STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: GAYLA R. CHAPMAN, ADMINISTRATIVE SERVICES DIRECTOR

SUBJECT: REQUIRED PROPOSITION 218 PUBLIC HEARING REGARDING A PROPOSED 10% ADJUSTMENT TO WATER RATES AND THE ESTABLISHMENT OF A STORM WATER UTILITY FEE

BACKGROUND

On January 17, 2012 the City Council authorized staff to proceed with scheduling a required Proposition 218 hearing for the Council to consider a water rate adjustment and the establishment of a Storm Water Fee. Notification regarding the Proposition 218 hearing was sent to both residents and property owners of all parcels in the City. The notices were mailed at the end of January, which exceeded the minimum 45-day hearing notice required by Proposition 218.

City operations are funded by the General Fund and several enterprise funds. The Water Fund is an independent utility enterprise fund and is solely dependent on water rates to cover fund expenditures. These funds can only be used for operation, maintenance, and capital improvements in the water system and cannot be shared with any other fund. Annually the City Council should review revenues and expenditures to determine if an adjustment is necessary. Currently the adopted FY 11 – FY 12 Budget for the Water Fund reflects an estimated deficit of ($196,186). Anticipated additional revenues have not been received and there are no reserves to cover the deficit. A 10% adjustment in water rates is necessary in order to ensure basic maintenance and operational costs are covered and to begin working toward the re-establishment of a reserve fund.

The State of California, through the Central Coast Regional Water Resources Control Board, has imposed new regulations and permitting requirements on cities with municipal storm sewer systems. The City of Grover Beach was required to develop a five-year Storm Water Management Plan and must comply with the requirements of that plan. This is an unfunded state mandate that is estimated to cost the City in excess of $150,000 per year, beginning in FY 13. The City has no funding source for these expenditures. The Storm Water Utility Fee would enact the City's first fee to cover this unfunded state mandate. Staff is recommending a fee of $4.55 per month per lot or utility account. Like the Water Enterprise Fund, the Storm Water Enterprise fund would be an independent utility enterprise fund solely dependent on storm water utility rates to cover fund expenditures. These funds can only be used for operation, maintenance, and capital improvements in the storm water system and cannot be shared with any other fund.

APPROVED FOR FORWARDING

ROBERT PERRAULT
CITY MANAGER

Meeting Date: March 19, 2012
In order to more closely tie the proposed utility rates to the factors that increase the cost of operation and maintenance, such as the cost of fuel, electricity, materials, chemicals, and equipment, staff is recommending that future increases be tied to an index that reflects the annual fluctuation in the cost of these items. Most utilities use an index known as the CPI (Consumer Price Index). There are only two indexes for California: the Los Angeles/Riverside County Index and the San Francisco Index. The index for Los Angeles/Riverside County is the best match for San Luis Obispo County. Staff is recommending Council allow for annual adjustments based on the CPI so that future adjustments occur incrementally and the fund balance remains positive.

**DISCUSSION**

**Water Rate Adjustment**

As adopted the FY11 – FY 12 Budget reflects estimated revenues of $2,855,661 and expenditures of $3,051,847. Capital costs were budgeted at $100,000 and meter replacement at $105,000. An operating deficit of $(196,186) was identified in the budget documents. At the time of budget adoption, staff had anticipated the repayment of a loan from the Improvement Agency to the Water Fund in the amount of $900,000. These funds were to be used to cover capital costs and meter replacement costs, thus balancing the budget for this year and negating the need for an adjustment.

As a part of the State's budget solution for fiscal year ending June 30, 2012, redevelopment agencies across the State were dissolved, including the Grover Beach Improvement Agency. As a part of that dissolution, the Improvement Agency's ability to repay this loan was also eliminated.

Additionally, water sales are lagging behind estimates. Water revenues for the fund were budgeted at $2,825,661. Revenues derived from water sales through January were $1,307,536 or 46% of the original budget estimate.

Personnel costs for operation of the enterprise, budgeted at $836,300, comprise 27% of the budget and are not expected to increase for the remainder of the year. The supplies and services portion of the budget has been set at $1,711,187. Costs associated with the County's operation of Lopez Lake are $1,151,096 or 67% of this total.

It is expected that the revised rates would assist with covering this year's operational deficit and position the fund to begin re-establishing a reserve fund in FY 13. The implementation of a rate adjustment would raise approximately $100,000 for the remainder of this fiscal year. A resident with a ¾-inch meter, consuming 20 units of water, would see water costs increase by $7.79 per month.

