

July 1, 2015

State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Dear Chair Marcus and Members of the Board:

As Governor Brown's California Water Action Plan notes, "conservation must become a way of life for everyone in California." With our state well into the fourth year of an historic drought, it is critical that urban water suppliers use conservation-oriented pricing to send an effective price signal to consumers and move us all toward a conservation-focused way of life. Directive 8 of Governor Brown's Executive Order directs the State Water Resources Control Board to adopt emergency regulations to direct urban water suppliers to develop conservation-oriented pricing mechanisms, as well as work with state agencies and water suppliers to identify mechanisms to encourage and facilitate this adoption of conservation rate structures. As the Board begins this process, we offer a number of near-term and long-term recommendations.

Conservation Pricing Benefits Consumers and Communities

Conservation-oriented rate structures are among the most important and cost-effective water conservation tools available, and serve to complement all other utility conservation programs. Pricing water appropriately can send customers an effective price signal regarding the scarcity of water, the additional costs of meeting peak demands for water, and the costly water and wastewater infrastructure that is needed to serve current and future levels of water use. Importantly, conservation-focused pricing can be especially effective in restraining excessive outdoor water use, where the customer's price elasticity response to rate changes is higher—in some cases estimated to be nearly twice as high—as the response for indoor use.¹ Statewide, there is a continued need for more widespread use of conservation-oriented (usually tiered) rate structures, and greater conservation potential exists for many of the conservation rates already in place.

A Starting Point: Understanding California's Pricing Landscape

The Board should first seek to understand the rates already in place, and then consider the actions needed to increase their effectiveness in sending a conservation price signal.

¹ Mansur and Olmstead, *The Value of Scarce Water: Measuring the Inefficiency of Municipal Regulations* (2011).

As the drought persists, it is important to know what steps water suppliers are taking to maintain financial solvency, and whether conservation messaging to customers is being reinforced with appropriate price signals. Accordingly, the Board should familiarize itself with California's many current rate structures as it considers how to maintain an effective statewide drought response. The Board should collect information on the current measures water suppliers are taking to address revenue shortfalls. We recommend that the Board expand the requirements of the currently monthly urban supplier reports to include the following information on water rates and charges:

- Effective date and description of the current rate schedule
- Comparison of forecasted revenues with revenues received year to date
- Measures in effect or pending to promote conservation and address potential revenue shortfalls, including, but not limited to:
 - Drought surcharge rates
 - Excess water use penalty charges
 - General rate increases
 - Use of previously established reserve funds
 - Any other specific measures

This information is readily available to all urban water suppliers, and a web-based reporting requirement would not be burdensome for reporting agencies.

Board Action to Improve Rates and Charges for Greater Conservation

Beyond emergency regulations, Board action to encourage conservation pricing could take many forms, short of rate regulation as practiced by the CPUC. The Board can effectuate change through several mechanisms at its disposal, including:

- A Board policy resolution expressing support for key elements of conservation pricing for water and wastewater service.
- Conservation pricing criteria for application to new or amended water rights permits.
- Conservation pricing criteria for loan or grant recipients.
- Regulations that cover ratemaking policies, while stopping short of rate review and approval.
- Regulations seeking improved utility practices and billing policies that convey more accurate, timely, and understandable price and consumption data to consumers.

Improvements to Existing Volume-Based Rate Structures

As to those agencies that already have some form of conservation-oriented pricing in place, rates should be improved as necessary to maximize conservation. More

specifically, agencies should reevaluate their rates with Proposition 218 requirements in mind—particularly with respect to the costs of providing water service, taking into consideration numerous factors that may lead to service cost differentials among customers. These differing costs may result in the creation of additional tiers, as well as higher costs charged to high-volume customers whose use necessitates additional system expenditures

Incorporate the Higher Costs of Peak Season Service Into Seasonal Rates

Approximately $\frac{3}{4}$ of retail urban water suppliers reporting to the California Urban Water Conservation Council (CUWCC) have adopted tiered or budget-based rates – leaving $\frac{1}{4}$ of retail water suppliers with less conservation-oriented rate structures. The Board should encourage the development and implementation of conservation-oriented rates, including tiered and seasonal rate features.

