



## Proposition 218 Notice NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING ON PROPOSED WATER RATES

Hearing Date & Time: March, 11 2021; 5:30 p.m.  
Hearing Location: HBMWD Board Room  
828 7<sup>th</sup> Street, Eureka

Due to COVID-19 the Public Hearing will also be accessible via Zoom at:  
<https://us02web.zoom.us/j/81019807832?pwd=NHVYMUUpnRUxweWZOaENpMnRWWnhudz09>

### ***Why are you receiving this notice?***

This notice is being presented to you by the Humboldt Bay Municipal Water District (HBMWD), pursuant to the California Constitution Article XIID (also known as "Proposition 218"). Under the terms of Proposition 218, HBMWD is required to notify property owners of proposed changes to property-related fees such as water service. This letter is a notice that HBMWD will hold a Public Hearing on March 11, 2021 at 5:30 p.m. to consider changes to its current retail water rates.

### ***Who is affected by water rate changes?***

HBMWD directly serves 203 residential and commercial retail water customers in Arcata and the Samoa peninsula; these retail customers will be affected.

### ***What do water rates fund?***

Monthly rates paid by users of the water system are the primary source of revenue for HBMWD. Revenues must cover the costs related to water system operations, capital needs, debt service, administration, as well as costs related to long-term operational or financial management of the utility, such as maintaining adequate fund reserves and planning for contingencies.

HBMWD conducted a rate study and will annually review revenues and expenditures to ensure that sufficient and appropriate revenues are collected to effectively provide for the short and long-term water service needs of the community.

### ***Why are rate increases needed?***

HBMWD's existing water rates do not fully recover costs associated with operation, maintenance, and capital projects for its retail sector, according to the retail rate study conducted by HBMWD and reviewed by an independent consultant.

Consistent with Proposition 218, the proposed retail water rates are calculated based on the cost of providing service to retail water customers. Factors in these calculations include:

- Required revenue is based on projected expenses for operations, maintenance, and required repairs and/or replacement for capital facilities and equipment.
- Projected income is based on past volumetric usage.
- Fixed monthly base charges are designed to recover fixed costs of providing retail water service, with costs allocated based on the size of a customer's water meter.
- Consumption charges are designed to recover variable costs of providing water service, including the wholesale water production and transmission costs of HBMWD.

Please note, in compliance with Government Code 53756, HBMWD has the right to pass through future increases or decreases in the wholesale costs for water as calculated and allocated among municipal customers, to ensure appropriate recovery of these costs.

***How will your water bill be impacted?***

Current and projected water bills have been estimated for a 5/8” meter that consumes 500 cubic feet (4,488 gallons) of water per month. This table is a comparison of projected and current residential bills (along with comparisons to neighboring providers):

<b>Customer Provider</b>	<b>5/8” Meter Monthly Bill (500 cubic feet)</b>
<b>HBMWD, Non-Fairhaven</b> <i>(existing, 2020)</i>	\$ 29
<b>HBMWD, Non-Fairhaven</b> <i>(proposed, 2021)</i>	<b>\$ 42</b>
<b>HBMWD, Fairhaven</b> <i>(existing, 2020)</i>	\$ 62
<b>HBMWD, Fairhaven</b> <i>(proposed, 2021)</i>	<b>\$ 70</b>
<b>City of Arcata (inside City limits)</b>	\$ 47
<b>City of Eureka (inside City limits)</b>	\$ 43
<b>Humboldt Community Services District</b>	\$ 45
<b>Manila Community Services District</b>	\$ 40

Rate detail for Fiscal Year 2021/2022 (FY 21/22) and a rate summary for FY 21/22 through FY 25/26 have been included with this notice.

Please note, HBMWD used inflationary assumptions during this rate study in lieu of the annual wholesale pass-through and inflation adjustment (as outlined in Government Code 53756) that typically occurs in July.

