



**CITY OF CORONADO
PUBLIC NOTICE OF PROPOSED INCREASE
IN RATES FOR WASTEWATER SEWER
SERVICE CHARGES STARTING IN
FISCAL YEAR 2014/2015**

NOTICE OF PUBLIC HEARING

If you are the Owner of this property but have a tenant who is responsible for the wastewater sewer service charge related to this property, please forward this notice to the tenant.

The City of Coronado last raised rates for the wastewater sewer service charges in 1994. Wastewater sewer service revenue is used to fund system operations, sewage treatment at the Point Loma Wastewater Treatment Plant (operated by the City of San Diego) and for replacement of pipelines and pump stations critical to the flow of the sanitary sewer system. The proposed rate increases shown below are necessary to continue to fund the annual operating costs and allow the City to continue its pay-as-you-go practice for funding major capital improvement (replacement) projects to the sanitary sewer system.

NOTICE IS HEREBY GIVEN pursuant to Article XIID of the California Constitution (“Proposition 218”) that the City of Coronado (“City”) proposes to consider and adopt rate increases for wastewater sewer service charges to the Assessor Parcel Number (“APN”) shown above, for which you are listed as the property owner of record, based on the County of San Diego 2013/2014 Secured Roll. **The wastewater sewer service charge applicable to your property may be billed to and paid through a master association (i.e. Homeowner’s Association (“HOA”)) and passed on to you through monthly dues. However, state law requires that every property owner of record subject to the proposed rate increase receive this Notice of Public Hearing.** Please note, you may need to contact your master association to determine how the proposed rate increases will affect your monthly dues.

❖ Your Parcel’s Current Wastewater Sewer Rate: \$XX.XX Per Month

**Proposed New Residential Wastewater Sewer Service Charge Rate per Month
By Fiscal Year (FY) (July 1 to June 30)⁽¹⁾**

Land Use	Current Rate	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019
Single Family	\$ 31.64	\$ 35.06	\$ 38.48	\$ 41.92	\$ 45.33	\$ 48.75
Multi-family	\$ 25.31	\$ 28.05	\$ 30.79	\$ 33.52	\$ 36.26	\$ 39.00

1. This is non-inclusive of potential Proposed City of San Diego Metropolitan Wastewater District and San Diego Gas & Electric Pass-Through Rate Increases or Decreases (see below for more information).

If adopted, the proposed new wastewater sewer rate service charges will be in effect beginning September 1, 2014, and will be applied to the property tax bill issued by the County for your parcel. The proposed wastewater sewer rate increases will enable the City to recover operating expenses and fund future capital needs required to operate the sewer system in a financially prudent manner. Your parcel’s rate was determined based on the methodology as set

forth in a sewer rate study, prepared in 1994, and then updated with a new report prepared by Atkins in March 2014 (“2014 Sewer User Rate Study”). The rates were calculated using a weighting factor called Equivalent Dwelling Units (“EDU”). Each parcel of land was assigned an EDU in proportion to the average usage factors that the parcel receives relative to other parcels within the City. Under this system, one EDU equates to one single family residential customer with an assumed sewage gallonage of 250 gallons per day. All other user class rates are established proportionally to the base EDU based on their assumed gallonage. The City has converted several non-residential user classes to flow based rates based on their actual water usage. These user classes are laundromats (including the Hotel del Coronado’s usage for laundry), hospitals, and schools. The Navy is billed on a per million gallon basis for the City’s operation and maintenance and capital improvement program costs per contract. The 2014 Sewer User Rate Study also incorporated Biological Oxygen Demand into the City’s rate structure, as it is now required by the United States Environmental Protection Agency. The total cost of providing wastewater sewer service was divided by the total EDUs for all parcels in the City, which resulted in a proposed rate of \$35.06 per one (1) EDU per month for fiscal year 2014/2015, which equates to a 10.81% increase over the fiscal year 2013/2014 rate that has been in existence, with no increases, since 1994.

Revenues derived from the sewer service charges are used solely for the purpose of defraying costs incurred by the wastewater sewer system, which include, but are not limited to, operating, maintaining, and upgrading the City’s wastewater infrastructure (wastewater mains, manholes, pump stations, etc.) and the cost of wastewater treatment services at the Point Loma Wastewater Treatment Plant. Further details regarding the basis and reasons for the proposed increases can be found in the Atkins 2014 Sewer User Rate Study, which is on file at the Office of the City Clerk located at 1825 Strand Way, Coronado, CA 92118 and may be reviewed there by any interested person. It is also available on the City’s website at the following link http://www.coronado.ca.us/egov/documents/1398959621_85444.pdf. For questions regarding the proposed rates or the need for increased rates please call the City’s Engineering Department at (619) 522-7383. If you have questions about the process for increasing the sewer rates you may call the City’s Proposition 218 consultant, at (760) 510-0290, for further information.

Proposed City of San Diego Metropolitan Wastewater District and San Diego Gas & Electric Pass-Through Rate Increases or Decreases

Approximately one-half of the City’s wastewater budget is the cost of wastewater treatment services provided at the Point Loma Wastewater Treatment Plant operated by City of San Diego Metropolitan Wastewater District (Metro). The budget for the cost of treatment and the distribution of charges to the member agencies in Metro is adopted annually. Existing law allows the City to implement automatic adjustments that pass-through any adopted rate increases or decreases in the cost of wastewater treatment established by Metro. The City’s proposed wastewater rates ordinance includes a feature allowing the City to automatically pass through rate adjustments from Metro for treatment costs and/or San Diego Gas & Electric for electricity.

NOTICE IS FURTHER GIVEN that on July 15, 2014, at 4:00 p.m., or as soon thereafter as may be heard, at 1825 Strand Way, Coronado, California 92118, in the City Council Chambers, the City Council will conduct a public hearing on the proposed rate increases to the sewer service charges.

At the time of the public hearing, the City Council will hear and consider all protests and objections concerning these matters, and will consider and may adopt the proposed increased rates. If you are opposed to the rate increase you can mail or deliver a written protest. The written protest should be put to the attention of the Office of the City Clerk, located at 1825 Strand Way, Coronado, CA 92118, and must be received prior to the close of the public hearing scheduled for July 15. If, at or prior to the close of the public hearing, the City receives or is presented with written protests against the proposed increases to the sanitary sewer service charges by a majority of owners, of the parcels within the City, upon which the City imposes its wastewater sewer service charges, the City will not impose the proposed rate increases.