Seasonal or peak use patterns require thoughtful consideration to deliver a clear price signal that promotes conservation when it is most needed. A number of factors related to peak-season use tend to lead to increased water delivery costs, and this incremental cost between average and peak use should be reflected in a strong conservation-oriented seasonal rate. For example, an agency must always have available the water and infrastructure necessary to meet peak demand, even if that demand level is only reached during a single day. In another example, the electric power purchased by water suppliers is commonly priced with a significant seasonal differential during summer months. Accordingly, a seasonal rate differential for water should be implemented to recover differential seasonal power costs. Further, where wholesale purchased water is sold to retail suppliers subject to a tiered pricing structure (such as that sold by the Metropolitan Water District of Southern California), the marginal cost of the higher-priced water in the second tier, where necessitated by high-season use, should be considered and accounted for in peak-season costs. Water suppliers' water storage and other infrastructure needs are also generally sized to meet peak-use demands, and these should be reflected in cost of service analyses. Additional conservation program costs, too, should be allocated seasonally to the peak-use time period when they are most needed. All of these costs related to peak consumption, including availability or “standby” charges, should be factored into conservation-oriented seasonal rates, and should be proportionally assigned to higher-volume users during peak demand periods.

Reconcile the need for fixed charge revenue with the need to maintain the conservation signal.

Many water agencies have increased their fixed charges in an effort to increase revenue stability. For example, over 40% of water suppliers reporting to the CUWCC have indicated that revenue from fixed charges rose above 30% of total customer revenue during 2011 and 2012. Higher fixed charges can significantly blunt the price signal sent to consumers through volumetric water rates and charges. One of the most promising remedies for this conundrum is the “consumption-based fixed charge”, which sounds like an oxymoron, but is a highly practical way to recover fixed charges based on a customer's share of total system demand during an immediate prior year. The City of

Davis evaluated and proposed, but ultimately did not adopt, a consumption-based fixed charge, and found that such an approach was not inconsistent with Proposition 218. The City's Proposition 218 notice to customers on this proposal is attached.

Flat (Non-volumetric) Rate Designs for Sanitary Sewer Service Undercut Conservation

As the Board creates its regulations for conservation-oriented pricing, it should evaluate rate structures related to wastewater pricing. Wastewater presents up to 50 percent of the price signal that a given customer receives, and the flat rates that are common among many of California's sanitation agencies provide a disincentive to conservation in this critical area. Volumetric pricing for sanitary sewer service for residential customers currently paying flat rates for sewer service could save an estimated 300,000 acre-feet of water per year in California. In addition to its potential wastefulness, such flat pricing may also run afoul of Proposition 218's cost of service requirements. The Board should take steps to help sanitary sewer agencies adopt volumetric pricing. The cooperation of water suppliers is also essential for any sanitation agency contemplating a switch to volume-based rates, because the water suppliers hold the water meter data upon which volume-based sewer charges would be based. The Board should support the need for timely water consumption data to be made available to sewer agencies.

Effectuating Change: Lead Local Boards to Improve Rates and Charges Themselves

Recognizing the Board's resource limitations and the potential challenges of directly overseeing each of the agencies under its purview, the Board should leave most aspects of rate design review and development to local authorities. However, to better ensure that all newly adopted rates encourage the efficient use of water, local governing boards should be tasked with making specific findings in any new rate proceeding. Such conservation-oriented findings could include at least the following:

- 1) forecasted sales upon which new rates and charges are based take into account the water supplier's water-saving targets adopted pursuant to state law and regulation
- 2) operating and capital costs of service attributable to meeting peak summer demand are adequately reflected in the rates and charges for water service during the peak demand period
- 3) within each customer class, the unit cost of water in the adopted commodity charge schedule does not decline at any higher level of consumption
- 4) the water supplier's estimated level of non-revenue water has been calculated using recognized methodology, and its impact on the proposed rates and charges has been identified
- 5) rate schedules include drought contingency rates or other revenue adjustment mechanisms that account for the water-use reductions in the water supplier's water shortage contingency plan

Such findings could be generated as part of water agencies' supporting documentation and distributed as part of its Proposition 218 notice for rate revisions. This requirement could be largely self-enforcing, since any failure to make such findings could provide grounds for a challenge to the proposed new rates.

