

**City of Beaumont
Proposition 218 Notice of Public Hearing
Proposed Increases to Sewer Rates**

Hearing Date and Time: August 15, 2023, at 6:00 p.m.

Hearing Location: City Council Meeting Chambers
Beaumont Civic Center, 550 E. 6th Street, Beaumont, CA 92223

Important Information About Your Sewer Rates

The City of Beaumont will conduct a public hearing to consider proposed adjustments to the rates charged for sewer service. If approved by the City Council, the increases will take effect on September 1, 2023, with subsequent annual increases on July 1, 2024, through July 1, 2027. The public hearing will be conducted at the time, date, and location specified above. All members of the public are invited to attend the hearing. This notice is being sent to all record owners of property upon which the proposed increased sewer rates will be imposed and any tenants who are directly liable for the payment of such rates (that is, customers of record who are not property owners).

Why Have I Received this Notice?

In 1996, California voters approved Proposition 218, which amended the state constitution as it relates to the passage of property-related fees such as sewer rates. Proposition 218 requires that local governments follow a strictly defined process for setting fees. Generally speaking, the local government must: (1) provide notice to customers that a proposed rate increase is being considered, (2) clearly demonstrate the basis on which proposed fees are calculated, and (3) hold a public hearing at least 45 days after noticing property owners, at which time the local government hears all protests to the proposed rate increases. Proposed rate increases are subject to a “majority protest.” This means that a proposed rate increase cannot be passed if a majority of property owners (or tenants who are directly liable for the payment of the rates), submit written and signed protests opposing the increase.

You have received this notice because, in compliance with the requirements of Proposition 218, the City of Beaumont must notify all customers about the proposed increases to sewer rates and the public hearing where adoption of the increases will be considered.

Basis of Proposed Sewer Rate Increases

A Sewer Cost-of-Service Rate Study (Study) was recently conducted on behalf of the City of Beaumont by Raftelis Financial Consultants, Inc. (Raftelis), an independent financial consulting firm, with the support from City staff. The Study evaluated the 5-year budget projection for the City’s Sewer Enterprise Fund and analyzed its capacity to implement its capital improvement

plan while maintaining cash reserve requirements. The City Council reviewed the results of the Study at a workshop of the Council on May 30, 2023. The Study recommends increasing sewer rates to meet the revenue requirements of the Sewer Enterprise Fund in light of projected increasing expenditures. The Sewer Cost of Service Study can be viewed at www.beaumontca.gov and is also on file and available for public review at the City of Beaumont at the following location: Beaumont Civic Center, 550 E. 6th Street, Beaumont, CA 92223.

Why are Sewer Rate Increases Necessary?

The City’s previous sewer cost-of-service rate study was completed in June 2017. This study resulted in the adoption of sewer rates for fiscal years (FY) 2018 – FY 2023. The City retained the services of Raftelis to determine whether existing FY 2023 rates (that is, current rates without any increases) are adequate to pay for projected Sewer Enterprise Fund operating costs and capital improvement expenditures during the five-year period FY 2024 – FY 2028. The results of the Study indicated that in order to maintain adequate cash reserves, the level of rate revenues provided by sewer customers must increase.

The need for additional sewer rate revenues was driven by two key factors. The first factor is projected capital improvement program expenditures for infrastructure improvements required to maintain service quality. Projected FY 2024 – FY 2028 capital improvement program expenditures are approximately \$20.8 million. The second factor is the projected increase in Sewer Enterprise Fund operating costs for FY 2024 – FY 2028 which are projected to increase over 28% from approximately \$7.8 million in FY 2023 to approximately \$10.0 million in FY 2028. This increase is caused by high inflation in the overall economy and an increase in the cost of services provided to the Sewer Enterprise Fund by the City of Beaumont.

Proposed Monthly Sewer Service Charges

Customer Class	Monthly Sewer Charge					
	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Residential						
Single Family	\$47.21	\$50.22	\$52.73	\$54.31	\$55.40	\$56.51
Multi-Family & Mobile Home-Rural	\$29.24	\$28.55	\$29.98	\$30.88	\$31.50	\$32.13
Schools						
	\$1.07	\$1.10	\$1.15	\$1.19	\$1.21	\$1.23
Commercial Customers						
Commercial - Low	\$25.77	\$6.14	\$6.45	\$6.64	\$6.77	\$6.91
Commercial - Medium	\$47.21	\$6.14	\$6.45	\$6.64	\$6.77	\$6.91
Commercial - High	\$151.07	\$6.14	\$6.45	\$6.64	\$6.77	\$6.91
Industrial Customers						
Dura Plastics Products	N/A	\$553.02	\$580.67	\$598.09	\$610.05	\$622.26
Perricone Juice	N/A	\$553.02	\$580.67	\$598.09	\$610.05	\$622.26
Rudolph Food Company	\$169.27	\$553.02	\$580.67	\$598.09	\$610.05	\$622.26
CJ Foods #1	N/A	\$553.02	\$580.67	\$598.09	\$610.05	\$622.26
CJ Foods #2	N/A	\$553.02	\$580.67	\$598.09	\$610.05	\$622.26
Precision Stamping	\$148.24	\$553.02	\$580.67	\$598.09	\$610.05	\$622.26

