

CHAPTER 14 – MUNICIPAL UTILITIES

The mission of the Municipal Utilities Department (MUD) is to provide cost efficient water, wastewater, and stormwater utility services meeting all legal and regulatory requirements while maintaining responsive customer service, ensuring adequate and safe water supply to the utility's water customers, and providing wastewater control to safeguard the health of Stockton's citizens and the environment.

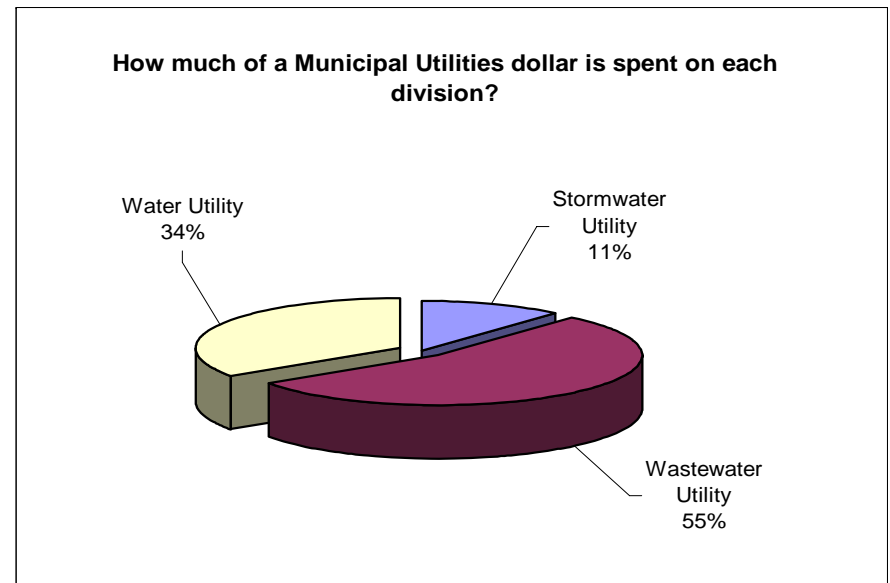
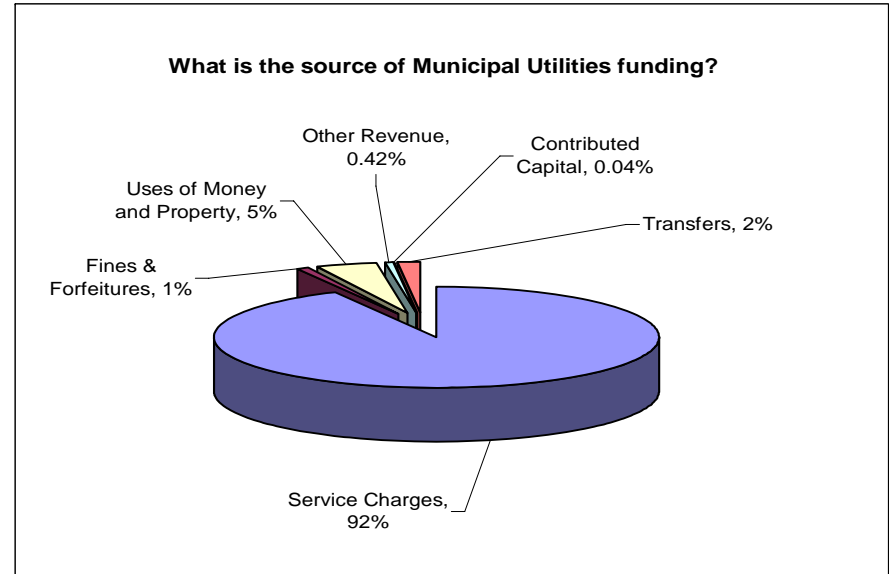
Since 1954, the City of Stockton has provided water for a growing city. The City and the California Water Service Company (Cal Water), a privately owned utility, now operate the majority of the municipal and industrial water supply facilities servicing the metropolitan area.

