

# UTILITY RATE OUTREACH

Municipal Utilities Department

## Proposed Water Rate Adjustments

The ongoing priority of the City of Stockton Municipal Utilities Department is to provide every customer with the highest level of customer service in the most cost-effective ways possible. However, periodic rate adjustments will occur so we can:

- maintain our facilities to the highest standards
- ensure sufficient water supplies for current and future needs
- fund ongoing utility operation costs

Please read this newsletter for further details regarding the proposed water rate adjustments. We are committed to providing safe, secure, reliable water supplies for generations to come.

## Why Are Rate Adjustments Necessary?

The City of Stockton recognizes that rate adjustments are difficult for ratepayers, especially during tough economic times. The City is working hard to minimize the need for rate adjustments.

**The proposed water rate adjustments are driven by:**

- **Cost of securing a reliable dry year water supply**—The Delta Water Supply Project provides a firm, reliable source of surface water during all years. The City of Stockton currently relies on the purchase of surface water from other water purveyors. The cost and reliability of those supplies depend on market conditions, weather, and environmental restrictions.
- **Capital improvement projects**—Sufficient funding is needed for facility repairs and replacement to ensure that Stockton’s water infrastructure system remains in the best possible condition.
- **Debt Service**—Rates must pay for a portion of the debt service related to the capital financing requirements of the Delta Water Supply Project.
- **Facility Operations**—The ongoing operations costs of the water utility must be covered by rates. Additional costs will be incurred by the utility once the new Delta Water Supply Project becomes operational in 2011.

## How Will My Water Rates Adjust?

The City is proposing adjustments to both the amount and structure of the current water rate. The chart indicates both the current water rate and proposed water rate for each of the next four years. For example, the average residential customer who has a 3/4" meter and uses approximately 20 ccf of water per month will see their monthly water bill increase approximately \$20 by 2012.

The proposed adjustments also transitions City water utility customers from what is commonly referred to as a declining block rate structure (when consumption increases, the price of a unit of water decreases) to a uniform, more conservation-based rate structure (all units of water cost the same).

While all City of Stockton water utility customers will continue to be charged according to this proposed rate structure (residential, commercial, etc.), the City will identify each class of service in all future water fee schedules in the event different rate structures are considered for different classes of service.

Monthly Service Charge	Present Water Rates	Proposed Water Rates			
		August 2009	July 1, 2010	July 1, 2011	July 1, 2012
5/8" meter	\$14.25	\$15.00	\$16.00	\$17.00	\$18.00
3/4" meter	\$16.75	\$17.65	\$18.80	\$20.00	\$21.15
1" meter	\$22.00	\$23.15	\$24.70	\$26.25	\$27.80
1-1/2" meter	\$31.75	\$33.40	\$35.65	\$37.90	\$40.10
2" meter	\$41.00	\$43.15	\$46.05	\$48.90	\$51.80
3" meter	\$72.50	\$76.30	\$81.40	\$86.50	\$91.60
4" meter	\$104.25	\$109.75	\$117.05	\$124.35	\$131.70
6" meter	\$171.75	\$180.80	\$192.85	\$204.90	\$216.95
8" meter	\$249.00	\$262.10	\$279.60	\$297.05	\$314.55
10" meter	\$310.75	\$327.10	\$348.90	\$370.70	\$392.55
12" meter	\$437.50	\$460.55	\$491.25	\$521.95	\$552.65
<b>Quantity Charge \$/ccf*</b>					
0-300 ccf	\$0.82				
Over 300 ccf	\$0.69				
All Consumption		\$1.02	\$1.21	\$1.40	\$1.58

\* 1 ccf = 748 gallons

Following the specific rate adjustments identified in the above table, water rates may be adjusted annually by the City Council not to exceed an amount equal to the Consumer Price Index (CPI) for All Urban Consumers, as reported by the U.S. Department of Labor, Bureau of Labor Statistics, for all items, U.S. City average.

**IMPORTANT NEWS!**

Learn more about proposed water rate adjustments for City of Stockton utility customers.

**Rate Adjustment Hotline**

**1-877-711-5169**

Toll-free

**Public Hearing**

5:30 p.m.  
 Tuesday, July 7, 2009  
 City Council Chambers  
 425 N. El Dorado Street

Este informe contiene información sobre su cuenta de agua. Es muy importante que entienda el material. Sigue la asistencia de alguien que puede traducirlo para usted.

**Did You Know?**

1996 was the last year the City of Stockton approved a significant water rate increase. Since 2003, the City has only raised water rates to keep up with the cost of living.

**Utility Rate Information**

**Public Meetings**

The City of Stockton will hold two public meetings in June to provide information about the proposed rate adjustment. Visit [www.DeltaWaterSupplyProject.com](http://www.DeltaWaterSupplyProject.com) for date and time information.

Note: In order for the proposed rate adjustments to “not take effect,” a majority of the property owners or tenants are required to file a written protest to the increase. Only one written protest per parcel filed by the property owner or tenant will be counted in calculating a majority protest. A protest must contain a description of the property sufficient to identify the property, and property owners must either be identified on the last equalized County assessment roll or provide proof of ownership.

Written protests may be mailed to or delivered in person to the Stockton City Clerk, 425 N. El Dorado Street, Stockton, CA 95202, at or before the close of the public hearing. Protests may also be submitted via e-mail through Ask Stockton, the City's electronic service request program, at [www.stocktongov.com](http://www.stocktongov.com).

**How does the City of Stockton compare with other local utilities?**

Despite the proposed adjustments, the City of Stockton's water rates remain competitive within this region, as illustrated by the chart.

**Comparison of Monthly Water Bills at 20 ccf\***

Tracy	\$32.60	* 1 ccf = 748 gallons
Stockton (Current)	\$33.15	
Stockton (Fiscal Year 2009/2010)	\$38.12	
Pleasanton	\$38.85	
Modesto	\$39.31	
Lathrop	\$39.57	
Manteca	\$40.55	
Cal Water - Stockton	\$44.86	
Brentwood	\$59.12	

Reduce your water rates by conserving water!  
 Learn more at [www.stocktongov.com/mud](http://www.stocktongov.com/mud).