Recognize that Proposition 218 Requirements May Necessitate Tiered Pricing

The recent decision in *Capistrano Taxpayers Association, Inc., v. City of San Juan Capistrano* may be a consideration as regulators and water agencies work to design and implement conservation-oriented pricing. The *Capistrano* decision seems to overreach in a number of ways—not the least of which is the court's overreliance on differing water source costs in making cost of service calculations, and its failure to acknowledge the many other costs associated with high-volume use that could be included in tiered pricing. However, the decision is not binding statewide, and a depublication request is pending, which, if granted, could limit its persuasive authority in future cases.

In the meantime, though, many water agencies appear to have the decision's holdings in mind while evaluating future rate design. As agencies redesign their rates, it is important to note that *San Juan Capistrano* creates a rebuttable presumption that tiered pricing remains appropriate, and under the decision's reasoning, uniform and flat rates may face *greater* vulnerability with respect to Proposition 218 compliance. The *San Juan Capistrano* decision explicitly permits tiered rate design, requiring only that water agencies show their marginal costs of service and apportion those costs appropriately in their rates. Notably, rates, such as flat and uniform rates, that bill customers without full consideration of the differing costs that their usage levels may necessitate, may be at risk of legal challenges based on cost-of-service proportionality requirements. Water suppliers may comply with Proposition 218 requirements and send a strong conservation price signal by fully considering and proportionally allocating usage-related costs.

As the Board considers these and other recommendations for improving California water conservation through pricing, we stand ready to assist in their successful implementation.

Sincerely,



Edward R. Osann
Senior Policy Analyst



Johanna Dyer
Policy Analyst

Attachment:
**City of Davis Notice to Property Owners of Public
Hearing of Proposed Water Rate and Fee Increases**



City of Davis
23 Russell Blvd, Suite 1
Davis, CA 95616

ADDRESS SERVICE REQUESTED

PRESORTED
FIRST CLASS
U.S. POSTAGE PAID
DAVIS, CA
PERMIT NO. 1

First Name, Last Name
1 Willow Street
Davis, CA 95616

Notice to Property Owners of Public Hearing of Proposed Water Rate and Fee Increases

Notice to Property Owners of Public Hearing of Proposed Water Rate and Fee Increases

The Davis City Council will hold a public hearing on March 19, 2013 to consider a water rate and fee increases proposed by the City Council and the Davis Water Advisory Committee.

As more fully described in this Notice of Public Hearing, the quality and reliability of the water supply used in Davis is declining. Davis has historically depended on groundwater, but increasingly high salt and mineral content in the groundwater has caused the City to pursue Sacramento River water as an additional source of water. To fund this, the City proposes to increase water rates and fees effective May 1, 2013.

- This notice is being sent to property owners of record for each parcel in Davis, as required by the California Constitution.
- The proposed rates and fees will cover the full cost of supplying water from the Sacramento River to Davis water customers together with other water system costs.
- The City has developed an innovative water rate structure designed to give property owners and users more control over water bills, and provide bill predictability.

Visit CityOfDavis.org or call (530) 757-5686 for more information about water quality, water rates, environmental impacts and the water supply project.

Rate and Fee Increases



The City of Davis is proposing to increase the rates and fees for its water service and establish a new rate structure. The new water fees would be imposed on all properties in Davis receiving water service.

The proposed rate and fee increases would provide funding for a water supply project to draw water from the Sacramento River and treat it at a treatment plant in cooperation with the City of Woodland. The City would build a pipeline to bring water from the treatment plant to Davis. The City would use the new water supply instead of groundwater, except during summer periods, when supplies of groundwater will still be needed. This water supply will be submitted to the voters at a March 5 election conducted by mailed ballot. As more fully described in this notice, in addition to funding the water supply project, the rate increases are necessary to fully recover increases in the costs of providing water services.

Davis currently relies on groundwater for 100% of its water supply. Groundwater is water that collects in aquifers in the earth. The City's water supply system was built in the 1950s, when the groundwater was cleaner and more plentiful. Now Davis is meeting water quality guidelines, but the quality and quantity of the groundwater is declining, and the City has been drilling deeper wells to get to water lower down in the aquifer. Deep aquifer wells have been approximately one and a half to two times as expensive to complete as intermediate wells. The City is concerned about the long-term viability of this water source, and potential damages to the aquifer that may come from over-pumping.

