

## 2018 Water Rate Adjustment

### Report an Issue or Ask us a Question at (310) 781-6900

In November 2017, the City Council approved a plan at a Public Hearing, in accordance with Proposition 218, to adjust water rates over the five-year period of 2018 through 2022 for customers served by the Torrance Municipal Water (TMW) system. The rate adjustments are needed to pay for vital system infrastructure replacements and refurbishments, meet new regulatory requirements, and cover higher operating costs. In addition, the rate adjustment will also fund the development of new local water resources to reduce the municipal system's current dependence on expensive, imported water, enhance the reliability of the community's water supply, and lower long term water costs.

The rate adjustment only applies to customers served by TMW. To continue meeting State water use reduction targets, the rate structure will retain a conservation-based tiered rate structure, which encourages conservation and allocates costs to those whose use of more water imposes higher costs on TMW. The new rate schedule charges customers in accordance with recognized cost of service requirements. The only change to the rate structure is the elimination of the tier 4 for the Single Family Residential Customer (SFR) rate classification.

There were no increases in water rates of any type in either 2016 or 2017. Even with this adjustment, TMW rates are expected to remain among the lowest in the area. The rate adjustments apply to all Standard Rate customers (non-contractual). The Senior/Disabled Low Income discount rate will be funded from non-rate revenues. Water rates consist of two components - a fixed Meter Service Charge (also known as Readiness-to-Serve (RTS) Charge) and a variable charge known as the Commodity Charge based on water usage in hundred cubic feet (CCF). In addition, there are adjustments in charges to customers who require dedicated Private Fire Protection service and customers in the high pressure zone who are charged a Pumping Service Charge.

[Rate Adjustment Notice Mailed in December 2017](#)

**STARTING WITH THE BILLING FOR**

<p><b>FEBRUARY 2018</b> FOR STANDARD RATE CUSTOMERS BILLED ON A <b>MONTHLY</b> BASIS - OR - <b>MARCH 2018</b> FOR STANDARD RATE CUSTOMERS BILLED ON A <b>BI-MONTHLY</b> BASIS</p>	<ul style="list-style-type: none"> <li>• An overall average system water rate adjustment of approximately 12.5%. The change in your water bill for 2018 will vary depending on your customer classification and water use. An increase in the fixed monthly Meter Service (Readiness-to-Serve, RTS) Charge. For customers with 3/4” meter, the increase will be \$0.59 per month.</li> <li>• The RTS charge for other sized meters is based on size and capacity of the meter.</li> <li>• An increase in the Private Fire Protection (PFP) Charge based on the size and capacity of the dedicated PFP meter.</li> <li>• An increase in the Pumping Service Charge based on the size and capacity of the meter.</li> </ul>
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**Water Rates to become effective January 1, 2018**

Usage measured in hundreds of cubic feet (CCFs or billing units) which equals approximately 748 gallons

<b>I. Quantity Rates (Commodity) for Standard Rate Customers</b>			
<b>Customer Class</b>	<b>Tier</b>	<b>Monthly Usage CCF</b>	<b>2018 Rate \$ per CCF</b>
Single Family Residential (SFR)	1	First 7	\$2.820
	2	8-12	\$4.770
	3	13+	\$5.770
	4	Eliminated	Eliminated
All Other Customers (a)	1	0-10	\$3.210
	2	11+	\$4.590
(a) Excludes Contractual Rates			
Senior Low-Income or Disabled Low-Income (a)	1	First 7	\$2.420

	2	8-12	\$4.370
	3	13+	\$5.370
	4	Eliminated	Eliminated

II. Meter Service Charge (Readiness to Serve)		III. Private Fire Protection Service (Fireline Service Charge)		IV. Pumping Service Charge (Applies to Customers in High Pressure Zone)	
Meter Size	Monthly Charge 2018	Meter Size	Monthly Charge 2018	Meter Size	Monthly Charge 2018
3/4"	\$6.43	2"	\$5.52	3/4"	\$5.50
1"	\$9.24	3"	\$11.79	1"	\$9.17
1 1/2"	\$16.25	4"	\$22.61	1 1/2"	\$18.33
2"	\$24.67	6"	\$61.45	2"	\$29.33
3"	\$51.32	8"	\$128.44	3"	\$64.15
4"	\$90.61	10"	\$229.20	4"	\$115.46
6"	\$184.60	12"	\$368.86	6"	\$238.25
8"	\$338.92			8"	\$439.85
10"	\$535.33			10"	\$696.42
12"	\$703.68			12"	\$916.34
14"	\$1,054.40				

