



City of Corona
Department of Water & Power
755 Corporation Yard Way
Corona, CA 92880

March 18, 2011

Mailing Address Line 1
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**NOTICE OF PUBLIC HEARING
CONCERNING PROPOSED RATE INCREASES
TO RECLAIMED WATER FEES**

NOTICE IS HEREBY GIVEN that the City Council of the City of Corona (the “City”) will conduct a Public Hearing on **May 4, 2011 at 6:30 p.m., in the Council Chambers at 400 S. Vicentia Avenue, Corona, California 92882**, or as soon thereafter as the matter may be heard to consider adopting increases in the current rates for its reclaimed water service fees.

DWP provides reclaimed water to commercial, industrial and institutional customers who have non-potable water service for landscaping and other approved uses. DWP reviewed the rates for its reclaimed water service fees to determine the cost of providing reclaimed water service and the revenues necessary to provide such services and maintain operating reserves. The rate for reclaimed water service fees have not increased since 2008; however, the costs per volume of treating and delivering reclaimed water have increased during this time.

The rate structure for the City’s monthly reclaimed water service fees is comprised of two components: (1) a Readiness to Serve Charge, which is a fixed charge established on the basis of the meter size of the parcel of property receiving reclaimed water service; and (2) a Commodity Charge, which is determined on the basis of the amount of reclaimed water served to a parcel of property in hundreds of cubic feet (“HCF”). The proposed rates are calculated to recover the costs of DWP in providing reclaimed water services and to proportionately allocate those costs on a parcel basis.

The City Council will hold a public hearing to consider adopting an ordinance that will authorize the City to adjust rates to offset the increases in the costs of providing reclaimed water service. The ordinance will also authorize the City to impose each year annual cost of living increases to the rates for its reclaimed water service fees, beginning on July 1, 2011, and each July 1 thereafter through and including July 1, 2016, by an amount not to exceed the annual percentage increase, if any, in the Consumer Price Index, all Urban Consumers, for the Los Angeles-Orange-Riverside County Area, as determined by the United States Department of Labor Statistics, or its successor (“CPI Increase”). Provided, however, in no event shall an annual CPI Increase exceed 7.5% (the “Max O&M Increase”). The CPI Increase and the Max O&M Increase are referred to in this notice as the “Cost of Living Increase.” Provided, further, in no event shall such rates increase, as a result of the Cost of Living Increase, by more than the cost of providing reclaimed water service. Future Cost of Living Increases may impact both the Readiness to Serve and Commodity Charge components of the reclaimed water service fees. Existing rates for both components are described in the tables below.

FOR ADDITIONAL INFORMATION, PLEASE VISIT OUR WEBSITE AT WWW.DISCOVERCORONA.ORG, OR CONTACT CUSTOMER SERVICE AT (951) 736-2321.

DWP is proposing a 3.7% increase in the rates for its reclaimed water service fees. The proposed rate increases, described in the first table below, would impact only the Commodity Charge component of the reclaimed water service fees. If adopted, the proposed rate increases will be in effect beginning July 1, 2011.

RECLAIMED WATER COMMODITY CHARGE RATES		
Commercial, Industrial and Institutional Accounts with reclaimed water service		
Tier	Current Rate	Effective July 1, 2011 3.7% Increase
Reclaimed Water Budget	\$1.39	\$1.44
Inefficient Use	\$2.09	\$2.17
Excessive Use	\$2.78	\$2.88
Wasteful Use	\$4.17	\$4.32

RECLAIMED WATER READINESS TO SERVE CHARGE		
Commercial, Industrial and Institutional Accounts with reclaimed water service		
Water Meter Size	Current Rate	Effective July 1, 2011 No Change
5/8"	\$18.04	\$18.04
3/4"	\$23.66	\$23.66
1"	\$33.85	\$33.85
1 1/2"	\$58.99	\$58.99
2"	\$86.09	\$86.09
3"	\$147.13	\$147.13
4"	\$226.02	\$226.02
6"	\$415.08	\$415.08
8"	\$610.50	\$610.50

PUBLIC HEARING AND PROTESTS

Any property owner or any tenant directly responsible for the payment of reclaimed water service fees (i.e., a customer of record) may submit a written protest to the proposed rates increases to the City's reclaimed water service fees; provided, however, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or customer of record is in opposition to the proposed rate increases; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the name and signature of the property owner or customer of record submitting the protest. Written protests may be submitted by mail or in person to the City Clerk at 400 S. Vicentia Avenue, Corona, California 92882, or at 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. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the City Clerk, Attn: Public Hearing on Reclaimed Water Rate Increases.

The City Council will hear and consider all written and oral protests to the proposed rate increases at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, the City Council will consider adoption of an ordinance authorizing the rate increases to the City's reclaimed water service fees as described herein. If written protests against the proposed rate increases as outlined above are not presented by a majority of property owners or customers of record of the identified parcels upon which the rates are proposed to be imposed, the City Council will be authorized to impose the rate increases. If adopted, the proposed rate increases to the reclaimed water service fees will be in effect beginning July 1, 2011. The rates may also be adjusted in the future for Cost of Living Increases through July 1, 2016. Prior to implementing any such future rate increases, however, the City must provide written notice of any such increase not less than 30 days prior to the effective date of the increase.

For further details regarding the basis and reasons for the proposed rate increases to the City's reclaimed water service fees, or for any questions you may have regarding the proposed fees to be imposed on your parcel, please contact DWP at (951) 736-2321.

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