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Simi proposes water rate increase

By Michele Willer-Allred
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The Simi Valley City Council on Monday recommended a new water rate structure for customers that includes a projected 20 percent to 25 percent rate increase for 2010.

The council chose a new three-tier system that would create a disincentive for large water users who would fall in the highest third tier. It would replace the current two-tier system in the city.

The rate increase under the new tier system would take effect Jan. 1 if approved by the council after a public hearing Dec. 7.

The council typically modifies district water rates in January to coincide with the annual rate changes by the district's water suppliers, Metropolitan Water District and Calleguas Municipal Water District.

But because both Metropolitan and Calleguas already have either approved or implemented their own increases, city officials are getting an earlier start, said Simi Valley Public Works Director Ronald Fuchiwaki. Metropolitan and Calleguas increased their rates up to 22 percent for tier 1.

Beginning in July, Metropolitan and Calleguas also implemented water supply allocation plans, requiring a 15 percent reduction of water use by its customers, including Simi Valley.

According to city officials, the average residential usage during winter is 36 billing units and 60 billing units during the summer. A unit is about 748 gallons.

Under the three-tiered system, used by many surrounding cities, lower rates would be given for the first two tiers. Residential customers would be charged $2.45 per unit for up to 36 units under tier one; $2.94 per unit for 36 to 60 units under tier two; and $3.82 per unit for 60 or more units under tier three.

All residents would also pay a flat water service rate of $33.25 per household.

Under the current two-tier structure, a residential customer using 30 base units of water would have a 19 percent increase in their bi-monthly water bill, and a 22 percent increase if they use 70 base units. The flat rate would also be $33.25.

Before the Dec. 7 meeting, a required 45-day period will be provided for district customers to file written protests.

City officials said if the new charges are not adopted, the Simi Valley water district will not have the financial ability to absorb the scheduled cost increases and maintain its current level of service.

Some council members questioned whether it was fair that Metropolitan continues to pass on water increases to its customers, when Metropolitan recently voted to give their own employees a 25 percent increase in retirement benefits.

"Our residents are going to have to pay for that 25 percent increase in the worst economic times we have seen in recent memory. There's no repercussions unless we stand up and defend our residents," said Councilman Glen Becerra.

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