MUD consists of three divisions; Water Utility, Wastewater Utility, and Stormwater Utility, whose combined functions are to:

- Monitor safe delivery of approximately 5.5 billion gallons of potable water each year in north and south Stockton.
- Receive, treat, and discharge an average of 35 million gallons of wastewater per day originating from homes, businesses, and industries within the greater Stockton metropolitan area.
- Keep the City in compliance with state and federal regulations on water, wastewater, stormwater, and environment protection.

The City of Stockton and OMI Thames Water Stockton, Inc. (OMI) entered into a service contract on February 19, 2003 for stormwater, wastewater, and water utilities capital improvements and asset management. OMI maintains 900 miles of sanitary lines and over 38,000 sewer connections, as well as all of the storm lines. The City abandoned the contract in FY 2008 and is scheduled to resume operations on March 1, 2008.

MUD is funded through an Enterprise Fund as shown in the upper right. In FY 2007, MUD generated \$65,345,621 in revenue to cover operating expenses, which is detailed on the following page.



Source: FY 2007 revenue and expenditure data
(Percentages do not total to 100 percent due to rounding.)

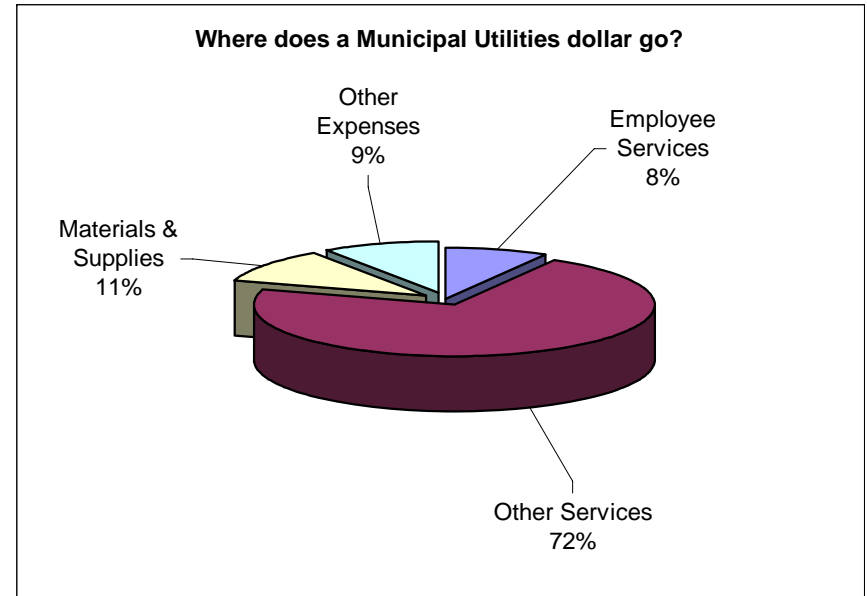
SPENDING AND STAFFING

Total authorized full time staffing in FY 2007 was 26, a decrease of 82 percent from FY 2003. Staffing decreased as a large number of City employees were converted to OMI staff. As a result, employee services decreased 58 percent compared to five years ago. At the end of FY 2007, actual full time staffing was at 22 positions.

The Utility Billing division is administratively under the Administrative Services Department. The expenditures for this division are charged directly to MUD. Staffing and expenditures were reported under Administrative Services for FY 2000 through 2006. For this report, we have included Utility Billing expenditures as part of MUD while staffing will continue to be reported as part of Administrative Services.

Total MUD spending increased 45 percent compared to five years ago. There was increased spending in only one of the four categories of operating expenditures in the table below. Spending on other services increased 290 percent, which is attributed to the cost of the service contract with OMI.

The chart to the right shows the four operating categories as a percentage of total spending. Other services expenditures surpass the others at 72 percent of total spending, again, due to the service contract with OMI.