***How do you get more information?***

HBMWD provided presentations of the proposed rate structure at the monthly agendized Board Meetings on November 11, 2020, December 10, 2020 and January 14, 2021. The Rate Study Report can be found on HBMWD’s website at the following link, <https://www.hbmwd.com/notice-of-public-hearing-retail-rate-increase>. If you have any questions you can call the main office at (707) 443-5018.

***How do you file a protest or participate in the public hearing?***

HBMWD will consider the new rate structure and proposed revenue increase at a public hearing on March 11, 2021 at 5:30 p.m. at the HBMWD Board Room, 828 7<sup>th</sup> Street, Eureka.

Under the provisions of Proposition 218, if you are the owner of record, or a tenant, of a parcel(s) subject to the proposed rates, you may submit a written protest against the proposed rate increase, and you will have an opportunity to present testimony at a public hearing if you so

choose. **If written protests are filed by a majority of the affected properties, the proposed rate increase will not be imposed.**

**A written protest must contain a description of the parcel or parcels in which the party signing the protest has an interest, sufficient to identify the parcel(s) including Assessor's Parcel Number (APN). If the party signing the protest is not shown on the last equalized assessment roll of Humboldt County as the owner(s) of the parcel(s), the protest must contain, or be accompanied by, written evidence that such party is the owner, or tenant, of the parcel(s).**

Written protests regarding the proposed rate increase may be mailed to:

Attn: Board Secretary  
HBMWD  
828 7<sup>th</sup> Street  
Eureka, CA 95501-1114.

Written protests may also be emailed to the Board Secretary at [hbitner@hbmwd.com](mailto:hbitner@hbmwd.com). Due to Covid-19, hand-delivered protests to the above address are discouraged, but will be accepted. To be valid, a protest must be in writing and received by the Board Secretary at or before the time of the protest hearing.

**HBMWD Water Rate Detail FY 21/22**

	<b>Meter Size</b>	<b>Base Rate (A)</b>	<b>Capital Replacement Rate (B)</b>	<b>Monthly Base Charge (A+B)</b>
<b>Category 1 - Fairhaven Distribution Grid</b>	5/8 x 3/4"	\$ 35.91	\$ 27.63	\$ 63.54
	1"	\$ 48.11	\$ 55.91	\$ 104.02
	1.5"	\$ 70.66	\$ 58.70	\$ 129.36
	2"	\$ 97.82	\$ 61.22	\$ 159.04
	3"	\$ 222.37	\$ 67.12	\$ 289.49
	4"	\$ 369.63	\$ 111.37	\$ 481.00
	6"	\$ 754.40	\$ 124.24	\$ 878.64
	8"	\$ 1,297.67	\$ 128.28	\$ 1,425.95
	6" FS Only	\$ 754.40	\$ 93.25	\$ 847.65
	8" FS Only	\$ 1,297.67	\$ 93.25	\$ 1,390.92
<b>Category 2 - Outside the Fairhaven Distribution Grid</b>	5/8 x 3/4"	\$ 32.81	\$ 2.90	\$ 35.71
	1"	\$ 41.91	\$ 7.72	\$ 49.63
	1.5"	\$ 64.46	\$ 15.95	\$ 80.41
	2"	\$ 91.62	\$ 23.36	\$ 114.98
	3"	\$ 216.17	\$ 46.73	\$ 262.90
	4"	\$ 358.78	\$ 63.49	\$ 422.27
	6"	\$ 743.55	\$ 91.28	\$ 834.83
	8"	\$ 1,286.82	\$ 103.19	\$ 1,390.01
	6" FS Only	\$ 743.55	\$ 9.79	\$ 753.34
	8" FS Only	\$ 1,286.82	\$ 9.79	\$ 1,296.61
<b>Other Charges</b>	Backflow Charge			\$ 8.00
	4" Private Fire Charge			\$ 5.75
	6" Private Fire Charge			\$ 16.69
	8" Private Fire Charge			\$ 35.57
<b>Consumption Charge</b>	<b>\$ Per 100 Cubic Feet</b>			<b>\$ 1.30</b>

