



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for October 3, 2001, to Consider Adopting Resolution Adjusting Water and Wastewater Rates

MEETING DATE: September 5, 2001

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council set a public hearing for October 3, 2001, 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:

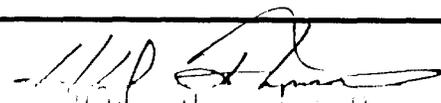
- Maintain a minimum fund balance of 15% of operating expenses (including capital maintenance), plus an additional reserve amount for unforeseen capital expenses of \$300,000 in water and \$600,000 in wastewater.
- Fund replacement of old pipes at an average rate of 1% of the system per year.
- Increase 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 amount already transferred for the current year, based on the old rates and estimated revenue without the increase, 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.

APPROVED


Il. Dixon Flynn City Manager

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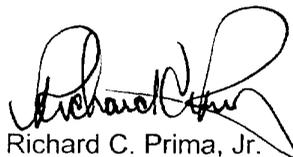
Table A: Water Utility

	Present Rate	October 2001	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



*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

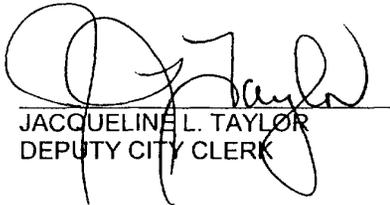
PUBLISH DATE(s): SATURDAY, SEPTEMBER 8, 2001
SATURDAY, SEPTEMBER 22, 2001

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)



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

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



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



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By Order of the Lodi City Council:

A handwritten signature in cursive script, appearing to read "Susan J. Blackston".

Susan J. Blackston
City Clerk

Dated: September 6, 2001

Approved as to form:

A handwritten signature in cursive script, appearing to read "Randall A. Hays".

Randall A. Hays
City Attorney