



City of Brea

Water and Sewer User Rate and Impact Fee Study

Community Outreach Meeting | June 29, 2022

City of Brea

Water and Sewer User Rate and Impact Fee Study

Details about participating via Zoom webinar:

- As a spectator, you are free to watch, come and go as you please.
- To participate by asking questions or sharing comments, please use the “**Raise Hand**” feature and you will be called upon when it is your time to speak.
- You can also ask questions using the Q&A feature and we will do our best to answer your questions throughout the meeting.

Meet the Team

City Staff

- Michael Ho, Public Works Director
- Will Wenz, Sewer Superintendent
- Matt Matlock, Water Supervisor
- Brian Ingallinera, Environmental Services Coordinator
- Kristin Griffith, Administrative Services Director
- Monica Lo, Deputy Administrative Services Director
- Alicia Brenner, Senior Fiscal Analyst

Any questions please contact ratestudy@cityofbrea.net

Meet the Team

City Staff

- Faith Madrazo, Financial Services Manager
- Alicia Lopez, Utility Billing Supervisor
- Alma Cortez, Utility Billing
- Dave Smalley, Utility Billing

Consultant

- Eric Callocchia, Project Manager, NewGen Strategies & Solutions

Any questions please contact ratestudy@cityofbrea.net

Water and Sewer System Overview

- City provides potable water service to approximately 13,437 residential, commercial, industrial and other customers
- Service area covers 10.7 sq. miles of City limits and portions of unincorporated county
- The City imports 100% of its retail water from two major suppliers:
Metropolitan Water District and Cal Domestic
- The City's Public Works Department is responsible for the system's day-to-day operation and maintenance including seven (7) storage reservoirs, five (5) booster stations, 212 miles of waterline, and 114 miles of sanitary sewer lines

Water and Sewer System Overview

- City last performed a water rate study in 2015 and best practices recommends updating every 5 years. Water Master Plan was completed in May 2021.
- Due to Council foresight and staff support, water rates have not increased since July 1, 2017 due to strategic bond refinancing and purchasing additional water rights.
- Last completed Sewer Rate Study was conducted in 2006. The adopted resolution has allowed for CPI increases. Sewer Master Plan was completed in November 2021.
- Last Water Impact Fee Study was performed in December 2002. Rates have been adjusted by CPI since then.

Water/Sewer Rate Process

September 21, 2021
Contract with NewGen

City Council approves of water, sewer, and impact fee study with NewGen Strategies and Solutions.

October 2021- June 2022
Fee Development

Staff gathers data for NewGen. NewGen provides analysis and recommendations for rates.

April 19 & May 3, 2022
**Water & Sewer Rates
Preliminary Discussions**

NewGen & City Staff provide preliminary numbers to City Council. On May 3, City Council directs staff to begin the 218 Public Hearing notification.

October 19, 2021
**Water-Sewer Rate Objective
Meeting**

NewGen provides an overview of the upcoming rate studies to City Council.

November 10, 2021
**Community Information
Meeting**

Staff conducts a Community Information Meeting.

Tonight

218 Public Hearing Notification

- Required to send rate notification to all property owners
- Required 45-day notification
- City Council cannot adopt rates above what was published
- Fees charged cannot exceed costs
- Protests
 - Oral comments on July 19, 2022 at 7:00 p.m. (not a formal protest unless in writing)
 - Protests by telephone or social media will not be accepted
 - Written comments – mail or hand delivery
 - CityClerksGroup@cityofbrea.net
 - Must identify: parcel number or street address; related proposed water and sewer rates; signature/name of the record property owner or tenant

Fixed Meter and Consumption Rates

- 63% of all City water costs incurred are **Fixed** and includes,
 - Ready to Serve costs from water suppliers
 - Staff Costs
 - Debt Service Payments
 - Capital/Infrastructure Costs
- Currently only 17% of all revenue received comes from **Fixed** Meter Charges
 - Industry standard: 25-30% of revenue should come from Ready to Serve Fees
- City relies on consumption and other minor charges to cover the remaining 83% of its budget
- When consumption is down or when mandates are put in place, the City does not collect enough resources to maintain the system
 - Must increase consumption rates to meet operating revenue