Visit CityOfDavis.org or call (530) 757-5686 for more information about water quality improvements, water rates, environmental impacts and the water supply project.

Although it is safe to drink, the water coming into Davis homes and businesses contains elevated levels of salt, selenium and heavy metals, as does the wastewater being discharged from our wastewater treatment plant. These minerals cause increased wear on appliances, and prompt many residents to use water softeners. The City has shut down some groundwater wells because of increasing water quality problems.

Your Property Information

APN #
(Property Address)
1 Willow Street
Davis, CA 95616

Your May-October 2012 total water usage: XX ccf
Your July and August 2012 water usage: XX ccf
Your Meter Size: XX inches
Your Property Type: XX

The City has been working on water quality and supply issues for many years, and has considered multiple alternatives for water supply, treatment and disposal. The City is proposing to pursue the Davis Woodland Water Supply Project as a participant in the Woodland Davis Clean Water Authority, a joint powers agency of the Cities of Davis and Woodland. This proposal will be submitted to the voters for their consideration on March 5, 2013 in an all mailed ballot election. If this project is approved, the City's water system would deliver river water, and continue to use groundwater only during peak demand periods during summer.

Project plans include a jointly owned and operated intake on the Sacramento River, raw water pipelines connecting to a new regional water treatment plant, and separate pipelines delivering treated water to Woodland and Davis. Once completed, the project would significantly improve water supply quality and reliability for municipal and industrial uses.

Basis Upon Which the Proposed Rates and Fees are Calculated

In 2011, the City Council convened a citizen's advisory committee, the Water Advisory Committee (WAC), composed of Davis residents, to advise the City on water policy and water rates. After a lengthy analysis, the WAC advised the City to adopt an innovative rate structure that will both fund the water project, and give residents increased control over their water bills.

In accord with WAC recommendations, the City now proposes a series of rate increases to take place over the next 5 years, beginning May 1, 2013.

Traditional Fixed Volumetric Rate

From May 1, 2013 through December 31, 2015, the City's water service rates and fees will be based on a structure similar to its existing rate structure, but will include a new tier for high volume water users. This rate structure has four customer classes - single-family residential, multi-family residential, commercial, and irrigation customers - and is comprised of two components - a distribution charge and a variable charge.

1. Distribution Charge

The distribution charge is a fixed charge established on the basis of the size of the water meter serving your property. The distribution charge is structured to recover a portion of the City's fixed costs of providing water service, such as the water distribution system (mains and pipes, storage tanks, fireline facilities and meters), and a portion of the surface water rights. This also covers the cost of customer service which includes meter reading and billing. The distribution charge will comprise approximately 40% of the average monthly water bill.

2. Variable Charge.

The variable charge is calculated on the basis of the cost of providing water, including a portion of the fixed costs of the utility, pumping water, a portion of the surface water rights, managing the City's water resources, deterring water waste and encouraging water use efficiency. The variable charge consists of tiers which impose higher rates per unit of water as the level of consumption increases. One unit of water is equal to 100 cubic feet (ccf) of water. The variable charge will comprise approximately 60% of the average monthly water bill.

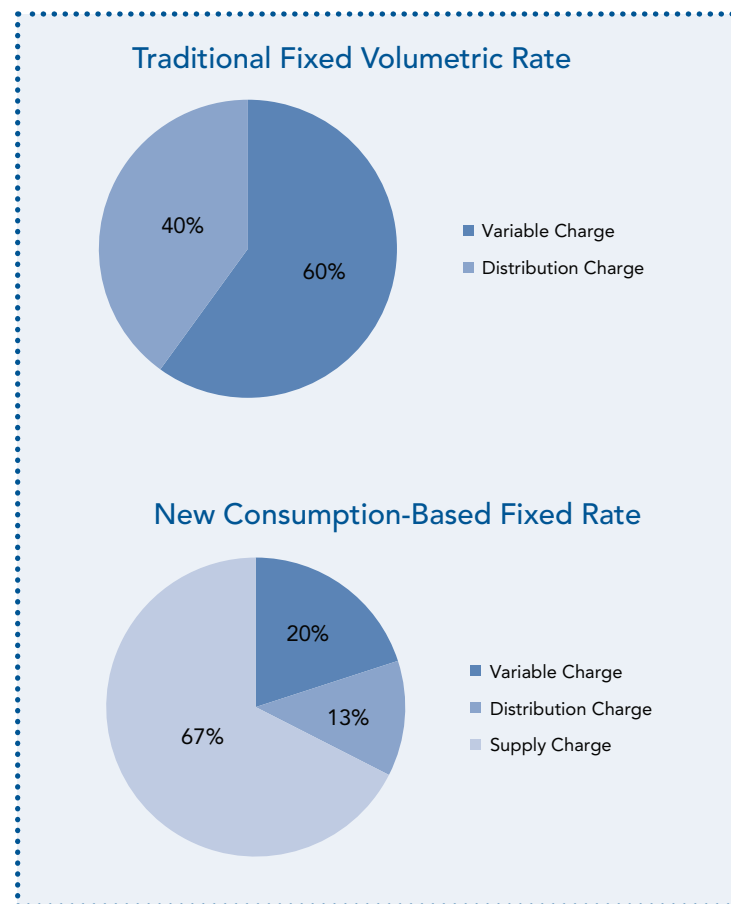
Together, the rates for the two components of the City's water service fees are structured in such a way as to recover the proportionate costs of providing water service to each customer class.

