

STOCKTON CITY COUNCIL

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STOCKTON REVISING AND INCREASING THE SCHEDULE OF WATER RATES AND FEES, INCLUDING CONNECTION CHARGES, AND PROVIDING FOR THE ADJUSTMENT (INCREASE OR DECREASE) OF SAID FEES ANNUALLY, WITH THE APPROVAL OF THE CITY COUNCIL, IN AN AMOUNT 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, EFFECTIVE ON JULY 1 OF EACH YEAR

WHEREAS, the City of Stockton provides water for a large proportion of the residents and businesses of the City, with California Water Service Company ("Cal Water") providing water to the remainder; and

WHEREAS, the water rates and fees, including connection charges (sometimes referred to collectively as "Water Fees") have not kept pace with the escalation of costs to the City to provide water to the citizens and businesses of the City; and

WHEREAS, the last adjustment to the Water Fees occurred in fiscal year 1996-1997; and

WHEREAS, the Consumer Price Index ("CPI") has increased 18.9 percent over the previous five years, 24.6 percent over the last seven years, and 29.1 percent over the last ten years; and

WHEREAS, for the first three months of 2003 the CPI has increased 1.8 percent; and

WHEREAS, cost escalations are making it necessary to adjust rates in order to maintain reasonable fund balances for the Utility Funds; and

WHEREAS, the increase in Water Fees will be used primarily to maintain services within the existing service area; and

CITY ATTY
REVIEW



JUN 24 2003

DATE

WHEREAS, connection charges are typically collected as a condition of development and a portion thereof is used to construct water facilities infrastructure which provides water to the City's citizens and businesses; and

WHEREAS, the City Council has approved a five-year capital improvement program ("CIP") for both the wastewater and water utility funds; and

WHEREAS, the estimated fund balance available for appropriation for the water utility fund as of June 30, 2004, is \$5.1 million; and

WHEREAS, the City Council has reviewed information concerning water fees charged by 15 separate agencies, and of the 15 agencies, five charge rates lower than the City and nine charge rates that are higher; and

WHEREAS, the average of the 15 agencies, including the City, is \$37.25, which is approximately 33 percent higher than the average current water rate for the City; and

WHEREAS, by adjusting the water rates and fees annually (increase or decrease) based on 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 annually effective on July 1 of each year, the City will be in a position to provide adequate revenues to fund the OMI-Thames Water partnership contract when the CPI increases or to reduce user rates when the CPI decreases; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the City Council finds as follows:

A. The increase in Water Fees is necessary to maintain reasonable fund balances.

B. The Water Fees, including the connection charges, do not exceed the estimated amount to provide the services for which the fees are levied.

C. Water connection charges are typically collected as a condition of development and a portion thereof is used to develop water facilities infrastructure which provides water to the City's citizens and businesses.

D. There is a reasonable relationship between the need for the connection charges and the need to provide water facilities infrastructure caused by new development.

E. There is a reasonable relationship between the need to provide water facilities infrastructure and new development.

F. There is a reasonable relationship between the amount of the connection charges and the cost of the water facilities infrastructure attributable to new development.

G. There is a rough proportionality between the amount of the connection charges and the impacts caused by new development.

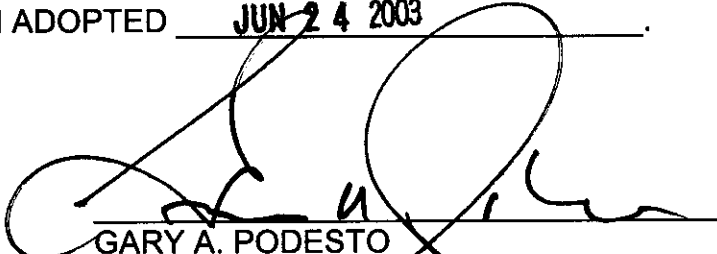
H. The increase in the Water Fees, including connection charges, is categorically exempt from CEQA pursuant to Section 15273 (a)(3) and (a)(4) of the Guidelines.

