residential	\$1.29	\$1.92	\$2.21	\$2.41	\$2.65	\$2.73
All other customers	1.29	\$1.92	\$2.21	\$2.41	\$2.65	\$2.73
Minimum base charge by: Meter Size/Class Description						
3/4" Meter	\$15.24	\$22.71	\$26.11	\$28.46	\$31.31	\$32.25
1" Meter	25.90	38.59	44.38	48.37	53.21	54.81
1 1/2" Meter	50.28	74.92	86.15	93.91	103.3	106.4
2" Meter	80.75	120.32	138.37	150.82	165.90	170.88
3" Meter	152.36	227.02	261.07	284.57	313.02	322.41
4" Meter	254.45	379.13	436.00	475.24	522.76	538.45
6" Meter	507.37	755.98	869.38	947.62	1,042.38	1,073.66
Fire Service 2" & Under	16.15	24.06	27.67	30.16	33.18	34.18
Fire Service 3" Meter	30.47	45.40	52.21	56.91	62.60	64.48
Fire Service 4" Meter	50.89	75.83	87.20	95.05	104.55	107.69
Fire Service 6" & Up	101.47	151.19	173.87	189.52	208.47	214.72

How Do I Calculate My New Water Rate

Basis of Proposed Rates: The proposed rates were designed to fairly and equitably recover the cost of providing water service from across all customer groups. The cost of providing service will be recovered through a fixed fee, called the **monthly service charge** and through a **consumption fee** that will apply to the amount of water you consume. The **monthly service charge** is determined by the meter size. The **monthly service charges** will increase across meter sizes as established by industry and regulatory standards.

Estimating your New Water Bill

The fixed fee (called a monthly service charge) and the consumption fee, that will apply to the amount of water you consume, may be estimated as follows:

Step 1: Find your monthly service charge—Your water meter size will determine your **Monthly Service Charge**. The Proposed Rate Table, located above, shows the proposed **Monthly Service Charge** for each meter size.

Step 2: Determine your level of consumption—You can find this information in your most recent water bill on the bottom right hand corner under water usage. The proposed consumption rates are listed at the top of the Proposed Rate Table located above.

Step 3: Estimate your new water bill—To calculate how much your new water bill will be, add your **monthly service charge** to your **consumption charge** (which is the number of units of water you consume multiplied by the per unit consumption fee).

The sample calculation on the right is for a single family home with a 3/4" meter and 11 units of consumption. Your monthly water bill will vary, depending on the number of units recorded on your meter each month.

Estimating your New Water Bill:

Sample calculation using rates effective
August 1, 2010

Step 1: Monthly Service Charge

From the proposed water rate table above, determine the monthly service charge
3/4" meter = \$22.71/month

Step 2: Consumption Charge

Assuming this family uses 11 units of water each month
11 units @ \$1.92 per unit =
\$21.12/month

Step 3: Estimate you new bill

Monthly service charge: \$22.71
Consumption charge: \$21.12
Projected new bill: \$43.83

Sample calculation based on a single family home using 11 units of water per month.

Proposition 218 Notification
NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING
ON PROPOSED WATER SERVICE RATE ADJUSTMENT
(Please share this information with tenants)

Hearing Date & Time: July 21, 2010 at 6:00PM or as soon thereafter as possible
Hearing Location: City of Ukiah, Council Chambers
300 Seminary Avenue, Ukiah, CA 95482

The hearing will cover the proposed 2010, 2011, 2012, 2013, and 2014 rate adjustment for water service. This notice has been sent to all customers who currently receive this service provided by the City of Ukiah. If adopted, the proposed rate adjustment will become effective for bills issued on or after August 1, 2010 and for bills issued on or after July 1, 2011, 2012, 2013, and 2014.

This Notice of Public Hearing provides information regarding the proposed rate adjustment to the City's water service customers pursuant to the requirements of California Constitution Article XIII D Section 6 (commonly referred to as Proposition 218). The proposed rate adjustment will be presented to the City Council for adoption on July 21, 2010, at 6:00 p.m. in the Council Chambers. This notice also provides information on how rates are calculated, the reasons for the required rate adjustment, how customers can receive more information on the effect of the proposed rate adjustment on their water bill and how to file a protest against the proposed rate adjustment.

Annually the City prepares an analysis of the revenues and expenditures for the Water enterprise to ensure sufficient revenues are collected to effectively provide for the short and long-term water service needs of the community. Revenues received from water charges are restricted solely for these purposes.

HOW WATER RATES ARE CALCULATED:

Multi-Year Rate Setting Strategy—The in-depth analysis that is conducted include a minimum five-year look ahead at operating and capital program costs in order to adequately prepare the funds for upcoming expenses and avoid significant unexpected increases in rates. To achieve planned service goals, incremental rate increases over a number of years are the preferred method for ensuring rate stability. Table 1 of this notice shows the proposed rates. The proposed rates are consistent with the approach taken five years ago when the current rate schedule was adopted.

Rates Based on Customer Usage Choices - Under the City's water rate structure, bills are based on customer usage choices and resulting demand on the water system. The City has a two component water rate—a minimum base charge and a service charge based on the volume of water used.

WHAT ACTION HAS BEEN TAKEN TO CONTROL COSTS:

Keeping costs down is one of our main concerns, especially during these difficult economic times. The City has used layoffs, furloughs and salary reductions to reduce expenditures in all operations. Water operations are an independent business. Expenditures and revenues must balance. The City, including the employees in the Water Department, have worked to minimize costs, budgeting and examining the amount of each expense from scratch with no assumed increases.

Some costs, such as for the electrical power needed to run treatment plant and pumps have increased. However, quantities for disinfectant and process chemicals have decreased. These cost control measures must be delicately balanced against the ever increasing requirements from the State of California. Though at times the new requirements seem onerous, they are all ultimately intended to protect the water quality in our Valley.

Concerns, Please Contact Us For More Information:

If you have questions or comments about the proposed water rate adjustment or wish to protest, you may:

Address The Council: Attend the Public Hearing on July 21, 2010

Telephone: (707) 463-6217

Write: 300 Seminary Avenue, Ukiah, CA 95482

Protests against the proposal must be submitted in writing, identify the property by street address or Mendocino County Assessor's Parcel Number, the owner(s) of the property, and include the signature(s) of the property owner(s). The term "owner" includes tenants who are responsible for paying the monthly water bill. If written protests against the proposed increases in the fee for water service are filed at or prior to the hearing by a majority of the affected property owners, the City Council will not approve the increases.