New Consumption-Based Fixed Rate

Beginning January 1, 2015, the City's water service fees will be imposed based on a new, innovative rate structure referred to as the Consumption-Based Fixed Rate (CBFR) structure. The CBFR structure is comprised of three components - a distribution charge, a variable charge, and a supply charge. The rates for each of these components will apply to all water customers within the City.

1. Distribution Charge.

The distribution charge is a fixed charge established on the basis of the size of the water meter serving your property. The distribution charge is structured to recover a portion of the City's fixed costs of providing water service, such as the water distribution system (mains and pipes,



storage tanks, fireline facilities and meters). This also covers the cost of customer service which includes meter reading and billing. The distribution charge comprises approximately 13% of the average monthly water bill.

2. Variable Charge.

The variable charge is calculated on the basis of the cost of providing water, including a portion of the fixed costs of the utility, pumping water, managing the City's water resources, deterring water waste and encouraging water use efficiency. This variable charge consists of a uniform rate for all user classes. One unit of water is equal to 100 cubic feet (ccf) of water. The variable charge will comprise approximately 20% of the average monthly water bill.

3. Supply Charge.

The supply charge covers certain fixed costs related to water supply and treatment including existing and future groundwater sources (wells), construction and operation of the 12 million gallon per day (mgd) surface water treatment plant, surface water rights, and any planning and environmental compliance costs related to supply and treatment. The supply charge fee is calculated by using the projected annual revenue requirement related to water supply and treatment and dividing it by the total projected 6-month peak period (May through October) water use of the Water Utility to produce a per ccf rate. The individual fee per customer is then calculated by taking the per ccf rate and multiplying it by the individual

customer's prior year's 6-month peak period water use. Each year, this CBFR amount is recalculated based on an individual's actual water use during the prior 6-month May through October peak consumption period. So for January 1, 2015, the May-October of 2014 total volume will be used. The supply charge will comprise approximately 67% of an average monthly water bill.

The Supply Charge, based on the particular property owner's May-October previous year total use, is then the same for each month until the next January 1 adjustment date. With this structure, if the property owners or users conserve water during peak summer demand times, their bill can be lower for the entire following year.

The WAC developed the new rate structure and Supply Charges to ensure that property owners will have increased control over their utility bills by employing conservation techniques (the Variable Charge and the Supply Charge). Property owners be able to determinate approximately 80% of their water service fees in a given year in advance and can budget accordingly (the Distribution Fee and the Supply Charge).

Together, the rates for the three components of the City's water service fees are structured in such a way as to recover the proportionate costs of providing water service to each property receiving water service.

If water use for a property does not change over time then the Distribution Fee, Variable Charge, and Supply Charge imposed on that property will gradually increase each year for five years. The City expects that water bills will increase for the majority of property owners, although they may be able to manage how much they pay by conserving water. To assist property owners in this effort, the City is partnering with WaterSmart to provide property owners and residents with water-saving tips, and feedback on individual water

usage. Learn more about this program at:

<http://water.cityofdavis.org/watersmart>

The City is proposing to implement the new CBFR rate structure in phases, to provide time to implement water-saving techniques before the Supply Charge begins to be calculated in 2015. If approved, the 2015 CBFR will be calculated using Summer of 2014 water usages.

