



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Public Hearing to Consider Adopting Resolution Adjusting Water and Wastewater Rates

MEETING DATE: October 3, 2001

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council conduct a public hearing to consider adopting a resolution approving adjustments to water and wastewater rates as described in Tables A and B.

BACKGROUND INFORMATION: Following various budget and other discussions about the need to significantly increase our replacement rate of old water and wastewater lines, plus two shirtsleeve sessions on the replacement program and its effect on rates, City staff is recommending that water and wastewater rates be adjusted.

Staff has developed new rates to accomplish the following:

- Maintain a minimum fund balance of 15% of operating expenses (including capital maintenance), plus an additional reserve amount for unforeseen capital expenses of \$300,000 in water and \$600,000 in wastewater.
- Fund replacement of old pipes at an average rate of 1% of the system per year.
- Increase rates in increments rather than in one large jump.
- Encourage conservation.
- Reduce the in-lieu transfer to the General Fund to put all the utilities on the same percentage basis.

The proposed rates are shown in the following tables. The flat rate increases are 25% and 35% in water and wastewater respectively. The first increase was originally slated for October 1, 2001; however, based on comments from the August 29, 2001 Town Hall Meeting, increases will become effective January 1, 2002 and July 1, 2002. Other miscellaneous charges are also increased by these percentages since they relate to the issue of pipe replacement. Base rates for metered water accounts remain unchanged and the water commodity rate is recommended to increase 34% in October and 32% in July. The higher percentage is in order to maintain the appropriate revenue split between metered and flat-rate accounts. This also puts Lodi's metered rates more in alignment with other agencies and will help encourage conservation.

The reduction in the in-lieu rate to 12% would go into effect next fiscal year and the budgeted amount already transferred for the current year is to remain the same.

These rate increases are the first since 1995 for water and 1991 for wastewater. Lodi's rate histories are shown in Exhibits A and B. Exhibits C and D are recent surveys of rates in other areas. In 2002/03, staff expects to have a major wastewater rate analysis done as part of the financing for the treatment facility upgrade; thus, we are not predicting rates beyond 2002. We will review water rates at that same time. Given these uncertainties and the need for more study, at this time we are not recommending that an automatic adjustment method be established for future years.

APPROVED:


H. Dixon Flynn -- City Manager

Public Hearing to Consider Adopting Resolution Adjusting Water and Wastewater Rates
 October 3, 2001
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Table A: Water Utility

	Present Rate	January 2002	July 2002
Residential Flat Rate (per month):			
Single Family Unit (one bedroom)	\$ 8.65	\$ 10.81	\$ 13.51
(two bedrooms)	\$ 10.38	\$ 12.98	\$ 16.22
(three bedrooms)	\$ 12.45	\$ 15.56	\$ 19.45
(four bedrooms)	\$ 14.95	\$ 18.69	\$ 23.36
(five bedrooms)	\$ 17.94	\$ 22.43	\$ 28.04
(six bedrooms)	\$ 21.53	\$ 26.91	\$ 33.64
(seven bedrooms)	\$ 25.82	\$ 32.28	\$ 40.35
Multiple Family Unit (one bedroom)	\$ 7.42	\$ 9.28	\$ 11.60
(two bedrooms)	\$ 8.90	\$ 11.13	\$ 13.91
(three bedrooms)	\$ 10.68	\$ 13.35	\$ 16.69
		+ 20% for ea. add'l. bedroom	
Commercial/Industrial Flat Rate	varies	add 25%	add 25%
Existing accounts only. New accounts are metered.			
Metered Rate	\$ 0.296	per 100 cu. ft. (approx. 40¢ per 1,000 gal.)	
		\$ 0.397	\$ 0.524
plus monthly base charge:	\$ 11.43	¾" meter	No change
	\$ 17.14	1" meter	No change
	\$ 22.85	1½" meter	No change
	\$ 28.58	2" meter	No change
	\$ 40.00	3" meter	No change
	\$ 51.43	4" meter	No change
	\$ 74.29	6" meter	No change
	\$ 97.16	8" meter	No change
Construction Water Charges:	\$ 0.296	per 100 cu. ft. (appr. 40¢ per 1,000 gal.)	
		\$ 0.397	\$ 0.524

