



**SAN JOAQUIN**  
— COUNTY —  
*Greatness grows here.*



**Department of Public Works**

Kris Balaji, Director of Public Works

Fritz Buchman, Deputy Director/Development

Michael Selling, Deputy Director/Engineering

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# NOTICE

## of Proposed Service Charge Increase & Public Hearing

December 4, 2018

Dear Property Owner:

You are receiving this Notice because you own property within County Service Area 12 (CSA 12), a special district administered by San Joaquin County. The District provides domestic water service to the properties within the District's boundaries. The Department of Public Works (Public Works) is advising you of a proposed increase to the rates that you pay for this service and the Public Hearing regarding this increase.

The proposed increase is required to properly align the District's revenue with the cost of providing service and contributions to capital replacement reserves. Despite a rate increase passed in 2011 and inflationary adjustments, your district has been unable to build reserves and continues to have a negative fund balance. Without reserves, the County is unable to replace aging equipment. In addition to covering annual operating costs, the proposed rate includes a contribution for capital replacement costs. This contribution is being phased in over 5 years to provide property owners a more gradual rate increase. To reduce the magnitude of the increase, the included contribution is only half the necessary amount, which means future rate increases could be necessary to add the remaining contribution amount.

District charges are comprised of monthly metered charges and an annual flat rate based on the Single Family Equivalent (SFE) unit, which is the level of service received by the average single family residence. The annual flat rate is paid by the property owner on the property tax bill, whereas meter charges are paid through monthly billings by the account holder. Active water accounts are charged a \$15 monthly minimum for the first 10,000 gallons used. An additional metered water rate for usage over 10,000 gallons is charged May through October. **The new rate structure proposes to charge all properties an annual fixed rate and a year-round metered rate. The \$15 monthly minimum charge will remain the same.** The majority of properties will see little impact to their November through April meter bills with this change.

The proposed charges, if approved, will be effective for Fiscal Years 2019-2020 through 2023-2024. Effective Fiscal Years 2024-2025 through 2028-2029, an annual adjustment factor for inflation, not to exceed 5%, may be applied. The adjustment for inflation will be based on the percent change in the Consumer Price Index (CPI) – All Urban Consumers for the San Francisco-Oakland-San Jose areas. Increases after Fiscal Year 2028-2029 would require another notice of proposed increase and Public Hearing.

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The service charges will continue indefinitely for the purpose of covering all the necessary expenses for water service. The table below shows the current and the proposed annual flat rate and metered rates per fiscal year:

Water Service Charge	Current Charge 2017-2018	Proposed Charge				
		2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Annual flat rate (per SFE*)	\$315	\$363	\$417	\$472	\$528	\$584
Monthly Metered Charge (flat rate for first 10,000 gal)	\$15	\$15	\$15	\$15	\$15	\$15
Metered Rate (per 1,000 gal over 10,000 gal)	\$2.40	\$2.71	\$2.79	\$2.87	\$2.95	\$3.03

\*One SFE is assigned to every single family home in this District. Undeveloped parcels are charged 0.2 SFE. Parcels with 2 housing units on one lot are charged 1.3 SFE.

The San Joaquin County Board of Supervisors will consider adoption of the increase at a Public Hearing on:

**Tuesday, January 29, 2019**  
**9:00 AM – Chambers of the Board of Supervisors**  
**44 N. San Joaquin Street, Sixth Floor, Suite 627**  
**Stockton, CA 95202-2924**

Any written protests must be received by the San Joaquin County Public Works Department office at 1810 E. Hazelton Ave., Stockton, CA 95205 by 5 PM on January 28, 2019, or submitted at the Public Hearing prior to the close of the hearing.

If a rate increase is not passed, service levels within the District will need to be reduced to generate cost savings. The following cost reduction measures may be implemented:

- Emergency water conservation measures PROHIBITING ALL OUTDOOR WATERING.
- Reduction of after-hours and weekend service calls
- Reduction of regular maintenance of the system
- Postponement of equipment replacement

**ADDITIONAL INFORMATION**

The Engineer’s Report detailing the rate calculation methodology and revenue requirements are available the County’s website at [www.sjgov.org/ud/csa/csa-12](http://www.sjgov.org/ud/csa/csa-12). The Engineer’s Report can also be reviewed at the Office of the Clerk of the Board of Supervisors or at the Public Works office. If you have any questions, please call Jayna Rutz, Community Infrastructure Engineering Manager, at (209) 468-3697, at the San Joaquin County Department of Public Works.