



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Set Public Hearing for April 20, 2005, to Consider Resolution Adopting Water Rate Increase
MEETING DATE: March 16, 2005
PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council set a public hearing for April 20, 2005, to consider a resolution adopting a water rate increase.

BACKGROUND INFORMATION: In the spring of 2004, the City Council approved a rate increase for water service (as well as increases in wastewater and refuse services). The City-wide public notification done then included provisions for future rate adjustments based on the Consumer Price Index (CPI). At that time, the rate increase for wastewater was adopted to take place in two steps, with the second one to occur in July 2005. Refuse rates, per our agreement with Central Valley Waste Services are adjusted annually and were the subject of a separate public hearing in March 2005.

Water rates were increased significantly in 2004, mainly to account for the Woodbridge Irrigation District water purchase contract and, in part, to help fund PCE/TCE contamination remediation and legal costs. At this point, while significant progress has been made on the contamination issue, the City's actual costs are still uncertain. While it seems clear that higher water rates will be necessary, the amount and timing of increases would, at this point, have to be set with a "best-guess" process.

Given these uncertainties, staff is recommending that the City proceed with a CPI-based increase at this time and defer consideration of a more significant increase until both costs and cash-flow requirements are better known. Staff feels that increasing utility rates on a more frequent basis will maintain better cash flow and reserves within the utility and ultimately be more palatable with customers than waiting longer periods and adopting large increases.

The San Francisco-Oakland-San Jose Consumer price index for all items (unadjusted) for December 2003 was 195.3 and 199.5 for December 2004, which translates to 2.2%. This increase on all water service charges results in total water rates as shown on Exhibit A. The increase amount for a 3-bedroom home is \$0.58 per month. The effective date of the increase is May 1, 2005, which is one year from the previous increase.

FISCAL IMPACT: Increased annual water fund revenue will be approximately \$170,000.

FUNDING AVAILABLE: Not applicable.

Richard C. Prima, Jr.
Public Works Director

RCP/pmf
Attachment

APPROVED:
Blair King, City Manager

Exhibit A: Water Utility (3/8/05 DRAFT)

Proposed 2.2% Water Utility Rate Increase

<u>Residential Flat Rate</u> (per month):	Present Rate	Proposed New Rate
Single Family Unit (one bedroom)	\$ 18.24	\$ 18.64
(two bedrooms)	\$ 21.90	\$ 22.38
(three bedrooms)	\$ 26.26	\$ 26.83
(four bedrooms)	\$ 31.54	\$ 32.24
(five bedrooms)	\$ 37.85	\$ 38.68
(six bedrooms)	\$ 45.41	\$ 46.41
(seven bedrooms)	\$ 54.47	\$ 55.67
Multiple Family Unit (one bedroom)	\$ 15.66	\$ 16.00
(two bedrooms)	\$ 18.78	\$ 19.19
(three bedrooms)	\$ 22.53	\$ 23.02

+ 20% for ea. add'l. bedroom

Commercial Flat Rate varies add: 2.2% (Examples below)
(Existing accounts only. New accounts are metered.)

	Present Rate	Proposed New Rate
¾" service	\$ 26.26	\$ 26.83
1" service	\$ 39.41	\$ 40.28
1½" service	\$ 52.54	\$ 53.70
2" service	\$ 65.69	\$ 67.14
3" service	\$ 91.97	\$ 93.99
4" service	\$ 118.23	\$ 120.83

Metered Rate \$0.707 per 100 cu. ft. \$0.723

plus monthly base charge:	Present Rate	Proposed New Rate
¾" meter	\$ 15.43	\$ 15.77
1" meter	\$ 23.14	\$ 23.65
1½" meter	\$ 30.85	\$ 31.53
2" meter	\$ 38.58	\$ 39.43
3" meter	\$ 54.00	\$ 55.19
4" meter	\$ 69.43	\$ 70.96
6" meter	\$ 100.29	\$ 102.50
8" meter	\$ 131.17	\$ 134.06
10" meter	\$ 162.04	\$ 165.60

Construction Water Charges:	Present Rate	Proposed New Rate
per 100 cu. ft.	\$ 0.707	\$ 0.723

Note: Charges are total, includes 2.2% increases for infrastructure replacement charges.
The above are the most common examples of existing water rates, all other rates, including Discount, Outside City, City and Miscellaneous water rates will also be raised 2.2%.



CITY OF LODI
Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: April 20, 2005

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, April 20, 2005**, 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) a resolution adopting water rate increases.

Information regarding this item may be obtained in the office of the Public Works Department, 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: March 16, 2005

Approved as to form:

D. Stephen Schwabauer
City Attorney



DECLARATION OF POSTING

SET PUBLIC HEARING FOR APRIL 20, 2005, TO CONSIDER A RESOLUTION ADOPTING WATER RATE INCREASES

On Friday, March 18, 2005, in the City of Lodi, San Joaquin County, California, a copy of a Notice of Public Hearing to consider a resolution adopting water rate increases, (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 March 18, 2005, at Lodi, California

ORDERED BY:

SUSAN J. BLACKSTON
CITY CLERK

Jacqueline L. Taylor, CMC
Deputy City Clerk


Kari J. Chadwick
Administrative Clerk

Jennifer M. Perrin, CMC
Deputy 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 APRIL 20, 2005, TO CONSIDER A RESOLUTION
ADOPTING WATER RATE INCREASES

LEGAL AD

PUBLISH DATE: SATURDAY APRIL 2, 2005

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: THURSDAY, MARCH 17, 2005

ORDERED BY: *Kari Chadwick*
KARI J. CHADWICK
ADMINISTRATIVE CLERK

JACQUELINE L. TAYLOR, CMC
DEPUTY CITY CLERK

JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

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

SEND PROOF OF ADVERTISEMENT. THANK YOU!!

LNS Faxed to the Sentinel at 369-1084 at 9:30am (time) on 3/17/05 (date) 1 (pages)
Phoned to confirm receipt of all pages at _____ (time) _____ Jac _____ KJC _____ Jen (initials)

PROOF OF PUBLICATION

(2015.5 C.C.C.P.)

STATE OF CALIFORNIA

County of San Joaquin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Lodi News-Sentinel, a newspaper of general circulation, printed and published daily except Sundays and holidays, in the City of Lodi, California, County of San Joaquin and which newspaper had been adjudicated a newspaper of general circulation by the Superior Court, Department 3, of the County of San Joaquin, State of California, under the date of May 26th, 1953. Case Number 65990; that the notice of which the annexed is a printed copy (set in type not smaller than non-pareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereto on the following dates to-wit:

April 2nd

all in the year 2005.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Lodi, California, this 2nd day of April, 2005

[Handwritten Signature]

Signature

This space is for the County Clerk's Filing Stamp

RECEIVED

APR 08 2005

City Clerk
City of Lodi

Proof of Publication of

Notice of Public Hearing
City of Lodi, April 20th, 2005

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By Order of the Lodi City Council:
Susan J. Blackston
City Clerk

Dated: March 16, 2005

Approved as to form:
D. Stephen Schwabauer
City Attorney
April 2, 2005 — 08501595

8501595

PROOF OF PUBLICATION

(2015.5 C.C.C.P.)

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Dani Rosales
Signature

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RECEIVED
MAY 13 2005
Clerk

Proof of Publication of
Notice of Public Hearing

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City Clerk

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D. Stephen Schwabauer
City Attorney
April 2, 2005 — 08501595

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