Table B: Wastewater Utility

Disposal to Domestic System:				
Residential (per month)	1 Bedroom	\$ 5.34	\$ 7.21	\$ 9.73
2 Bedrooms (basis for 1 Sewage Service Unit) (SSU)		\$ 7.12	\$ 9.61	\$ 12.97
	3 Bedrooms	\$ 8.90	\$ 12.02	\$ 16.23
	4 Bedrooms	\$ 10.68	\$ 14.42	\$ 19.47
	5 Bedrooms	\$ 12.46	\$ 16.82	\$ 22.71
	6 Bedrooms	\$ 14.24	\$ 19.22	\$ 25.95
	7 Bedrooms	\$ 16.02	\$ 21.63	\$ 29.20
Moderate Strength (annual per SSU)		\$ 85.42	\$115.32	\$155.68
(Most commercial & industrial unless "high strength High strength user:				
Flow (per MG, annual basis)		\$411.02	\$554.88	\$749.09
BOD (per 1,000 lbs., annual basis)		\$201.14	\$271.54	\$366.58
SS (per 1,000 lbs., annual basis)		\$164.42	\$221.97	\$299.66
Grease Interceptor and Septic Holding Tank Waste within City Limits (per 1,000 gal.)		\$ 62.96	\$ 85.00	\$114.75
Septic (only) Holding Tank Waste Outside City Limits (per 1,000 gal.)		\$133.67	\$180.45	\$243.61
Disposal to Storm Drain System (per MG)		\$ 66.13	\$ 89.28	\$120.53

FUNDING: None needed.

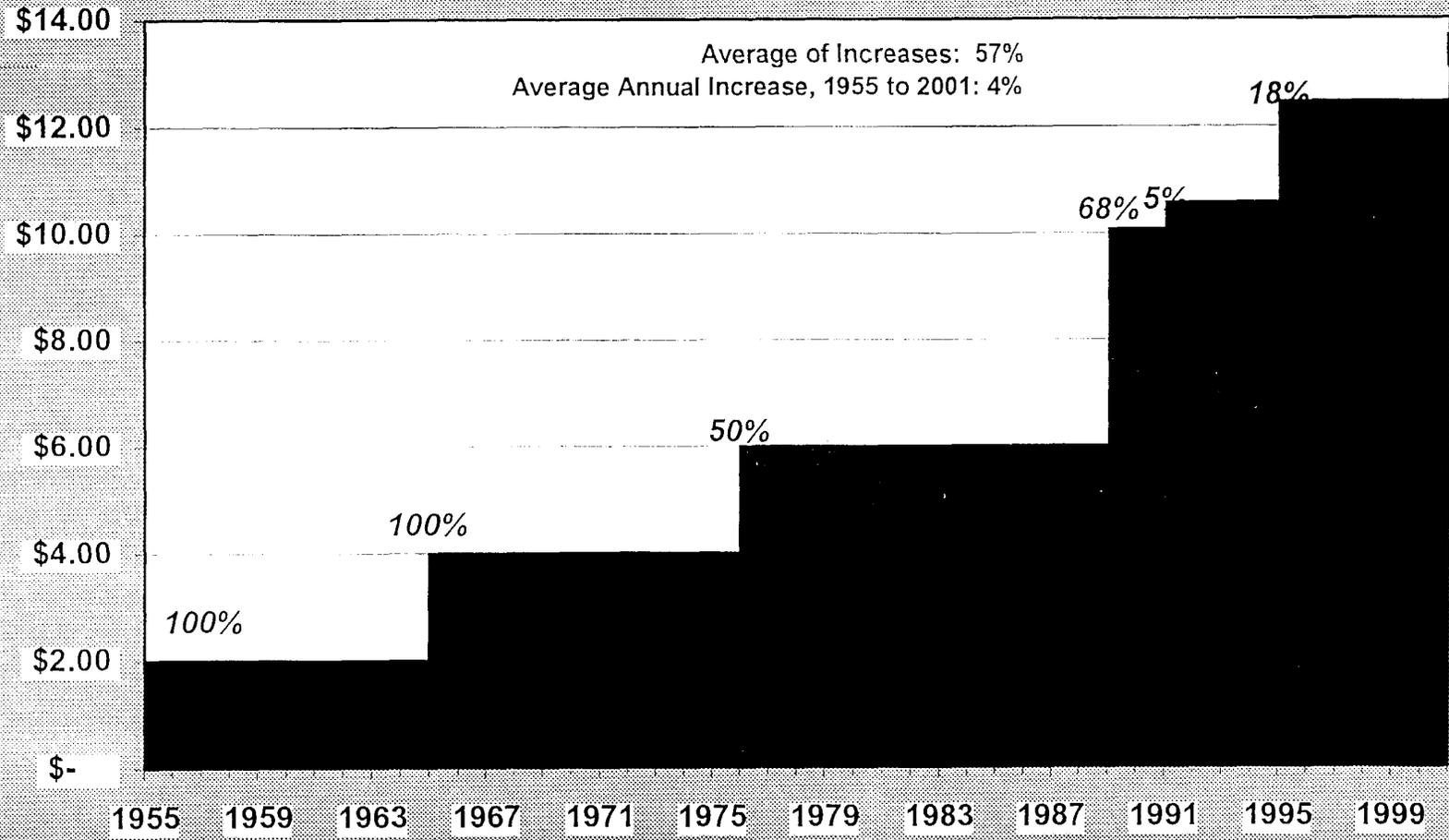
Richard C. Prima, Jr.
 Public Works Director