As the Council is aware, the City's water system is responsible for providing quality drinking water to the consumer. Water quality standards are set by the State of California and are monitored on a regular basis. The production of good quality water is expensive and the following facts regarding the City's water system drive basic costs.

The City's water system consists of the following components:

1. Wells and well pumps;
2. A water treatment plant;
3. Chemical injection stations;
4. A water booster station;  
5. Water tanks;  
6. Water sampling stations;  
7. Water mains, valves, meters, and fire hydrants;  
8. Lopez Dam, Reservoir, and Water Treatment Plant; and  
9. The Lopez Pipeline.

There are many factors which affect the cost of water:

1. Water system repairs and replacements – Most of the City's water system was installed in the 1940s and 1950s at a cost of about $1 per foot. Many of these water lines are now undersized and have begun to deteriorate. Water line breaks and valve failures occur regularly and must be repaired promptly. Today water line installations cost more than $100 per foot and continue to increase.

2. Water system upgrades – Over the years in an effort to control costs, the City deferred many water system upgrades. In order to assure a continual and safe supply of water, the City can no longer defer these much needed upgrades. As a result, critical upgrades are proposed to be phased into the annual budget. These include repairs to the City wells, replacement of old and undersized water mains, repairs to the City reservoirs, booster station upgrades, and treatment plant upgrades. This year, the City Council has authorized $100,000 in capital expenditures.

3. Water system operation – This includes daily maintenance and operation of wells, pumps, valves, hydrants, water tanks, and booster stations, along with the monthly meter reading and issuance of utility bills, including collection of the bills. In addition, the City performs monthly water quality sampling and testing and operates a treatment plant to reduce nitrates and control corrosion. Operational costs are increasing due to the increasing cost of operations for materials, chemicals, fuel, electricity, and equipment. Constantly changing water quality regulations also increase costs.

4. Water supply – The City has two main sources of water supply: Lopez Reservoir and groundwater. The County of San Luis Obispo operates the Lopez Reservoir and water treatment plant. Costs for water from Lopez Reservoir have in the past increased due to retrofit of the dam, construction of the new water treatment plant, and increased operational costs. In addition, due to new endangered species regulations, the County is preparing a Habitat Conservation Plan and is required to modify the existing operation permit. Although the County's costs have stabilized over the last few years, these new requirements have and will continue to result in increases in the cost of water from Lopez Reservoir.

5. Groundwater – The City pumps groundwater from four wells located within the City limits. In the late 1990s, the City was involved in a groundwater lawsuit involving agencies that draw water from the Santa Maria Valley Groundwater Basin. A settlement agreement reached in 2009 required the City to increase groundwater monitoring and to prepare annual reports regarding the condition of our groundwater resources. Compliance with these requirements added additional costs to the production of groundwater. These costs continue to increase, primarily due to increased costs of consultants and increased employee costs to manage groundwater resources.
During the past several years, the Council has been prudent in directing that operational costs be controlled. As a result, the following have been implemented:

- Costs associated with the operation of Lopez Lake have been stabilized and are projected to decrease slightly in FY 13;
- Personnel compensation has been reduced by 8.6%;
- Maintenance has been deferred and only been completed on a pay as you go basis; and
- No new loans, borrowing or debt has been undertaken.

By adjusting water rates, the City would be moving in a positive direction, overcome the deficit, and begin the establishment of new reserves to cover much of the cost of items noted in this report. Funds received from the water rates can only be used for water fund expenditures. Only expenditures pertaining to the water system can come from this fund. Should the Council adopt the proposed rates, the revised rates will compare favorably with rates from other jurisdictions. (Please see Attachment #4.)

**Storm Water Utility Fee**

The City established a Storm Water Fund in 2003. Currently there is no charge for a Storm Water Utility Fee. The fund was established so that costs associated with operation and maintenance of the storm sewer system and costs associated with implementing the Storm Water Management Plan could be tracked. This information would therefore provide a history regarding the establishment of a fee. Currently the Storm Water Fund owes the General Fund $274,698 and the Waste Water Fund $320,811. The establishment of a Storm Water Fee would enable the fund to begin to pay back the earlier borrowing.

The storm water utility was created to address the increased costs associated with the operations and permitting of the storm water system by the State Water Quality Control Board.

Historically this system has been fairly simple to operate, but recently new regulations from the Environmental Protection Agency regulating the operation of municipal storm sewer systems have resulted in substantial increases in operating costs. The City was required to adopt a Storm Water Management Plan that is now in its second year of implementation. The Regional Water Quality Control Board will be providing additional requirements to be added to the City's plan in 2013. The City now has a state permit that allows it to operate the storm sewer system. In addition, the City has made improvements to the storm sewer system that have resulted in City-wide benefits, including reduced flooding, reduced pollution, and increased groundwater recharge, which is required under the Santa Maria Valley Water Litigation.