**V. Fire Flow Service Charge - \$161.60 per test**

## 2017 Water Rate Increase

Report an Issue or Ask us a Question at (310) 781-6900

# Notification of Proposed Water Rate Increase

On September 12, 2017, the City Council approved setting a Public Hearing for November 14, 2017, regarding a proposed series of water rate increases over the next five year period of 2018 through 2022. The proposed increases are needed to pay for increased operating costs, needed water system maintenance, new requirements of regulators, set aside money to stabilize long-term water rates, and to develop new local water supplies to replace expensive, imported supplies. The proposed increase in water rates will also help fund improvements in the reliability of the community's water supply.

**Watch the Public Works Director's presentation to City Council regarding the proposed increase**

Customer Class	Tier	Current Monthly Tier Usage	Proposed Monthly Tier Usage	Current Usage Rate	Proposed 2018 Usage Rate	Proposed 2019 Usage Rate
Single Family Residential (SFR)	1	First 8	First 7	\$3.268	\$2.820	\$3.120
	2	9-14	8-12	\$3.925	\$4.770	\$5.270
	3	15-24	13+	\$4.727	\$5.770	\$6.380
	4	25+	Eliminated	\$5.706	Eliminated	Eliminated
All Other Customers (a)	1	First 10	0-10	\$3.268	\$3.210	\$3.550
	2	11+	11+	\$3.981	\$4.590	\$5.070
(a) Excludes Contractual Rates						
Senior Low-Income or Disabled Low-Income	1	First 8	First 7	\$2.869	\$2.420	\$2.680
	2	9-14	8-12	\$3.525	\$4.370	\$4.830
	3	15-24	13+	\$4.326	\$5.370	\$5.940
	4	25+	Eliminated	\$5.305	Eliminated	Eliminated

**Monthly Meter Service Charge  
(Readiness to Serve)**  
applies to all customers

**Monthly Private Fire Protection (Fireline  
Service Charge)**

**Pumping  
(Applies to Cust**

Meter Size	Current Rate	Proposed 2018	Proposed 2019	Meter Size	Current Rate	Proposed 2018	Proposed 2019	Meter Size	Current Rate
3/4"	\$5.84	\$6.43	\$6.83	2"	\$5.63	\$5.52	\$5.87	3/4"	\$3.33
1"	\$7.90	\$9.24	\$9.81	3"	\$11.14	\$11.79	\$12.52	1"	\$8.24
1 1/2"	\$13.05	\$16.25	\$17.26	4"	\$20.62	\$22.61	\$24.01	1 1/2"	\$16.48
2"	\$19.24	\$24.67	\$26.20	6"	\$54.69	\$61.45	\$65.24	2"	\$26.37
3"	\$38.83	\$51.32	\$54.49	8"	\$113.42	\$128.44	\$136.36	3"	\$52.75
4"	\$67.68	\$90.61	\$96.20	10"	\$210.78	\$229.20	\$243.33	4"	\$82.40
6"	\$147.03	\$184.60	\$195.98	12"	\$325.34	\$368.86	\$391.60	6"	\$164.82
8"	\$250.09	\$338.92	\$359.82					8"	\$263.71
10"	\$394.37	\$535.33	\$568.33					10"	\$378.35
12"	\$518.04	\$703.68	\$747.06					12"	\$708.71
14"	\$775.68	\$1,054.40	\$1,119.40						



The proposal applies only to customers of Torrance Municipal Water. To meet new State-mandated water use reduction targets, the rate structure will remain a conservation-based tiered rate structure which increase the cost of water as more is used to encourage conservation and to allocate costs to those whose use of water imposes those costs on the utility.