attachments

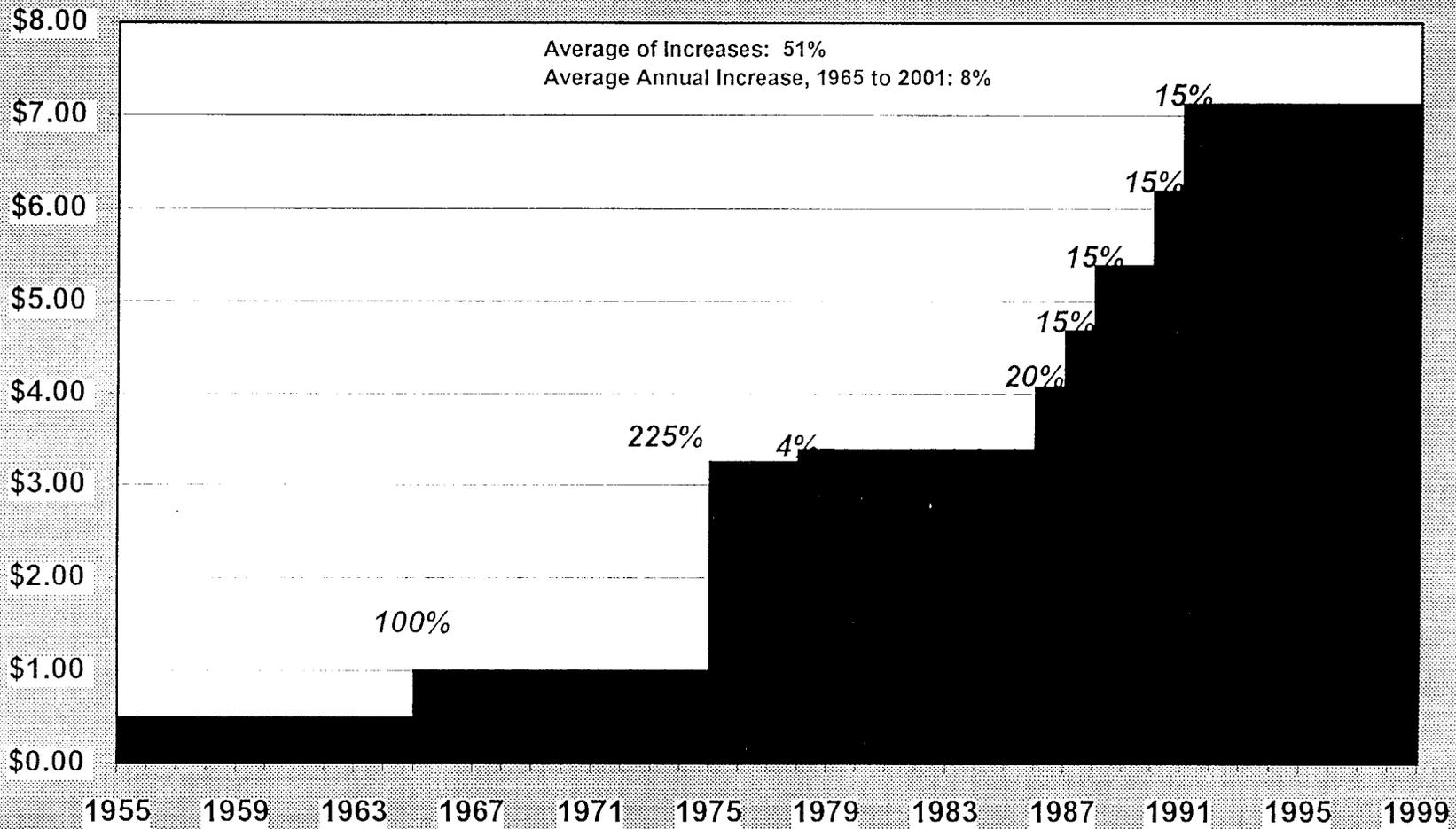
cc: Randy Hays, City Attorney
 Vicky McAthie, Finance Director
 Fran Forkas, Water/Wastewater Superintendent
 Roy Todd, Data Processing Manager