City staff operates and maintains the City storm sewer system. This includes:

1. Cleaning and maintaining inlets and mains;
2. Operation and maintenance of pumps;
3. Maintenance of basins; and
4. Street sweeping.
Costs have continually increased, due to increased costs of employee benefits, materials, fuel and equipment. New requirements of the City's permit and Storm Water Management Plan include:

1. Increased and ongoing monitoring of maintenance activities;
2. Annual reporting;
3. Public education and outreach;
4. Public participation and involvement;
5. Illicit discharge detection and elimination;
6. Construction site storm water runoff controls; and
7. Post-construction storm water management.

These new regulations have resulted in increased staffing and staff time for development review, development of local storm water management regulations, and ongoing management of the City's permit and Storm Water Program. The assessment of $4.55 per month will raise approximately $200,000 per year, which will be sufficient to cover the cost of operating the fund estimated at $150,000 annually, and provide funds to repay advances from the General Fund and Storm Water Fund.

If the City is to adjust water rates and establish a storm water fee, a Proposition 218 hearing is necessary. The intent of Proposition 218 is to ensure that all taxes and most charges on property owners are subject to voter approval. Then the City must provide the opportunity for residents and property owners to protest the proposed rate increase. This requirement has been met. The City mailed information regarding the proposed rate increase to every resident and property owner. A public hearing must be held at least 45 days after the mailing of the notice. Proposition 218 requires that if the City receives more that 50% opposition to the rate increase, then the proposed increase is rejected and the proposed rates will not be put into effect. If there is less than 50% opposition, the City Council is able to enact the rate increase by resolution.

**ALTERNATIVES**

The City Council has the following alternatives to consider:

1. Conduct the Public Hearing for the proposed water rate adjustment and the establishment of a storm water fee and adopt the Resolution approving an amendment to the Master Fee Schedule for the adjusted water rates and the new storm water fee.

2. Give staff alternative direction.

**RECOMMENDED ACTION**

Staff recommends that the City Council: 1) conduct the Public Hearing for the proposed water rate adjustment and the establishment of a storm water fee, consider testimony; and 2) adopt the Resolution approving an amendment to the Master Fee Schedule for the adjusted water rates and the new storm water fee.
FISCAL IMPACT

The fiscal impact would be an increase in revenue in the Water Fund and the establishment of revenue for the Storm Water Fund. The estimated annual increase in revenue to the Water Fund would be $220,000. The amount of annual revenue for the Storm Water Fund would be established at $250,930.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

A legal ad was published in The Tribune on Friday, March 9, 2012. Notices were mailed directly to all property owners and residents with a utility account at the end of January 2012.

Attachments

1. Resolution adopting an adjustment of Water Rates and establishing a Storm Water Utility Fee
2. Proposition 218 hearing notice
3. Water Enterprise Operations - an Overview
4. Schedule showing other agency comparison
5. Copies of protest letters
6. PowerPoint Presentation
RESOLUTION NO. 12-

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF GROVER BEACH AMENDING THE MASTER FEE
SCHEDULE FOR WATER RATES AND ESTABLISHMENT OF A
STORM WATER UTILITY FEE

WHEREAS, the City Council of the City of Grover Beach has created a Master Fee Schedule by adopting Resolution No. 03-61; and

WHEREAS, on March 19, 2012, the City Council conducted a Public Hearing, considered testimony, and approved recommendations regarding adjustments to the Master Fee Schedule for Water Rates and the implementation of a Storm Water Utility Fee; and

WHEREAS, consistent with requirements of Proposition 218, a Protest Notice and Hearing was conducted and the number of protests submitted to the City did not exceed the 50% threshold.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE
CITY OF GROVER BEACH:

THAT the Master Fee Schedule be amended as set forth in Exhibit “A” attached to this Resolution; and

THAT the fees listed in Exhibit “A” of this Resolution shall become effective with the billings on or after April 1, 2012.

On motion by Council, seconded by Council Member, and on the following roll-call vote, to wit:

AYES: Council Members -
NOES: Council Members -
ABSENT: Council Members -
ABSTAIN: Council Members -

the foregoing Resolution was PASSED, APPROVED and ADOPTED at a Regular Meeting of the City Council of the City of Grover Beach, California, this 19th day of March 2012.

