

**CITY OF REEDLEY  
NOTICE OF PUBLIC HEARING ON  
PROPOSED INCREASE IN WATER RATES**

To comply with Proposition 218 (California Constitution Article XIID, Section 6), the City of Reedley gives the following notice:

1. **Date, Time, Location and Purpose of Public Hearing:** At 7:00 p.m. on Tuesday, March 27, 2007 at the City of Reedley City Council Chambers 845 G Street, Reedley, CA 93654, the Reedley City Council will hold a public hearing on a proposed increase in rates for water service furnished by the City, and to hear and consider objections and protests to the proposed increase and the Report described in paragraph 2 below.
2. **Location of Report:** A report has been prepared and submitted to the Council by HDR Engineering and Johnson Controls (the "Report"). The Report is on file with the Public Works Department, Reedley City Hall, 1733 Ninth Street, Reedley, CA.
3. **Amount of Proposed Increased Water Rates for You:** The amounts of water rates (existing and proposed) are attached as exhibit A. All future rate increases beginning April 1, 2008 will be tied to a 10 year running average of the Department of Labor's CPI (consumer price index). Each year will be automatically calculated using the 10 year CPI as the needed amount of increase. This method will help alleviate large increases in the future. Any increases beginning April 2008 can be calculated by averaging the last 10 years of Department of Labor CPIs and adding that percentage to the most current existing rate. For instance, if the CPI will be 2.5% then the way to determine your new rate will be to multiply the current existing rate by 1.025 to get the new rate.
4. **Reason for the Increase in Water Rates:** The proposed water rate increases are needed to pay higher costs incurred by the City, now and in the future, to continue supplying you and the other customers of the City with an adequate level of water service and facilities. These costs include increases in operation and maintenance expenses, routine capital outlays, replacement costs, existing and proposed debt requirements, additions to operating reserves, and insurance, salaries, overhead and other direct and indirect costs. A portion of the funds to be received from the proposed increased water rates will be used by the City for capital improvements to water facilities and to make payments on debt incurred by the City to fund such facilities and improvements, all needed by the City to continue providing adequate immediate and future water service and facilities. The revenue from the increased rates and charges will not be more than the funds required for the City to provide adequate water service to you and other City water customers. The increased water rates that would be charged to you will not exceed the proportional existing and future cost of providing water service to you.
5. **Basis on Which Amount of Proposed Increased Water Rates Was Calculated:** The basis on how the increase was calculated can be found in the Report on file at the Public Works Office.
6. **Procedure for Hearing and Determining Majority Protest:** At the time stated in paragraph 1 of this Notice, the Council will hear and consider all objections and protests, if any, to the proposed water rate increase and other matters described in the Report. The Council may continue the hearing from time to time. At the close of the hearing, if **written protests** against the proposed increased water rates are presented and not withdrawn by a majority of the record owners of the parcels that would be subject to the increased water rates, the City may not impose the increased water rates; instead, water rates would continue at their existing, previously-approved amounts. If, at the close of the protest hearing, there is no majority protest as described above, the Council may approve the water rate increases, as proposed or as changed by the Council, to be effective commencing April 1, 2007.
7. **Preserving the Right to Challenge:** Any person who wants to preserve the opportunity to file a lawsuit challenging the proposed water rate increases, if imposed, or other matters described in the Report **must file a written protest** with the Council, stating the specific grounds of the protest. Any grounds not stated in a **written protest** filed with the Council before the close of the protest hearing on March 27, 2007, will be deemed waived and may not be raised in any subsequent lawsuit.
8. **Additional Information:** For additional information and answers to questions about the proposed water rates proceedings, contact: **Rocky Rogers, Public Works Director** Telephone: (559) 637-4200

## EXHIBIT "A"

### Current Wastewater Rates

#### Unmetered Accounts July 2007 - Increase

Single Family Residential –	\$25.04	\$26.80
Multiple Family Residential –	\$22.51	\$24.08
<b>Commercial Establishments per 1,000 square feet</b>		
Low Volume –	\$11.28	\$12.07
Medium Volume –	\$31.47	\$33.67
High Volume –	\$70.51	\$75.45
Very High Volume -	\$112.43	\$120.30
Hotel, Motels & Dormitories --	\$6.84 per room/month.	\$7.32
<b>Institutional Accounts</b>		
Hospitals –	\$11.25 per bed available.	\$12.05
Schools -	\$0.91 per student per month	\$0.97
	\$2.07 per student per month	\$2.20

#### Metered Accounts per 1,000 gallons

Commercial and Industrial –	\$3.00	\$3.20
Hospitals & Schools –	\$3.00	\$3.20
Category I Industrial –	\$1.70	\$1.82
	+ \$0.39/lb of BOD	+ \$0.42
	+ \$0.28/lb of SS.	+ \$0.30

### Current Water Rates

		<u>April 07 Increase</u>	<u>Oct. 07 Increase</u>
Single Family Residential	\$12.85	\$20.69	\$28.55
Duplex & Triplex	\$11.00	\$17.71	\$24.44
Multi-units four or more	\$9.20	\$14.81	\$20.44
<b>Commercial &amp; Business</b>			
Up to 3750 square feet	\$12.85	\$20.69	\$28.55
Each added 3750 sq ft	\$9.20	\$14.81	\$20.44
Laundromats	\$12.85 + \$1.60 per washer	\$20.69 + \$2.58	\$28.55 + \$3.56
Packing Houses	\$55.00 with mechanical cold storage	\$88.55	\$122.20
Packing Houses	\$36.95 without mechanical cold storage	\$59.49	\$82.10
Car Wash	\$14.65 per usable bay	\$23.59	\$32.55
Steam Laundries	\$91.25	\$146.91	\$202.74
Cement Pipe Yards	\$145.70	\$234.58	\$323.72
Hospitals, Nursing Homes	\$54.70 + \$0.85 per bed over 40	\$88.07 + \$1.37	\$28.55 + \$1.89
Hotels and Motels	\$8.40 per room	\$13.52	\$18.66
Reedley College	\$814.60	\$1,311.51	\$1,809.90
Reedley College Dorms	\$599.90	\$965.84	\$1,332.90
Reedley High School	\$537.20	\$864.89	\$1,193.60
Lincoln, Jefferson, Grant	\$145.70	\$234.58	\$323.72
Washington	\$109.45	\$176.21	\$243.18
St. LaSalle, Immanuel H.S.	\$145.70	\$234.58	\$323.72
Metered water	\$0.228 per 1,000 gallons minimum set at \$30.85	\$0.37 \$49.67	\$0.51 \$68.54