For new accounts, the CBFR charge will be based on estimated consumption until actual peak period (May-Oct) usage is established at which time a true-up will be accomplished.

Fees Without the Water Project

If the Surface Water Project is not approved by the voters at the March 5 election, the City will not proceed with the project, but water service fees will still need to be increased by about 97%; increasing the average bill from about \$34 to \$67/month by 2018. The water utility is currently running at a deficit due to the deferral of rate increases scheduled for 2011. Also, without an alternative surface water supply, the City must still invest in additional groundwater production facilities and infrastructure as well as demand management tools to meet consumer demands. The rate increases will cover the cost of operations and maintenance, repayment of the line of credit that was obtained to continue operating without rate increases over the past 18 months, meter replacement fees, debt payment on two of our existing wells and the new 4 million gallon tank, automated meter reading, and other capital improvement projects. Those rates would be determined at a later time.

Proposed Rate and Fee Increases

If adopted, the proposed water rate and fee increases will be effective May 1, 2013. Rates would initially be charged according to a traditional, tiered rate structure. The proposed CBFR rates will be in effect beginning January 1, 2015, and will increase each January 1 thereafter through, and including, January 1, 2018.

	Traditional Structure		CBFR Structure			
	1-May-13	1-Jan-14	1-Jan-15	1-Jan-16	1-Jan-17	1-Jan-18
Distribution Fee						
3/4"	\$17.33	\$19.68	\$10.21	\$11.38	\$11.90	\$13.67
1"	\$27.13	\$31.05	\$15.22	\$17.19	\$18.09	\$20.92
1-1/2"	\$50.68	\$58.51	\$26.78	\$30.76	\$32.62	\$38.01
2"	\$80.27	\$92.80	\$42.02	\$48.41	\$51.40	\$59.96
3"	\$152.91	\$177.97	\$76.19	\$89.09	\$95.19	\$111.72
4"	\$236.26	\$275.42	\$116.33	\$136.53	\$146.12	\$171.73
6"	\$464.71	\$543.02	\$224.63	\$265.13	\$284.43	\$335.05
8"	\$737.57	\$862.88	\$353.27	\$418.17	\$449.16	\$529.67
Variable Charge (\$/ccf)*						
Residential Tiered Rates						
Tier 1: 0 - 18	\$1.23	\$1.53				
Tier 2: 19 - 29	\$1.37	\$1.69				
Tier 3: 30 +	\$2.33	\$2.87				
MFR Rate	\$1.81	\$2.24				
Commercial Rate	\$1.51	\$1.87				
Irrigation Rate	\$2.37	\$2.94				
Uniform Rates						
All Classes			\$0.86	\$1.02	\$1.12	\$1.32
Supply Fee (\$/ccf)*						
All Classes			\$0.32	\$0.40	\$0.45	\$0.54

*ccf = one hundred cubic feet of water delivered

How to Estimate Your Water Charge

Currently, the City reads meters and bills on a bi-monthly basis. To estimate your monthly water bill under the proposed water rates, find your water meter size, water usage for July and August of 2012, and last year's six-month water use for May-October on the front of this notice. Then use the City's rates calculator at CityOfDavis.org or the table below. You will need to divide the July and August use by two to get an average monthly water use. You may calculate bill estimates for other time periods by referring to the rate table at left, and by varying your estimated future water use.

An example rate calculation for a typical single-family home is shown in the table. It is important to note that the water usage shown on your mailing label is for your May-October 2012 water use, and the rate estimated in the CBFR table below is for January 2015. Your actual bill for January 1, 2015 would be based on your May-October 2014 water usage. All water measurements are given in one hundred cubic foot (ccf) increments. The example assumes a 3/4-inch water meter size, and a summer usage of 17 ccf per month (102 ccf total), plus 11 ccf used for the monthly billing period.