ATTEST:

DONNA L. McMAHON, CITY CLERK

JOHN P. SHOALS, MAYOR
## City of Grover Beach
### Master Fee Schedule
#### Administrative Services Department

**Water Services**

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<thead>
<tr>
<th>Type</th>
<th>Current Fee</th>
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<tbody>
<tr>
<td>5/8 Inch Meter</td>
<td>$8.75</td>
<td>$9.63</td>
</tr>
<tr>
<td>3/4 Inch Meter</td>
<td>$8.75</td>
<td>$9.63</td>
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<td>1 Inch Meter</td>
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<td>1 1/2 Inch Meter</td>
<td>$29.15</td>
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<td>3 Inch Meter</td>
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<tr>
<td>4 Inch Meter</td>
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<td>$160.33</td>
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**Residential: Per unit charge (100 cubic feet)**

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<tr>
<th>Type</th>
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<tbody>
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<td>First 12 Units</td>
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<td>$3.20</td>
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<tr>
<td>Next 8 Units</td>
<td>$3.06</td>
<td>$3.37</td>
</tr>
<tr>
<td>Next 22 Units</td>
<td>$3.52</td>
<td>$3.87</td>
</tr>
<tr>
<td>Over 42 Units</td>
<td>$3.98</td>
<td>$4.38</td>
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**Landscape**

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<td>$3.52</td>
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**Storm Water Fee**

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<tr>
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<tbody>
<tr>
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<td>$4.55</td>
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Revised 3/13/2012
CITY OF GROVER BEACH

NOTICE OF PUBLIC HEARING

REGARDING PROPOSED ADJUSTMENT IN WATER RATES AND ESTABLISHING A STORM WATER FEE

DATE OF HEARING: MONDAY, MARCH 19, 2012
TIME: 6:30 P.M.
PLACE: Council Chambers - City Hall 154 S. 8th Street, Grover Beach

NOTICE IS HEREBY GIVEN that at the City Council meeting of Monday, March 19, 2012, the City Council will consider a recommendation from staff to adopt a resolution amending the Master Fee Schedule to adjust the water service rates and establish a storm water fee for 2012 with future adjustments each January using the average of the prior calendar year of the Consumer Price Index for Los Angeles/Riverside County.

The City analyzed revenues and expenditures and identified the need for an adjustment in water rates. The current rates and the proposed adjustments are specifically detailed in the table below. The proposed amendment will increase these rates by approximately ten percent (10%), effective with the first billing cycle after April 1, 2012. Rates in future years would be adjusted based on the Consumer Price Index for Los Angeles/Riverside County, effective March 1st of each future year. The charges are composed of a fixed monthly minimum charge and a quantity user charge, based on the amount of water used during the billing period, measured in 100 cubic feet units.

### Water Service Rates

<table>
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<tr>
<th>Minimum Monthly Water Service Charge</th>
<th>Current</th>
<th>Effective First billing cycle after 4/1/2012</th>
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<tbody>
<tr>
<td>5/8 Inch Meter</td>
<td>$8.75</td>
<td>$9.63</td>
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</tr>
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</tr>
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</table>

### Residential: Per Unit Charge (100 cubic feet)

- **First 12 Units**: $2.91 → $3.20
- **Next 8 Units**: $3.06 → $3.37
- **Next 22 Units**: $3.52 → $3.87
- **Over 42 Units**: $3.98 → $4.38

- **Landscape**: $3.52 → $3.87

- **Storm Water Fee**: 
  - Current: $0
  - Effective: $4.55

Revenues from the proposed adjustments will be used for debt payments and ongoing operating expenses, including expenses for Lopez water, which continue to increase.

This notice was sent to all City of Grover Beach property owners and water customers receiving City water services. All are invited to attend the public hearing and be heard on the proposed adjustments in water service charges. Owners of property or tenants receiving City water services may protest the proposed water service charges by filing a written protest with the City Clerk before or during the public hearing. All protests must be submitted in writing. The protest must be signed by the property owner or the water customer and must include the assessor’s parcel number(s) or street address(es) of all properties served. The written protest...
may be mailed to the office of the City Clerk, City Hall at 154 South 8th Street, Grover Beach, CA 93433-2073, or hand-delivered to the office at the same address. There may be only one protest per property address.

For More Information:
Copies of the proposed charges are also available at City Hall in the Administrative Services Department during regular business hours. For additional information, please see the City website at www.grover.org and click on Department > Administrative Services > Documents, Forms, Resources > Analysis of Revenues & Expenditures (or go directly to: http://www.grover.org/DocumentView.aspx?DID=2233) regarding the proposed rate adjustments or call the Administrative Services Department at (805) 473-4550 during regular business hours.