Source: FY 2007 expenditure data

	Operating Expenditures							Per Capita	Staffing Authorized full time staffing ²
	Employee Services	Other Services	Materials & Supplies	Other Expenses	Capital Outlay	Utility Billing ¹	TOTAL		
FY 2003	\$9,823,695	\$8,959,442	\$5,984,808	\$7,193,410	\$0	\$1,839,533	\$33,800,888	\$129.36	144
FY 2004	\$6,784,721	\$22,997,687	\$3,803,372	\$4,666,302	\$0	\$1,803,406	\$40,055,488	\$148.85	144
FY 2005	\$2,661,684	\$20,448,084	\$3,670,467	\$3,679,418	\$0	\$2,256,982	\$32,716,635	\$117.05	19
FY 2006	\$3,079,253	\$27,932,841	\$4,504,605	\$3,968,961	\$0	\$2,248,400	\$41,734,060	\$145.90	19
FY 2007	\$4,146,777	\$34,966,575	\$5,367,754	\$4,595,731	\$4,860		\$49,081,697	\$169.37	26
Change over last 5 years	-58%	290%	-10%	-36%		22%	45%	31%	-82%

¹ Prior to FY 2007, staffing and expenditures for Utility Billing were reported under Administrative Services. In FY 2007, expenditures associated with Utility Billing were reported and absorbed directly into MUD's operating expenditures.

² Authorized full time staffing is based on approved annual fiscal year budgets. Staffing for the Utility Billing division is included in Administrative Services.

WATER UTILITY

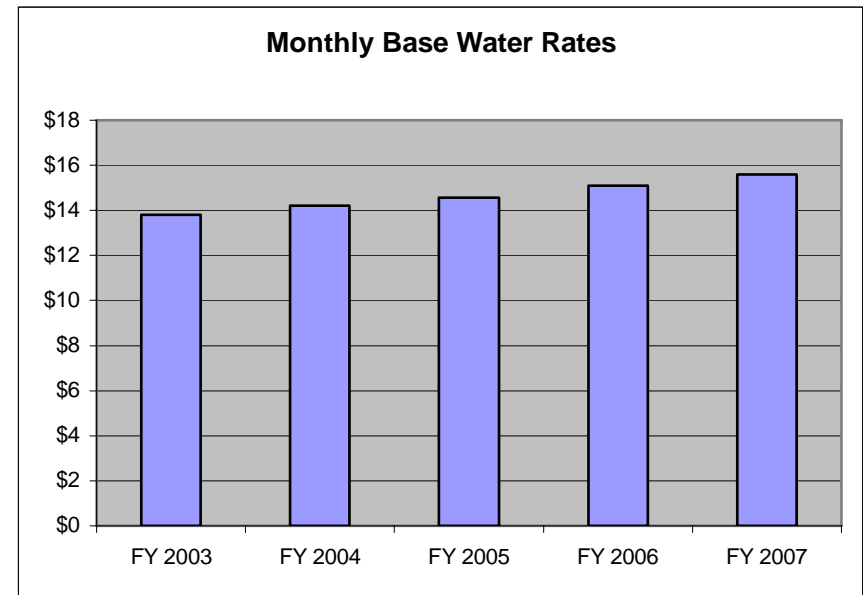
The Water Utility is responsible for the operation and maintenance of production, treatment, storage, transmission, and distribution of over seven billion gallons of potable water. They are responsible for installing and reading over 45,000 meters each month, responding to inquires and complaints, emergency repairs, billing and collections.

In FY 2007, the Water Utility served a total customer population of 155,200, which increased 35 percent compared to five years ago. Production of potable water has increased 37 percent to accommodate a 29 percent increase in residential water consumption and an 11 percent increase in other water consumption. As part of the City of Stockton Citizen Survey, 38 percent of residents rated the quality of drinking water as good or excellent.

The monthly base water rate has increased to \$15.60. As shown to the right, the monthly base water rate has increased 13 percent over the last five years, averaging a price increase of about 45 cents per year.

Total service connections have increased 11 percent to 46,727 in FY 2007.

The Water Utility has achieved 100 percent compliance with primary drinking water standards in four of the last five years.