Water Rate History

(3 Bedroom Residence)



Sewer Rate History (2 Bedroom Residence)



City	Base Charge	Water Charge	Total for typical residence	Comments
Davis				
Metered	\$8.71 /mo.	\$0.49 /100 cu. ft.	\$18.54 /mo.	Water charge increases to \$0.68/100 cu. ft. for amount over winter use "base line".
Escalon				
Metered	\$11.29 /mo.	\$0.8185 /1000 gal.	\$23.62 /mo.	\$0.9904/1,000 gals. for 50,000-80,000 gal., greater than 80,000 gal. \$0.9904/1000 gal.
Lathrop				
Metered	\$10.24 /mo.	\$0.6122 /100 cu. ft.	\$27.19 /mo.	
Madera				
Flat Rate	\$9.72 /mo.	n/a	\$9.72 /mo.	For 1st 5,000 sq. ft. lot. Increases \$0.13 per additional 100 sq. ft.
Metered		\$0.37 /1000 gal.	\$5.55 /mo.	No base charge.
Manteca				
Metered	\$9.20 /mo.	\$0.43 /100 cu. ft.	\$20.17* /mo.	Water charge is \$0.57/100 cu. ft. for amount over 2,000 cu. ft. User tax of \$2.35 added to all accounts.
Merced				
Flat Rate	\$7.17 /mo.	n/a	\$7.17 /mo.	\$7.17 for first 10,000 SF, per table up to \$39.90 for 46,000 SF
Metered	\$17.78 /mo.	\$0.504 /100 cu. ft.	\$17.78 /mo.	Base charge includes water allowance up to amount under quantity rate (3,500 cu. Ft. for 3/4").
Ripon				
Flat Rate	\$17.86 /mo.	n/a	\$17.86 /mo.	Lot size up to 10,000 SF.
Metered	\$12.98 /mo.	\$0.900 /100 cu. ft.	\$18.43 /mo.	Base charge includes first 1400 cu. Ft.
Roseville				
Flat Rate	\$12.80 /mo.	n/a	\$13.44* /mo.	For single family lot between 4,901 and 8,900 SF; per table for other sizes
Metered	\$9.80 /mo.	\$0.40 /100 cu. ft.	\$14.51* /mo.	First 1,000 cu. ft. in base charge; water charge increases to \$0.43/100 cu. ft. for 5,000-15,000; \$0.46/100 cu. ft. for 15,000-25,000; \$0.49/100 cu. ft. for .25,000 cu. ft. plus 5% user tax.
Stockton (City)				
Metered	\$13.79 /mo.	\$0.665 /100 cu. ft.	\$29.30* /mo.	\$0.566/100 cu. ft. for amount over 30,000 cu. ft. plus 8% user tax.
Tracy				
Metered	\$9.85 /mo.	\$0.85 /100 cu. ft.	\$27.61 /mo.	Water charge increases to \$1.20 over 1,200 winter/1,800 summer cu. ft., \$1.40 over 1,900w/2,900s cu. ft., \$1.50 over 19,000w/28,700s cu. ft.
Turlock				
Flat Rate	\$13.45 /mo.	n/a	\$13.45 /mo.	\$7.05 for 0 to 5 rooms, \$7.90 for 6-8, \$8.70 over 8 plus charge based on parcel area (\$5.55 up to 5,500 SF, \$0.85 for each add'l 2000 SF)
Metered	\$9.45 /mo.	\$0.47 /1000 gal.	\$16.50 /mo.	Water charge decreases to \$0.40 over 50,000 gallons, \$0.17 over 150,000 gallons
Vacaville				