The complete meeting agenda and copies of the staff report on the above item will be available to the public at the City Clerk's Office by Friday, March 16, 2012 no later than 12 Noon. Live broadcasts of City Council meetings may be seen on the City's Government Cable Access Channel 20 with re-broadcasts periodically throughout the week.

Note: If you challenge the nature of the proposed action in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing(s) described in this notice, or in written correspondence delivered to the City at, or prior to, the Public Hearing (Govt. Code Sec. 65090).

/s/ DONNA L. McMAHON, CITY CLERK
Dated: Friday, March 9, 2012
1. The City of Grover Beach operates the Water Enterprise. The Water Enterprise is an independent utility. It operates similar to a business and is solely dependent on water rates and related fees to cover water-related expenditures. The funds received from water rates can only be used for operation, maintenance, and capital improvements in the water system and cannot be shared with any other City fund.

2. The mission of the Water Enterprise is to produce good quality potable water for the City's residents and businesses.

3. The Water Enterprise has two sources of water: Groundwater pumping contributes 64% of the water, and Lake Lopez contributes the remaining 36% of the City's water supplies.

4. The FY 11 – FY 12 Budget reflects estimated revenues from water sales of $2,855,661 and water-related expenditures of $3,051,847. The operating deficit in the Water Enterprise fund has been estimated at ($196,186). The sale of water has not been sufficient to cover the deficit.

5. Operational costs, exclusive of personnel, comprise 73% or $2,215,547 of the budget. Costs associated with Lopez Lake constitute the majority of this amount or $1,151,096. Personnel costs total $836,300 or 27% of the entire budget.

6. During the past several years, the City Council has been prudent in directing that operational costs be controlled. As a result, the following has been implemented:
   - Costs associated with the operation of Lopez Lake have been stabilized and are projected to decrease slightly in FY 13;
   - Personnel compensation has been reduced by 8.6%;
   - Maintenance has been deferred and only been completed on a pay as you go basis; and
   - No new loans, borrowing or debt has been undertaken.

7. It is expected that the revised rates (proposed to be effective April 2012) would assist with covering this year's operational deficit and position the fund to begin re-establishing a reserve in FY 13. The implementation of the rate adjustment would raise approximately $100,000 for the remainder of this fiscal year. A resident with a %-inch meter, consuming 20 units of water, would see water costs increase by $7.79 per month.

8. The production of good quality water is expensive and the following facts about the City's water system drive basic costs:
   - The City's water system consist of the following components:
     - Wells and well pumps;
     - A water treatment plant;
     - Chemical injection stations;
     - A water booster station;
     - Water tanks;
     - Water sampling stations;
     - Water mains, valves, meters and fire hydrants; and
     - Lopez Dam, Reservoir, and Water Treatment Plant and Pipeline.
• **Water system repairs and replacements** - Most of the City’s water system was installed in the 1940s and 1950s at a cost of $1.00 per foot. Many of these lines are now undersized and have begun to deteriorate. Water line breaks and valve failures occur regularly and must be repaired promptly. Today water line installations cost more than $100 per foot.

• **Water system upgrades** - Over the years to control costs, the City has deferred many needed water system and equipment upgrades. In order to assure a continual and safe supply of water, the City can no longer defer these items. As a result, critical upgrades are proposed to be phased into the annual budget. These include repairs to the City wells, replacement of old and undersized water mains, repairs to the City reservoirs, booster station upgrades, and treatment plant upgrades.

• **Water system operation** - This includes daily maintenance and operation of wells, pumps, valves, hydrants, water tanks, and booster stations, along with the monthly meter reading and issuance of utility bills, including collection of the bills. In addition the City performs monthly water quality sampling and testing and operates a treatment plant to reduce nitrates and control corrosion. Operational costs are increasing due to the increasing cost of operations for materials, chemicals, fuel, electricity, and equipment. Constantly changing water quality regulations also increase costs.

• **Water supply** – The City has two main sources of water supply: Lopez Reservoir and groundwater. The County of San Luis Obispo operates the Lopez Reservoir and water treatment plant. Costs of water from Lopez Reservoir have in the past increased due to the retrofit of the dam, construction of the new water treatment plant, and increased operational costs. In addition, due to new endangered species regulations, the County is preparing a Habitat Conservation Plan and is required to modify the existing operation permit. Although the County’s costs have stabilized over the past few years, these new requirements have and will continue to result in increases in the cost of water from Lopez Reservoir.

Additional questions regarding rates and the request for adjustments should be directed to the Administrative Services Department by telephone at (805) 473-4550 or send an email to finance@grover.org. Additional questions regarding the operations of the system should be directed to the Public Works Department by telephone at (805) 473-4520 or send an email to publicworks@grover.org.