Bill Estimation Tool for 2013 (Traditional Structure)

Type of Charge	Distribution Fee (based on meter size)	+	Variable Charge (based on current month's consumption)	=	Total Bill for the Month
Charge Equation	_____	+	_____ x _____	=	Total Bill for the Month
	(Fee for Your Meter)		(Monthly Volume x Charge for Your Tier)		
Example Calculation (typical home)	\$17.33 (3.4" meter)	+	11 ccf* x \$1.23 Monthly volume (ccf) x \$/ccf	=	Total Bill for the Month
Example Figures (typical home)	\$17.33	+	\$13.53	=	\$30.86

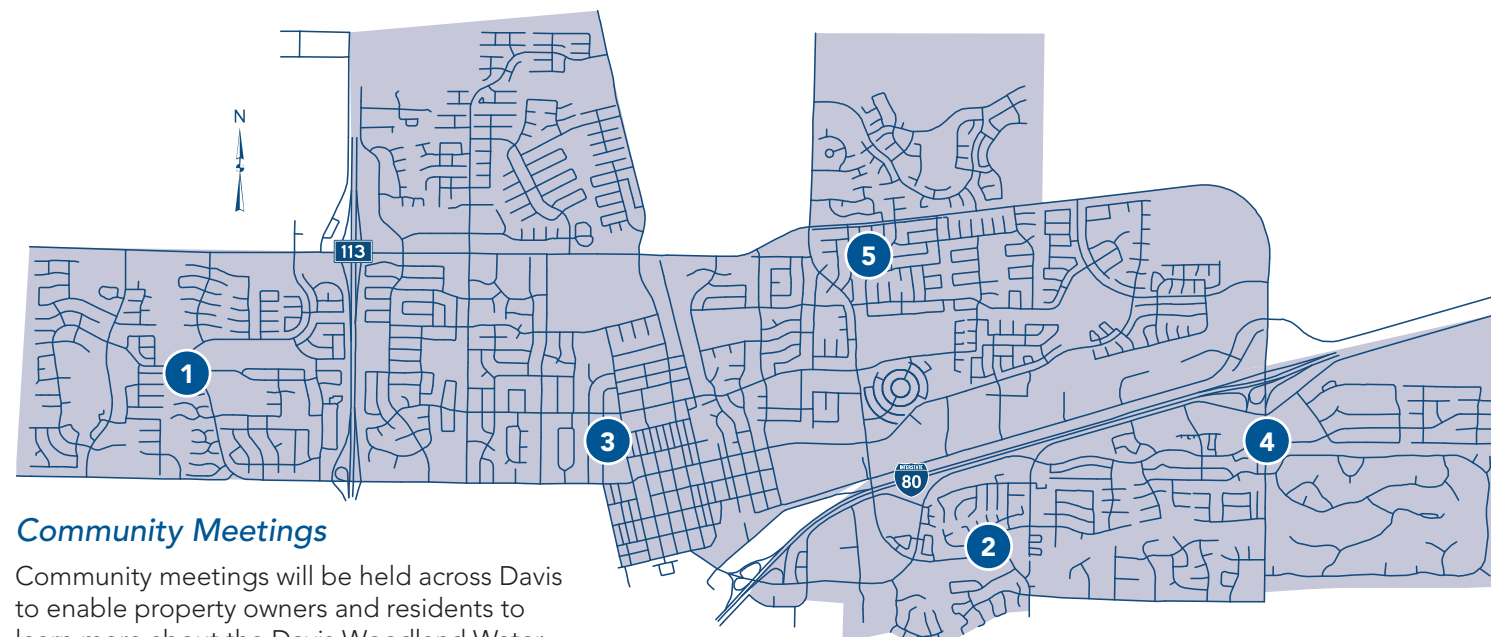
Bill Estimation Tool for 2015 (CBFR Structure)

Type of Charge	Distribution Fee (based on meter size)	+	Variable Charge (based on current month's consumption)	+	Supply Fee (based on summer consumption)	=	Total Bill for the Month
Charge Equation	_____	+	_____ x \$0.86	+	_____ x \$0.32	=	Total Bill for the Month
	(Fee for Your Meter)		(Monthly Volume)		(6 Month Peak Use)		
Example Calculation (typical home)	\$ 10.21 (3.4" meter)	+	(11 ccf* x \$0.86) Monthly volume (ccf) x \$/ccf	+	\$0.32 x 102 ccf	=	Total Bill for the Month
Example Figures (typical home)	\$ 10.21	+	\$9.46	+	\$32.64	=	\$52.31

Typical Usages and Meter Sizes

This table shows meter sizes and typical water usage rates for all the property classifications served by the City of Davis Water Utility. These values were used to calculate the estimated future water bills shown in the following table.