## HBMWD Water Rate Summary FY 21/22 through FY 25/26

	Meter Size	Current FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
<b>Category 1 – Fairhaven Distribution Grid</b>	5/8 x 3/4"	\$ 61.76	\$ 63.54	\$ 64.28	\$ 69.85	\$ 71.64	\$72.78
	1"	\$ 70.24	\$ 104.02	\$ 118.76	\$ 124.40	\$ 125.60	\$127.42
	1.5"	\$ 78.72	\$ 129.36	\$ 178.65	\$ 204.04	\$ 221.83	\$ 224.96
	2"	\$ 95.66	\$ 159.04	\$ 211.42	\$ 241.35	\$ 261.06	\$ 264.92
	3"	\$ 163.47	\$ 289.49	\$ 354.63	\$ 405.21	\$ 433.41	\$ 440.41
	4"	\$ 290.6	\$ 481.00	\$ 591.44	\$ 662.86	\$ 698.41	\$ 720.74
	6"	\$ 403.62	\$ 878.64	\$ 1,027.23	\$ 1,162.19	\$ 1,223.75	\$ 1,255.51
	8"	\$ 657.91	\$ 1,425.95	\$ 1,624.96	\$ 1,849.05	\$ 1,946.72	\$ 1,991.15
	6" FS Only	\$ 851.89*	\$ 847.65	\$ 988.70	\$ 1,122.36	\$ 1,182.56	\$ 1,212.92
8" FS Only	\$ 1,418.81*	\$ 1,390.92	\$ 1,581.41	\$ 1,804.02	\$ 1,900.16	\$ 1,943.00	
<b>Category 2 – Outside the Fairhaven Distribution Grid</b>	5/8 x 3/4"	\$ 29.46	\$ 35.71	\$ 39.66	\$ 46.21	\$ 48.83	\$ 49.81
	1"	\$ 37.94	\$ 49.63	\$ 55.32	\$ 63.55	\$ 66.97	\$ 68.38
	1.5"	\$ 46.42	\$ 80.41	\$ 89.70	\$ 101.97	\$ 107.22	\$ 109.50
	2"	\$ 63.36	\$ 114.98	\$ 128.16	\$ 145.17	\$ 152.53	\$ 155.75
	3"	\$ 131.17	\$ 262.90	\$ 291.84	\$ 330.18	\$ 346.77	\$ 353.87
	4"	\$ 258.30	\$ 422.27	\$ 467.36	\$ 529.74	\$ 556.45	\$ 567.55
	6"	\$ 371.32	\$ 834.83	\$ 920.22	\$ 1,046.72	\$ 1,100.05	\$ 1,121.19
	8"	\$ 625.61	\$ 1,390.01	\$ 1,527.09	\$ 1,743.02	\$ 1,832.78	\$ 1,866.93
	6" FS Only	\$ 851.89*	\$ 753.34	\$ 834.59	\$ 960.63	\$ 1,013.54	\$ 1,033.50
8" FS Only	\$ 1,418.81*	\$ 1,296.61	\$ 1,427.30	\$ 1,642.29	\$ 1,731.14	\$ 1,763.58	
<b>Other Charges</b>	Backflow Charge	n/a	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
	4" Private Fire Charge	n/a	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75
	6" Private Fire Charge	n/a	\$ 16.69	\$ 16.69	\$ 16.69	\$ 16.69	\$ 16.69
	8" Private Fire Charge	n/a	\$ 35.57	\$ 35.57	\$ 35.57	\$ 35.57	\$ 35.57
<b>Consumption Charge</b>	<b>\$/hcf</b>	\$0.00-2.29	<b>\$ 1.30</b>	<b>\$ 1.30</b>	<b>\$ 1.30</b>	<b>\$ 1.30</b>	<b>\$ 1.30</b>

\* approximate base charge, each customer has unique capital replacement charge