Metered	\$16.49 /mo.	\$0.69 /100 cu. ft.	\$32.66 /mo.	Water charge increases to \$0.98 over 1,200 cu. ft. 15% discount for senior citizens on base and consumption charge.
Woodland				
Flat Rate	\$7.45 /mo.	n/a	\$8.79* /mo.	For single family lot 5,000 to 10,000 SF; \$6.10 under 5,000 SF, \$9.10 over 10,000 SF (18% user tax reviewed every other year.)
Metered	\$3.90 /mo.	\$0.30 /100 cu. ft.	\$11.70* /mo.	
Yuba City				
Flat Rate	\$22.45 /mo.	n/a	\$22.45 /mo.	
Metered	\$12.35 /mo.	\$0.775 /100 cu. ft.	\$15.49 /mo.	Includes 1,600 cu. ft. minimum quantity
Average				
Flat Rate	\$11.36 /mo.	n/a	\$11.61 /mo.	
Metered	\$11.07 /mo.	\$0.553 /100 cu. ft.	\$20.05 /mo.	rates per 1000 gal. adjusted to 100 cu. ft.
Lodi				
Flat Rate	\$12.45 /mo.	n/a	\$12.45 /mo.	ranges from \$8.65 for 1 bedroom to \$25.84 for 7 br's.
Metered	\$11.43 /mo.	\$0.296 /100 cu. ft.	\$17.37 /mo.	Base charge does not include any water allowance.

Typical Residence Criteria: Units (agency affected)

Water Use: 15,000 gallons/month (2,005 cu. ft.)

Parcel Area: 5,000 square feet (Madera, Merced, Ripon, Roseville, Woodland)

Meter Size: 3/4" size of service pipe is typically 1" minimum, meter is usually smaller

Rooms: 6 number (Turlock)

Bedrooms: 3 number (Lodi)

*: user tax added

Survey Cities - 2000 System Demographics

City	Population Served	# of customers:				Production Million Gals.	Source	Gallons/capita/day
		Flat Rat	%	Metered	%			
Davis	61,500	-	0%	15,300	100%	4,500	Wells	200
Escalon	6,000	-	0%	1,940	100%	448	Wells	205
Lathrop	11,000	-	0%	2,894	100%	820	Wells	204
Madera	43,207	9,404	97%	303	3%	3,856	Wells	245
Manteca	51,000	-	0%	13,001	100%	4,108	Wells	221
Merced	63,000	11,500	77%	3,500	23%	5,430	Wells	236
Ripon	10,100	2,897	91%	276	9%	1,260	Wells	342
Roseville	86,000	27,000	66%	14,000*	44%	8,356	Surface	266
Stockton	110,000	-	0%	34,602	100%	8,823	Wells(39%) Surface(61%)	220
Tracy	58,900	-	0%	17,184	100%	4,680	Wells(45%) Surface(55%)	218
Turlock	57,000	13,364	92%	1,116	8%	7,148	Wells	344
Vacaville	96,840	-	0%	24,448	100%	6,500	Wells(37%) Surface(63%)	184
Woodland	50,300	11,000	87%	1,700	13%	5,600	Wells	305
Yuba City	35,553	457	5%	8,406	95%	3,567	Surface	275
Average	52,886					4,650		247
							Avg. GPCD (metered):	216
							Avg. GPCD (flat):	290
Lodi	57,935	15,980		1,051		5,449	Wells	258
		Lodi without 3 large industrial customers:				4,995		236

* Residential meters are installed but are not being read.