# # #
San Luis Obispo County Water Agencies
Comparison of Single Family Residential Bi-monthly Water Bills
at 22 Ccf Bi-Monthly

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<th></th>
<th>Increase</th>
<th>Proposed Bill</th>
<th>Bi-monthly Bill</th>
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<tr>
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<td>Paso Robles</td>
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<td>Avila Beach CSD</td>
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<tr>
<td>Average</td>
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</tbody>
</table>

Does not include UUT on water

Note: Ccf is hundred cubic foot
Feb. 6, 2012

Mary A. Mickels
1606 Via Frigio
Santa Maria, CA 93454

Accession's parcel # 060-333-016
755 Mentone
Grover Beach, CA 93433

Dear City Clerk:

This letter is a protest against the proposed increases in water service charges. The renter will be unable to water the lawn & plants. Therefore, the lawn & plants will dry out & be ugly. Please, do not increase the water rates.

Thank you,

Mary A. Mickels
Parcel # 060-333-016
February 3, 2012

City of Grover Beach
154 S. 8th Street,
Grover Beach, CA 93433

Dear Sirs:

This is my letter of PROTEST against the proposed water rate increase.

According to my records, the City of Grover Beach had a water rate increase of 30%, which was approved by the City Council in June of 2010. The second phase of this rate increase was implemented in March 2011, barely 1 year ago.

Now the City is requesting an additional 10% increase? This is outrageous. If this rate increase is approved, it will mean that the water rates have been increased by 40% over the past 3 years. There doesn’t seem to be any reasonable justification for this hike, other than the mismanagement of city funds. Not even the cost of gasoline has increased that much over the past 3 years!!!

The residents of this city are not in a financial position to be paying these exorbitant rates.

My Assessor’s APN #060-191-048, and I am the owner/water customer at the address listed above. Please register my name and address as filing a protest in this matter.

Sincerely,

Laurie L. Baima
2/3/12

To: Members of the Grover Beach City Council
From: Jackie Relyea

Re: Increase in water rates

Please consider this a protest to the proposed increase in water rates. I own two rental properties in the City of Grover Beach (1369 Seabright, 896 Longbranch -- both have three units on the property)

I am a senior on a fixed income. I pay the utilities. The bill is outrageous as it is. There have been several increases in the past. I have never had a salary increase of 10% in my life. My retirement has never gone up 10%. It would be wonderful if the social security that I worked hard for would go up 10%, but the most I have ever seen it go up is 2%. Tenants, can't afford raises in this environment and neither can I.

You intend to use the city of Los Angeles as a comparable!!!!!!!!!!!!!!! How about using cities SIMILAR to Grover Beach, LIKE Arroyo Grande, Oceano, and Pismo Beach? What a scam.

This proposed increase is extreme and granting any increase in this environment is an abusive use of power. You need to vote no and cut elsewhere if need be.

Sincerely,

Jackie Relyea
P.O. Box 281
Arroyo Grande, Ca.

and

Michael Relyea
Owner of two houses in the 600 block of Trouville 638 and 632

Together we represent 8 dwellings in Grover Beach
RE: WATER RATE INCREASE

Dear Mayor and City Council Members:

We are protesting the resolution amending the water rates for 2012 and future years. Although rate increases are sometimes necessary to pay the bills, making this resolution a blanket authorization to raise the rates for subsequent years based on Los Angeles/Riverside County is giving you carte blanch to increase rates without citizen approval. What does Los Angeles/Riverside have to do with Grover Beach? In this economy, you need to find other ways to raise revenue. Our combined sewer, sanitation & water bill is already high enough.

Sincerely,

Kaye L. Roozen
Edwin D. Smaltz
February 8, 2012

Office of the City Clerk
City Hall
154 South 8th Street
Grover Beach, CA 93433

Subject: Proposed Increase in Water Rates

In view of the ongoing recession I find it objectionable for the City Council to even consider raising the current water rates.

Many of us in the area are living on fixed income without COLA adjustments.

It’s difficult enough to meet current obligations without tacking on a ten-percent hike in any government provided service.

Further, why choose the Los Angeles/Riverside counties as a benchmark for the Consumer Price Index? Obviously the cost of living index would be higher for that area.

I respectfully protest the increase.

Sincerely,

James G. Tucker
Date 2-15-12 - Water Department.

About the water rates, we have a hard time paying the water bill now. My wife & I are hard-pressed and have a hard time making ends meet now. We are both older. I'm 76 and my wife is 78 and have to cut corners now. Low income and as they say, "Rob Peter to pay Paul."