Source: Municipal Utilities Department

	Water Consumption								Compliance with primary drinking water standards		Citizen Survey
	Potable water production (MG)	Residential water consumption (MG)	Other water consumption (MG)	Unaccounted water (MG)	Residential water customers	Total service connections	Water bill inquiries	Monthly case water rate	drinking water standards	Miles of water main lines	Percent rating Water Utility good or excellent
FY 2003				358	115,000			\$13.79	100%		
FY 2004	9,416	6,552	2,825	801	119,600	42,269	193	\$14.20	100%		
FY 2005	10,553	7,353	2,720	789	128,500	44,631	191	\$14.55	95%	480	
FY 2006	11,144	8,064	3,167	499	136,200	46,494	298	\$15.10	100%	520	
FY 2007	12,934	8,450	3,122	295	155,200	46,727	349	\$15.60	100%	586	38%
Change over last 5 years ¹	37%	29%	11%	-17%	35%	11%	81%	13%	0%	22%	

¹ Where five years of data was not available, the change was based on the first available data.

MG = million gallons

WASTEWATER UTILITY

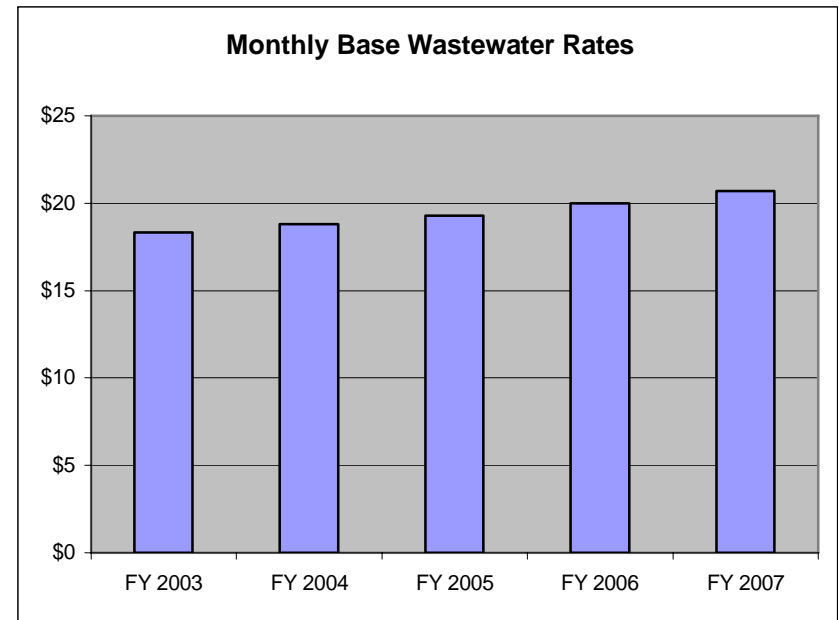
This division manages the 48 million gallon per day Wastewater Facility. Operation and maintenance crews work 24/7 ensuring compliance with effluent quality requirements as well as providing maintenance to 21 pumping stations. Collection crews respond to sewer service requests along with providing maintenance on collection lines throughout the City.

Stockton's population growth has attributed to the increase in the number of residential and other sewer accounts. The number of sewer residential and other accounts has increased 18 percent over the last five years. As part of the City of Stockton Citizen Survey, 48 percent of residents rated the quality of sewer services as good or excellent.

The total miles of sewer main lines has increased to 987 in FY 2007 while main line cleaning increased 20 percent from FY 2006.

The chart to the right shows the monthly base wastewater rate has increased seven percent over the last five years, averaging a price increase of about 59 cents per year.

Repairs on the main line have decreased 96 percent while lateral line repairs have decreased 88 percent compared to four years ago.