	Summer Monthly Usage (ccf)	Average Usage per Month (ccf)	Meter Size
Residential			
Typical Family Home	17	11	3/4-in
Small Apartment Building	167	147	2-in
Large Apartment Building	465	408	4-in
Commercial			
Drug Store	50	41	1 1/2-in
Medical Clinic	70	57	2-in
Dentist	100	83	3-in
Business Complex	200	163	4-in
Irrigation			
Small City Irrigation	100	59	2-in
Large City Irrig./School District	2,000	1,179	4-in



Community Meetings

Community meetings will be held across Davis to enable property owners and residents to learn more about the Davis Woodland Water Supply Project and the proposed water rate and fee increases.

Meeting Schedule

- # 1: Patwin Elementary School, 2222 Shasta Drive, Monday February 4, 2013 at 7:00 pm.
- # 2: Montgomery Elementary School, 1441 Danbury Street, Tuesday February 5, 2013 at 7:00 pm.
- # 3: Senior Citizen's Center, 646 A Street, Thursday February 7, 2013 at 7:00 pm.
- # 4: South Davis Fire Station, 425 Mace Blvd, Wednesday February 20, 2013 at 7:00 pm.
- # 5: Birch Lane Elementary, 1600 Birch Lane, Thursday February 21, 2013 at 7:00 pm.

Total Estimated Monthly Charges

This table shows total estimated annual bills for all property types. These figures assume that water users do not take any water conservation measures. Bill amounts would be lower if water conservation efforts were undertaken.

	Traditional Structure		CBFR Structure			
	1-May-13	1-Jan-14	1-Jan-15	1-Jan-16	1-Jan-17	1-Jan-18
Residential						
Typical Family Home	\$31	\$36	\$52	\$63	\$70	\$83
Small Apartment Building	\$347	\$423	\$489	\$599	\$667	\$795
Large Apartment Building	\$976	\$1,191	\$1,360	\$1,669	\$1,859	\$2,217
Commercial						
Drug Store	\$113	\$135	\$158	\$193	\$214	\$254
Medical Clinic	\$166	\$199	\$225	\$275	\$304	\$362
Dentist	\$275	\$329	\$338	\$412	\$456	\$543
Business Complex	\$482	\$580	\$640	\$783	\$869	\$1,035
Irrigation						
Small City Irrigation	\$220	\$267	\$285	\$349	\$387	\$462
Large City Irrig./School District	\$3,028	\$3,738	\$4,968	\$6,136	\$6,863	\$8,204

NOTICE OF PUBLIC HEARING

The Davis City Council will hold a Public Hearing to consider adopting increases in its water service rates and fees. The Public Hearing will be:

**March 19, 2013, at 6:30 p.m.,
City of Davis Community Chambers
23 Russell Blvd., Davis, CA**

Any property owner whose property will be subject to the proposed new rates and fees may submit a written protest to the proposed rate and fee increases and/or come to the hearing and provide oral testimony. One written protest will be counted per identified parcel. If a majority of property owners whose property receives water service file timely written protests, the water rates and fees will not be approved.

Written protests may be submitted by mail or in person to:

**City Clerk, City of Davis
23 Russell Blvd. Suite 4
Davis, CA, California, 95616-3896**

Protests may be brought to the Public Hearing (date and time noted above), provided they are received prior to the

conclusion of the public comment portion of the Public Hearing. Protests must be submitted in writing, not delivered electronically or verbally, in order to be counted.

Any written protest must: (1) state that the identified property owner is in opposition to the proposed rate increases; (2) provide the location of the identified parcel (by assessor's parcel number, street address, or customer account); (3) include the name and signature of the property owner submitting the protest; and (4) if the person protesting was not shown on Yolo County's last equalized assessment roll as the property owner of record, provide written evidence that the person is the property owner (example: current copy of City Services Bill).

If you have questions regarding this notice or how it may affect your property, call (530) 757-5686 Monday through Friday from 8 a.m. to 5 p.m. or visit CityOfDavis.org for answers to frequently asked questions.

City staff are available to make a presentation to your group regarding the proposed rate and fee increases.

Please call 530-757-5686 to schedule a presentation.