So, please no on raising the water rates.

Your sincerely,

Ray Jaff

No able to come to meeting

CITY OF GROVER BEACH

FEB 14 2012

RECEIVED

hand delivered
To the City of Grover Beach,

I am protesting this proposed water rate increase for my business, Kirby's Motorcycles & Machining at 944 Griffin St. in Grover Beach, CA. 93433

Sincerely,
Steve Kirby

Steve Kirby
To the City of Grover Beach,

I am protesting this proposed water rate increase for my house at 340 N.11th St. in Grover Beach, CA. 93433

Sincerely,
Steve Kirby

Steve Kirby
Mayor John P. Shoals
City of Grover Beach

Dear Mr. Mayor

It was with both sorrow and anger that I received the recent notice of proposed increases in our water rates. I will of course file a formal protest, but that is not the purpose of this letter. Rather, it is to hopefully motivate you, and the City Council, to come to grips with the economic realities of our fair community; namely, we do not now have, nor have we ever had, the critical mass to support the size of city government as do our neighbors Pismo Beach and Arroyo Grande. And while there have been some efforts of consolidation in fire and police services, there still remains too large an infrastructure for the small tax base that we enjoy.

And that of course occasions the type of gimmicks such as the pending increase in water rates, which is simply a tax to fund activities well beyond supplying water. This assertion is supported by the proposal to have annual increases tied to the CPI in LA/Riverside Counties. Clearly you cannot forecast what water will cost next year so the proposed automatic increases are not only a non sequitur but a red herring as well. And that CPI will increase exponentially with the continued debasing of the dollar and as high energy prices filter their way through the economy.

A rise in water rates is a cruel tax imposed on a populace that is either ignorant of the facts or inattentive and will serve to further burden our city’s residents, many of whom are struggling with the expenses they now have.

Rather than try to hide a tax increase (and future annual increases per your proposed linkage to the CPI of LA/Riverside Counties), why not present the City’s financial situation to the residents and let them decide what they want to pay for and how to fund it?

For starters, city salaries are too rich for our tax base. And there are numerous examples of waste which — in the aggregate — would lessen the deficit. And no small amount of effort should be expended in addressing alternative funding for our deteriorating roads, many of which rival third-world country thoroughfares.

I hope you will take my criticisms in the spirit in which they are offered; namely, to see a more streamlined and affordable city government and honest explanations of needs to the residents.

Respectfully yours,

Alan D. Prince
PROTEST OF PROPOSED INCREASE IN WATER RATES

February 29, 2012

We strongly oppose the proposed increase in water rates, on the following grounds:

1. We have just experienced a substantial increase in rates which has forced many of us to remove attractive landscaping and replace it with less-attractive rock.
2. The justification given in the recently-mailed notice was nothing more than hand waving and seriously lacked substance. It appears that this increase is just a hidden tax foisted on residents untrained in financial matters.
3. The proposal to tie future increases to the CPI for LA/Riverside Counties is a complete non sequitur since the costs in these counties have no relation to the costs in Grover Beach.
4. The proposed annual increases further supports our allegation that the City is using water rates as a grab bag for funding other City activities rather than facing up to the necessity of cutting expenses rather than increasing taxes.

We urge the City Council to re-think this matter and give more attention to trimming expenses.

Respectfully submitted,

Alan D. Prince  Patricia M. Prince

1102 Monaco Ct., Grover Beach, CA 93433

Lot Assessment No.: 060,651,031
Re: Proposed increase in water rates

Property description: CY GC TR 123 LT34 BL2
Assessment # 060482034

Attn: City Clerk

As a property owner since 1973 I wish to oppose any and all water increases at this time. With these rough economic times, the proposal should be delayed until our local, state and federal economy improves.

Sincerely submitted,

Mary Ann Korson
To: City Clerk, City of Grover Beach

From: Richard Heineman
1105 Mentone St
Grover Beach, CA 93433

Subj: Protest regarding proposed increase in water rates.

This letter is to formally protest the proposed water rate increases.

Years back, the citizens of Grover Beach voted to increase water rates to cover the actual costs of providing that service. I still maintain that the costs of providing water should be covered by the rates charged. However the proposed water rate increases go beyond the cost of providing that service. The future CPI of LA/Riverside county has no bearing on the future cost of delivering water to the citizens of Grover beach... none. This deceptive proposal is about raising funds not the cost of water.

If the cost of delivering water to the citizens of Grover Beach has increased, then a water rate increase is in order. Establishing an automatic annual increase regardless of service cost is inappropriate and indicates that the city wants more from it's citizens while having less to do with them. Residential water rates should not be used as a source of revenue enhancement by the city.