RESOLUTION NO. 2001-231

A RESOLUTION OF THE LODI CITY COUNCIL
 ADOPTED PURSUANT TO SECTION 13.08.010 OF
 THE LODI MUNICIPAL CODE, PROVIDING FOR AND
 ESTABLISHING RATES TO BE CHARGED FOR
 WATER SERVICE

=====

WHEREAS, pursuant to the requirements of Government Code Section 54354.5, a Public Hearing was held on October 3, 2001, to consider adoption of a Resolution setting and establishing an amended fee schedule for water service rates.

NOW, THEREFORE, BE IT RESOLVED, by the Lodi City Council:

Section 1: The schedule of water service rates for the City of Lodi shall be as shown as follows:

<u>Water Utility</u>	<u>Present Rate</u>	<u>January 2002</u>	<u>July 2002</u>
Residential Flat Rate (per month):			
Single Family Unit (one bedroom)	\$ 8.65	\$ 10.81	\$13.51
(two bedrooms)	\$10.38	\$ 12.98	\$16.22
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		+ 20% for ea. add'l. bedroom	
Commercial/Industrial Flat Rate	varies	add 25%	add 25%
Existing accounts only. New accounts are metered.			
Metered Rate	\$ 0.296	per 100 cu. ft. (approx. 40¢ per 1,000 gal.)	
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plus monthly base charge:	\$11.43	¾" meter	No change
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	\$40.00	3" meter	No change
	\$51.43	4" meter	No change
	\$74.29	6" meter	No change
	\$97.16	8" meter	No change
Construction Water Charges:	\$ 0.296	per 100 cu. ft. (approx. 40¢ per 1,000 gal.)	
		\$ 0.397	\$ 0.524

Section 2: The rates established by this Resolution shall be effective January 2002 and July 2002, or applied to the next full billing cycle following the effective date.

Section 3: All resolutions and parts of Resolutions in conflict herewith are repealed insofar as such conflict may exist.

Dated: October 3, 2001

=====

I hereby certify that Resolution No. 2001-231 was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 3, 2001, by the following vote:

- AYES: COUNCIL MEMBERS – Hitchcock, Howard, Pennino and Mayor Nakanishi
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – Land
- ABSTAIN: COUNCIL MEMBERS – None


 SUSAN J. BLACKSTON
 City Clerk

RESOLUTION NO. 2001-232

A RESOLUTION OF THE LODI CITY COUNCIL
 ADOPTED PURSUANT TO SECTION 13.12.240 OF
 THE LODI MUNICIPAL CODE, PROVIDING FOR AND
 ESTABLISHING RATES TO BE CHARGED FOR
 SEWER SERVICE

WHEREAS, pursuant to the requirements of Government Code Section 54354.5, a Public Hearing was held on October 3, 2001, to consider adoption of a Resolution setting and establishing an amended fee schedule for sewer service rates.

NOW, THEREFORE, BE IT RESOLVED, by the Lodi City Council:

Section 1: The schedule of sewer service rates for the City of Lodi shall be as shown as follows:

Wastewater Utility	Present Rate	January 2002	July 2002
Disposal to Domestic System:			
Residential (per month) 1 Bedroom	\$ 5.34	\$ 7.21	\$ 9.73
2 Bedrooms (basis for 1 Sewage Service Unit) (SSU)	\$ 7.12	\$ 9.61	\$12.97
3 Bedrooms	\$ 8.90	\$12.02	\$16.23
4 Bedrooms	\$10.68	\$14.42	\$19.47
5 Bedrooms	\$12.46	\$16.82	\$22.71
6 Bedrooms	\$14.24	\$19.22	\$25.95
7 Bedrooms	\$16.02	\$21.63	\$29.20
Moderate Strength (annual per SSU) (Most commercial & industrial unless "high strength")	\$85.42	\$115.32	\$155.68
High strength user:			
Flow (per MG, annual basis)	\$ 411.02	\$554.88	\$749.09
BOD (per 1,000 lbs., annual basis)	\$ 201.14	\$271.54	\$366.58
SS (per 1,000 lbs., annual basis)	\$ 164.42	\$221.97	\$299.66
Grease Interceptor and Septic Holding Tank Waste within City Limits (per 1,000 gal.)	\$62.96	\$85.00	\$114.75
Septic (only) Holding Tank Waste Outside City Limits (per 1,000 gal.)	\$ 133.67	\$180.45	\$243.61
Disposal to Storm Drain System (per MG)	\$66.13	\$89.28	\$120.53

Section 2: The rates established by this Resolution shall be effective January 2002 and July 2002, or applied to the next full billing cycle following the effective date.

Section 3: All resolutions and parts of Resolutions in conflict herewith are repealed insofar as such conflict may exist.

Dated: October 3, 2001

=====

I hereby certify that Resolution No. 2001-232 was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 3, 2001, by the following vote:

- AYES: COUNCIL MEMBERS – Hitchcock, Howard, Pennino and Mayor Nakanishi
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – Land
- ABSTAIN: COUNCIL MEMBERS – None


SUSAN J. BLACKSTON
City Clerk



*Please immediately confirm receipt
of this fax by calling 333-6702*

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

**SUBJECT: SET PUBLIC HEARING FOR OCTOBER 3, 2001
TO CONSIDER ADOPTING RESOLUTION ADJUSTING WATER AND
WASTEWATER RATES**

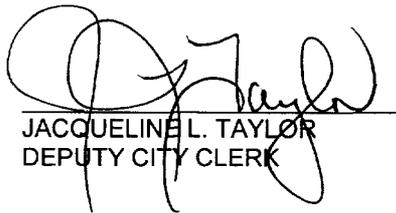
**PUBLISH DATE(s): SATURDAY, SEPTEMBER 8, 2001
SATURDAY, SEPTEMBER 22, 2001**

TEAR SHEETS WANTED: Three (3) please

SEND AFFIDAVIT AND BILL TO: SUSAN BLACKSTON, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: SEPTEMBER 6, 2001

ORDERED BY:



JACQUELINE L. TAYLOR
DEPUTY CITY CLERK

JENNIFER M. PERRIN
DEPUTY CITY CLERK

Verify Appearance of this Legal in the Newspaper - Copy to File

Faxed to the Sentinel at 369-1084 at _____(time) on _____(date) _____(pages)
Sharon _____ Phoned to confirm receipt of all pages at _____(time) _____Jac _____Jen (initials)

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, October 3, 2001** at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a Public Hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) Adopting Resolution Adjusting Water and Wastewater Rates

Information regarding this item may be obtained in the office of the Public Works Department Director, 221 West Pine Street, Lodi, California. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the Public Hearing.

By Order of the Lodi City Council:

Susan J. Blackston
City Clerk

Dated: September 6, 2001

Approved as to form:

Randall A. Hays

City Attorney

Sept. 8, 2001



DECLARATION OF POSTING

On Thursday, September 6, 2001 in the City of Lodi, San Joaquin County, California, a copy of Notice of Public Hearing of the City Council of the City of Lodi to consider Adopting Resolution Adjusting Water and Wastewater Rates (attached hereto, marked Exhibit "A") was posted at the following four locations:

Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 6, 2001, at Lodi, California.

ORDERED BY:

SUSAN J. BLACKSTON
CITY CLERK



Jacqueline L. Taylor
Deputy City Clerk

Jennifer M. Perrin
Deputy City Clerk



CITY OF LODI
Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: October 3, 2001

Time: 7:00 p.m.

For information regarding this notice please contact:

Susan J. Blackston
City Clerk
Telephone: (209) 333-6702

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Susan J. Blackston
City Clerk

Dated: September 6, 2001

Approved as to form:

Randall A. Hays
City Attorney