



CITY OF FULLERTON

Public Works Department – *Engineering Division*

Dear Property Owner/Tenant,

Thank you for your recent submission regarding the water rates. Your protest has been recorded and counted towards the tally for the Public Hearing related to the Proposed Water Rate Increase. The Public Hearing will be held on June 4, 2019 at 6:30 PM in the City Council Chamber at City Hall, located at 303 W Commonwealth Ave.

We value the feedback we received in various letters and emails. Below are several frequently raised concerns along with responses:

1. We are retired and on a fixed income. We are unable to afford these increases. Can the City provide relief?

The rates presented reflect the cost of providing water service – operations and system improvements. Unfortunately, State law limits the City's ability to provide reduced rates for low or fixed income customers. Therefore, funding options are limited for public utilities to subsidize water bills. There are several California legislative bills currently proposed related to water and low income customers that may provide future State relief to some customers. To obtain more information on SB200 and other such bills please visit, https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB200

2. Why are the increases higher than regular cost of living increases?

The water rates reflect the cost for purchasing and transporting water, maintenance and operations, replacement of infrastructure, regulatory compliance, and other water challenges impacting the water utility. Although inflation and cost of living increases do have an effect on the water rates, the driving force behind the increase is to fund the City's growing need for water infrastructure improvements. The City has over 423 miles of pipelines, 10 wells, 15 reservoirs, multiple pumps, and many other assets that need to be maintained. A large portion of these assets were installed in the 1950s when the City was experiencing major growth. After 70 years of maintenance and service, many of these assets require replacement or rehabilitation. These rates will support the ongoing operation and necessary replacement of pipes (at an eventual pace of nine miles per year) and other infrastructure.

During the Water Rate Study Ad Hoc Committee and City Council meetings, there was discussion of alternative funding sources for delaying the increases. Unfortunately, funding options such as bonds, will ultimately result in higher long term costs (and consequently, higher future rates). City staff continues to actively seek applicable grants; however, grant opportunities are limited for projects that focus on replacing old pipes.

3. Why can't the bill reflect only the water we use without a fixed fee?

There are fixed operational costs and infrastructure replacement needs that must be supported by all customers. These costs occur regardless of the amount of water that is used which is why there is a fixed fee. If this funding was tied to water consumption only, the ability to operate and improve the system would be vulnerable to swings in water demand.

4. Are these rate increases a result of people conserving like the City asked?

Conservation is a very important part of protecting water, our most precious resource. We appreciate the conservation that has been achieved by Fullerton's residents and businesses and encourage the continuation of those efforts. These rates are not being increased due to a water supply issue caused by conservation, rather the rates are reflective of the City's need to replace its failing infrastructure and rising operational costs.

Again, we appreciate your submittal and involvement in the feedback process. For further information regarding the Water Rate Increase, please visit our website at www.cityoffullerton.com/waterratestudy

THE EDUCATION COMMUNITY

303 West Commonwealth Avenue, Fullerton, California 92832-1775
(714) 738-6845 • www.cityoffullerton.com