Grover Beach is a small community with a small budget... accept that.

Respectfully

[Signature]
TO: CITY CLERK, GROVER BEACH, CA
FROM: PHIL TATE
SUBJECT: PROTEST OF WATER FEE SCH. INCREASES

I am the owner of a four unit apartment located at 245 N. Oak Park in Grover Beach. I hereby protest the proposed water rate and schedule increases. In this current market any increases in costs hurt the local economy and should be postponed until the real estate values and rents return to pre-2008 levels.

Thank you

PHIL TATE, OWNER
(805) 801-2060
March 12, 2012

City Clerk
154 South 8th St.
Grover Beach, Ca. 93433-2023

Re: Proposed Increase in Water Rates

To Whom It May Concern:

I am protesting the proposed increase in water rates of approximately ten percent effective with the first billing cycle after April 12, 2012.

I have been a resident and homeowner in Grover Beach for 20 years. I was widowed in 1995 and was laid off my 12-year job in the Five Cities area in 2008. To date, I have been unable to find employment.

My only source of income is my deceased husband's social security. An increase in my water rates would present an extreme financial hardship.

Please do not raise the water rates in Grover Beach. Thank you for your consideration to this matter.

Assessment #
060,032,009

Sincerely,
Barbara Gratwick
1535 Atlantic City Ave.
Grover Beach, Ca. 93433
To Whom it May Concern:

I am protesting the Water Rate Increase to be proposed on March 19, 2012. My name is Cynthia L. Nunes, I am the property owner, I live at 1211 So. 16th St. Grover Beach CA 93433.

Sincerely,

Cynthia L. Nunes
1211 So. 16th St.
Grover Beach CA 93433
City Council  
City of Grover Beach  
154 S. 8th St.  
Grover Beach, Ca.  
93433-2073  

March 10, 2012  

Council Members:  

I am writing this letter in protest to the proposed increase in the water rates. I would like to point out a few things that should give you pause before you consider raising the rates.

The fact that the staff used Los Angeles and Riverside Counties to base their rate increases on is like comparing apples and oranges. San Luis Obispo County is a rural county and LA and Riverside Counties are heavily populated counties. That would produce false data.

The second issue I have is the automatic yearly increases. This automatic increase theory has gotten this nation and this state in a financial mess. The governing bodies have taken the easy way out so they don’t have to bother with it any longer. You were elected to watch every penny of the taxpayer’s money that goes through this city. That means on an annual basis. No automatic increases.

The last thing I want to bring up is the sneaky and underhanded way you created a new revenue stream, the Storm Water Fee. So now when it rains I have to pay for an Act Of God! What’s next, breathing air? When I see that you have cut the operating expenses of this city to the bone, and given up your pay, then you can come to the residents of this city for an increase. Your job is to manage the money of this city not cause the residents more financial pain.

I am a senior citizen on a fixed income and as you know the cost of living is going up at an alarming rate and with this proposal you are just adding to the pain. You need to stop any spending plans you have until this economy turns around.

Thank you for your consideration.

Sincerely,

[Signature]

Thomas R. Igyarto  
1085 Bodega Ct.  
Grover Beach
March 12, 2012

City of Grover Beach
154 South 8th Street
Grover Beach, CA 93433

Subject: Increasing water rates

To Whom It May Concern:

We received a notice with our last water bill that proposed an increase in water rates to residents of Grover Beach.

As a low income family consisting of one semi-retired man, my wife and our daughter who was laid-off from her job in May 2011 and is currently still on unemployment benefits, we are living very frugally these days. Another fact to consider about the City of Grover Beach as a whole is that it is composed of residents that are mostly low-income. To ask people that are already finding it difficult to make ends meet because of the bad economy, to now pay more for something we cannot live without, is not taking into consideration the aforementioned factors.

We ask that you please carefully consider your residents concerns and realize that much of what makes up our everyday lives, cannot be changed no matter how much we want to...like having more money to keep up with rising costs.

Thank you for your consideration.

Sincerely,

Paul Conradi
Tenant for Karen Duncan
To the City Clerk,
Grover Beach, CA:

I am writing in protest of the 10% increase proposed for Water Service Charges.

Town, I live at the Property of 1101 Atlantic City Ave, Grover Beach, CA 93433.

I understand the continued need for water in our community, but feel better conservation methods and reclamation/reuse of water resources can be vastly improved.

Thank you,

Charles S. Hurt, Sr.
Owner 1101 Atlantic City Ave
Grover Beach, CA 93433
PowerPoint Presentation to be Provided Under Separate Cover.