Monthly Fixed Water Charge Comparison 1” Meter

City/Agency	Monthly Amount
Brea (current)	\$15.93
Brea (20% Fixed)	\$20.00 - <i>Proposed</i>
Brea (22% Fixed)	\$20.59 - <i>Proposed</i>
Brea (25% Fixed)	\$23.58 - <i>Proposed</i>

City/Agency	Monthly Amount
Santa Ana	\$59.59
Fullerton	\$52.26
Yorba Linda Water Dist.	\$47.00
Tustin (Bimonthly)	\$46.21
La Habra	\$38.64
Buena Park (Bimonthly) ¹	\$34.77
Orange (Bimonthly)	\$24.48
Placentia (Golden State)	\$16.99

No TWO water systems are the SAME

- Size of system
- # of customers
- Capital Plan/Improvements
- Water Sources

¹ Plus a Capital Charge 10%

Water Consumption Comparison

City/Agency	Unit Cost (HCF)
Brea (current)	\$3.59 / \$4.69 / \$6.18 / \$7.24
Brea (20% Fixed)	\$3.34 / \$4.36 / \$5.75 / \$6.73
Brea (22% Fixed)	\$3.30 / \$4.31 / \$5.69 / \$6.66
Brea (25% Fixed)	\$3.20 / \$4.17 / \$5.50 / \$6.68

HCF = Hundred Cubic Feet (same as CCF)
HCF = 748 gallons = 1 unit

Brea Tiers

- Tier 1: 0 - 10 units
- Tier 2: 11 - 20 units
- Tier 3: 21 - 30 units
- Tier 4: 31+ units

City/Agency	Unit Cost (HCF)
Santa Ana	\$2.36 up to 26 per unit / \$5.57
Fullerton ¹	\$2.96 / \$5.98 / \$6.46
Yorba Linda Water Dist.	\$2.90
Tustin (Bimonthly)	\$3.08
La Habra	\$2.60 / \$4.63 / \$6.74
Buena Park (Bimonthly) ¹	\$2.39
Orange (Bimonthly)	\$2.87 / \$2.95 / \$3.05
Placentia (Golden State)	\$4.14 / \$4.76 / \$5.48

¹ 1,000 gallon increments

Conservation Rates – Residential Maximum

In the case that the California State Water Resources Control Board adopts Emergency Water Conservation Regulations. Customers may be mandated to reduce water consumption

Tier (in HCF)	10% Conservation	20% Conservation	30% Conservation
0 - 10	\$4.12	\$4.82	\$5.56
11 - 20	\$5.38	\$6.29	\$7.26
21 - 30	\$7.08	\$8.29	\$9.57
31+	\$8.30	\$9.71	\$11.21

Sewer Comparison - Residential

City/Agency	Monthly Amount
Brea (current)	\$9.43

	FY 22-23	FY 23-24	FY 24-25
Brea (Scenario 1)	\$14.62	\$15.05	\$15.51
Brea (Scenario 2)	\$12.54	\$12.92	\$13.31
Brea (Scenario 3)	\$14.62	\$15.35	\$16.11

City/Agency	Monthly Amount
Santa Ana	\$15.71
Fullerton	\$1.90 per 1000 gallons
Yorba Linda Water Dist.	\$10.47
Tustin (Bimonthly)	Not paid on water bill
La Habra	\$4.80 + \$0.44 per unit of water
Buena Park (Bimonthly)	11% of water charge
Orange (Bimonthly)	\$11.50
Placentia (Golden State)	\$0.76 per unit of water

Frequently Asked Questions/Comments

1. “How can I save water?”
2. “Can I fill my pool?”
3. “Are new pool constructions allowed?”
4. “How many days a week can I water?”
5. “The City’s water rates increase every year!”
6. “Why is the City adopting conservation rates?”
7. “I’ve been conserving water, but my neighbor waters all the time!”
8. “The City keeps building new houses. We’re going to run out of water!”
9. “I’ve been conserving water, but why should I conserve when they keep building new houses?”

Next Steps

- Public Hearing – July 19, 2022 at 7:00 p.m. City Council Chambers
- Accept Water and Sewer Impact Fee Study – July 19, 2022
- Adjusted Rates effective August 1, 2022
- Adjustments to Water and Sewer Impact Fees (TBD)



Questions?

Please feel free to email us at ratestudy@cityofbrea.net