Source: Municipal Utilities Department

	Cleaning and Repairs										Citizen Survey
	Avg daily effluent flow (mgd)	Total sanitary system overflows	Main line repairs (ft)	Lateral line repairs (ft)	Main line cleaning (ft)	Number of sewer accounts residential	Number of sewer accounts other	Monthly wastewater rate	Miles of sewer main lines	Number of environmental enforcement actions	Percent rating Wastewater Utility good or excellent
FY 2003						66,500	4,215	\$18.33			
FY 2004	32	266	1,914	5,179	2,546,524	69,825	4,315	\$18.80		63	
FY 2005	35	397	260	2,801	1,670,237	72,250	4,465	\$19.30	820	84	
FY 2006	36	294	94	1,057	1,707,267	78,317	4,130	\$20.00	875	81	
FY 2007	36	349	86	624	2,056,728	79,037	4,602	\$20.70	987	79	48%
Change over last 5 years ¹	12%	31%	-96%	-88%	-19%	19%	9%	13%	20%	25%	

¹ Where five years of data was not available, the change was based on the first available data.

mgd = million gallons per day

ft = linear feet

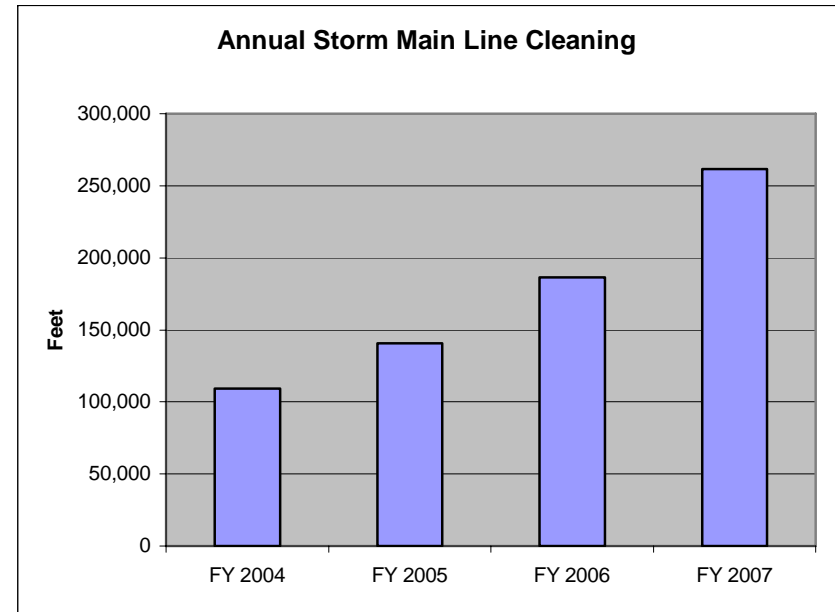
STORMWATER UTILITY

The Stormwater Utility is responsible for the operation and maintenance of the stormwater collection system, which consists of drainage lines, catch basins, and pumping stations. They are responsible for cleaning, inspecting, and repairing main lines and catch basins, and maintaining pump stations.

The Stormwater Utility has increased the amount of storm main lines cleaned by 139 percent and the amount of catch basins cleaned by 90 percent in the last four years. As part of the City of Stockton Citizen Survey, 41 percent of residents rated the quality of storm drainage as good or excellent.

The chart to the right shows Stormwater Utility has increased cleaning of main lines. In FY 2004, 109,262 feet of main lines were cleaned, whereas in FY 2007, 261,642 feet were cleaned.

There has been no change in the monthly base Stormwater rates. The rate has remained at \$2.10 since the inception of the program in 1992.



Source: Municipal Utilities Department

	Cleaning					Citizen Survey	
	Debris removed from storm stations (tons)	Storm main line cleaning (ft)	Catch basin lateral cleaning (ft)	Miles of storm main lines	Monthly stormwater rate	Stormwater calls	Percent rating Stormwater Utility good or excellent
FY 2003					\$2.10		
FY 2004	443	109,262	31,924		\$2.10	18,400	
FY 2005	301	140,629	65,486	550	\$2.10	9,626	
FY 2006	853	186,671	63,815	584	\$2.10	5,931	
FY 2007	175	261,642	60,650	650	\$2.10	6,467	41%
Change over last 5 years ¹	-61%	139%	90%	18%	0%	-65%	

¹ Where five years of data was not available, the change was based on the first available data.
ft = linear feet

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