2. That the new schedule of "Water Rates and Fees," attached hereto as Exhibit A, is hereby adopted.

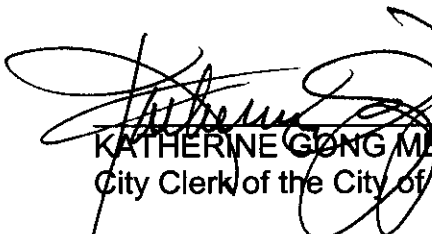
3. All fees set forth on the schedule of Water Rates and Fees, shall be effective July 1, 2003, except those rates identified as "connection charges," which shall be effective September 1, 2003.


4. That the water rates and water connection fees may be adjusted annually by the City Council (increase or decrease) annually effective July 1. The water rates and water connection fees are 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.

PASSED, APPROVED and ADOPTED JUN 24 2003


GARY A. PODESTO
Mayor of the City of Stockton

ATTEST:


KATHERINE GONG
City Clerk of the City of Stockton



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Water Rates and Fees

EXHIBIT A

Effective 7/1/03

Proposed Fee

Service charge per meter per month

5/8 inch meter	\$12.20
3/4 inch meter	\$14.20
1 inch meter	\$18.80
1 1/2 inch meter	\$27.10
2 inch meter	\$34.90
3 inch meter	\$61.90
4 inch meter	\$89.00
6 inch meter	\$147.00
8 inch meter	\$212.80
10 inch meter	\$265.00
12 inch meter	\$373.20

Quantity Rates

For the first 30,000 cf--per 100 cf	\$0.690
For all over 30,000 cf--per 100 cr	\$0.590

Temporary Service

Charges for water furnished through a temporary service connection shall be at double the established rates for like permanent customers. For unmetered temporary service of three days or less duration, a minimum rate of 11.80 (proposed rate) per day will apply.

Backflow Device Testing Charges

a. Double check valves	\$55.60 plus parts
b. Double check valves 2" and larger and reduce pressure devices (RPD)	Actual cost for time and material with \$55.60 minimum

Private Fire Hydrant Service

\$4.50
per month/
per hydrant

Private Fire Protection Service (per month)

For each 1-1/2 inch connection	\$6.40
For each 2 inch connection	\$8.55
For each 3 inch connection	\$12.80
For each 4 inch connection	\$17.05
For each 6 inch connection	\$25.55
For each 8 inch connection	\$32.55
For each 10 inch connection	\$42.55
For each 12 inch connection	\$51.05

03-0362

Water Rates and Fees

EXHIBIT A

Effective 7/1/03

Proposed Fee

Other fees and charges

Deposits on Active Accounts
equal to two and one-half(2-1/2) times
the estimated average monthly water
service charges

No change

Reconnection fee

No change

Damage to City Property
Damaged lock or locking device
Damages to water meter or
associated equipment
actual cost of labor and materials

No change

No change

Meter Removal
for non-payment

No change

Extension of Closing Date

No change

03-0362

Water Rates and Fees

EXHIBIT A

Effective 7/1/03

Proposed Fee

Connection Charges *

Residential Connection

Single family	\$405.00
Multi-family, condos etc serviced by one meter	
First meter	\$405.00
Each additional unit	\$103.00

Non-Residential Connections

All non-residential connection charges shall be computed in two ways and the connection charge shall be based on the larger of:

1. The size of the required water meter as shown below, or (2)

5/8 & 3/4 inch	\$405.00
1 inch	\$1,013.00
1-1/2 inch	\$2,025.00
2 inch	\$3,240.00
3 inch	\$6,475.00
4 inch	\$10,120.00
6 inch	\$20,240.00
8 inch	\$46,550.00
10 inch	\$57,480.00
12 inch	\$80,955.00

2. The area of the land served multiplied by:

\$0.53
per square foot

* Effective September 1, 2003

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