City of Beaumont Proposition 218 Notice for Proposed Sewer Rate Increases

Customer Class	Monthly Service Charge – Dollar Change					
	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Residential						
Single Family	----	\$3.01	\$2.51	\$1.58	\$1.09	\$1.11
Multi-Family & Mobile Home-Rural	----	(\$0.69)	\$1.43	\$0.90	\$0.62	\$0.63
Schools						
	----	\$0.03	\$0.05	\$0.03	\$0.02	\$0.02
Commercial Customers						
Commercial – Low	----	(\$19.63)	\$0.31	\$0.19	\$0.13	\$0.14
Commercial – Medium	----	(\$41.07)	\$0.31	\$0.19	\$0.13	\$0.14
Commercial – High	----	(\$144.93)	\$0.31	\$0.19	\$0.13	\$0.14
Industrial Customers						
Dura Plastics Products	----	\$553.02	\$27.65	\$17.42	\$11.96	\$12.20
Perricone Juice	----	\$553.02	\$27.65	\$17.42	\$11.96	\$12.20
Rudolph Food Company	----	\$383.75	\$27.65	\$17.42	\$11.96	\$12.20
CJ Foods #1	----	\$553.02	\$27.65	\$17.42	\$11.96	\$12.20
CJ Foods #2	----	\$553.02	\$27.65	\$17.42	\$11.96	\$12.20
Precision Stamping	----	\$404.78	\$27.65	\$17.42	\$11.96	\$12.20

Proposed Commodity Rates (\$/HCF)

Volumetric	Proposed Commodity (\$/HCF)					
	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Residential						
Single Family	N/A	N/A	N/A	N/A	N/A	N/A
Multi-Family & Mobile Home-Rural	N/A	N/A	N/A	N/A	N/A	N/A
Schools						
	N/A	N/A	N/A	N/A	N/A	N/A
Commercial Customers						
Commercial - Low	\$2.77	\$4.91	\$5.16	\$5.31	\$5.42	\$5.53
Commercial - Medium	\$3.75	\$5.91	\$6.20	\$6.39	\$6.52	\$6.65
Commercial - High	\$7.31	\$9.88	\$10.38	\$10.69	\$10.90	\$11.12
Industrial Customers						
Dura Plastics Products	\$3.84	\$5.13	\$5.38	\$5.54	\$5.65	\$5.77
Perricone Juice	\$2.94	\$10.87	\$11.42	\$11.76	\$11.99	\$12.23
Rudolph Food Company	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CJ Foods #1	\$11.07	\$13.37	\$14.04	\$14.46	\$14.75	\$15.04
CJ Foods #2	\$5.71	\$8.20	\$8.61	\$8.87	\$9.04	\$9.22
Precision Stamping	\$0.00	\$4.91	\$5.16	\$5.31	\$5.42	\$5.53

City of Beaumont Proposition 218 Notice for Proposed Sewer Rate Increases

Volumetric	Commodity Rates (\$/HCF) - Dollary Change					
	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Residential						
Single Family	N/A	N/A	N/A	N/A	N/A	N/A
Multi-Family & Mobile Home-Rural	N/A	N/A	N/A	N/A	N/A	N/A
Schools	N/A	N/A	N/A	N/A	N/A	N/A
Commercial Customers						
Commercial - Low	----	\$2.14	\$0.25	\$0.15	\$0.11	\$0.11
Commercial - Medium	----	\$2.16	\$0.30	\$0.19	\$0.13	\$0.13
Commercial - High	----	\$2.57	\$0.49	\$0.31	\$0.21	\$0.22
Industrial Customers						
Dura Plastics Products	----	\$1.28	\$0.26	\$0.16	\$0.11	\$0.11
Perricone Juice	----	\$7.93	\$0.54	\$0.34	\$0.24	\$0.24
Rudolph Food Company	----	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CJ Foods #1	----	\$2.31	\$0.67	\$0.42	\$0.29	\$0.29
CJ Foods #2	----	\$2.49	\$0.41	\$0.26	\$0.18	\$0.18
Precision Stamping	----	\$4.91	\$0.25	\$0.15	\$0.11	\$0.11

How to Protest the Proposed Sewer Rate Increases

Any customer or property owner receiving sewer service from the City of Beaumont may file a written protest against the proposed sewer rate increases by sending a letter to:

City of Beaumont
 Beaumont Civic Center
 550 E. 6th Street
 Beaumont, CA 92223.

A valid written protest letter must contain: (1) a statement of opposition to the proposed sewer rate increases, (2) the property address or assessor parcel number at which sewer service is received, and (3) the name and original signature of the property owner or utility customer of record registering the protest. Only one protest will be counted for each address or parcel. Electric protests (email, social media messages, etc.) will not qualify as a written protest under state requirements.

Protest letters received by August 15, 2023, will be tabulated and presented to the City Council at the public hearing regarding the proposed rate increases to be held on August 15, 2023, at 6:00 p.m. at the following location:

City Council Meeting Chambers
 Beaumont Civic Center
 550 E. 6th Street
 Beaumont, CA 92223.

Any customer or property owner may appear at the hearing to make comments regarding the proposed rates. Protest letters may be delivered in-person and must be received prior to the conclusion of the August 15, 2023, public hearing.

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