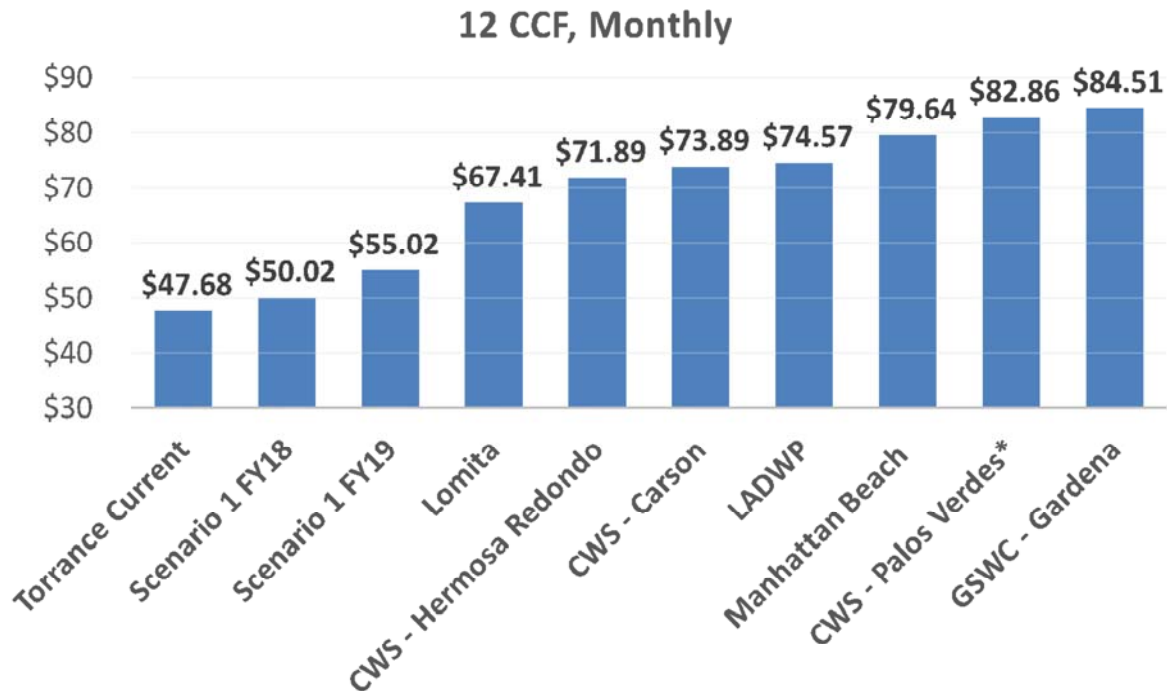
The City Council last approved a series of annual water rate adjustments for the period of 2011 through 2015. There were no increases of any kind in 2016 or 2017. Torrance Municipal Water (TMW) imposes rates to cover its actual costs to provide safe, reliable water to its customers. The proposed rates charge customers in accordance with cost of service. TMW rates fund only water service. Even with the proposed adjustments, TMW water rates are expected to remain among the lowest in the area.

TMW proposes yearly increases from 2018 to 2022 as follows: Total average system increase of 12.5% in 2018 and 10% in 2019, with average increases in 2020, 2021 and 2022 by the change in the Consumer Price Index (CPI) for the Los Angeles/Riverside/Orange County Area. Comments about this increase are welcome before the completion of the Public Hearing orally at the meeting or in writing. For more information on submitting comments, contact the City's Clerk's Office at 310-618-2870.

The *total average* system rate increase is 12% as stated on the notice, however your bill may not go up 12%. **Your bill will change depending on how much water you use.** Take a look at the chart below to determine more or less how your bill is likely to change if you live in a single family residence.

Usage Level	Current Bill	Proposed Bill	Difference
Low (5 CCF)	\$22.18	\$20.54	-7%
Median (10 CCF)	\$39.83	\$40.48	2%
Average (12 CCF)	\$47.68	\$50.02	5%
High (24 CCF)	\$102.80	\$119.27	16%

### Comparison of Proposed Rates and Neighboring Agencies



- [Proposition 218 Rate Increase Notification](#)
- [2017 Water Rate Protest Form](#)
- [City Council Presentation to Set Rate Hearing](#)
- [Rate Increase Frequently Asked Questions](#)
- [Water - 2017 Cost of Service Report](#)

### **Low-Income Senior or Low-Income Permanent Disabled Discounts**

- Be a minimum of 62 years of age or permanently disabled
- Have a total household income no greater than \$30,150 for the prior calendar year

If you meet these criteria, please call the City's Finance Department at (310) 618-5830, and they will mail you the appropriate forms. Questions or comments regarding the rate increase may be directed to the Public Works Department at (310) 781-6900 or [publicworkinfo@TorranceCA.gov](mailto:publicworkinfo@TorranceCA.gov).