



# NOTICE of PUBLIC HEARING on PROPOSED WATER RATE ADJUSTMENTS

A Public Hearing will be held on March 13, 2012 at 9:00 a.m. in the Board of Supervisors Chambers at 44 N. San Joaquin Street, 6<sup>th</sup> Floor in Stockton, California for consideration of a proposed rate increase to the Corral Hollow Maintenance District water rates. During the public hearing, interested persons may present verbal or written input to the Board on the proposed rates. If prior to the close of the public hearing, protests against the proposed rate increases are submitted by a majority of property owners, the Board will not approve the proposed rates. In this event, it will be necessary to implement service reductions within the district. If a majority protest does not exist, the Board will be asked to approve the water rate adjustments effective with effective with the 2012-13 property tax statements.

A property owner may file a written protest through the mail or hand deliver to the Clerk of the Board prior to the close of the Public Hearing. All protests must identify the affected property with the street address or Assessor's Parcel Number (APN) & if being submitted other than at the public hearing, must be received by the Public Works Dept by close of business March 12, 2012 in order to be included in the tally.

**Mail to:**

San Joaquin County Public Works  
Attn: CIE Division  
PO Box 1810  
Stockton, CA 95201-1810

or

**Hand-deliver to:**

San Joaquin County Public Works  
Attn: CIE Division  
1810 E Hazelton Ave  
Stockton, Ca

## FREQUENTLY ASKED QUESTIONS

### Why am I receiving this notice?

You are receiving this notice because a water rate increase is proposed for property you own within the Corral Hollow Maintenance District. Under the terms of Proposition 218, the Public Works Department, as your service provider, is required to inform you that a public hearing will be held on March 13, 2012 to consider water rate adjustments. Details of the public hearing are in the left hand column of this page.

### Why are rate adjustments necessary?

The costs to operate your District's facilities continue to increase, but revenue has remained flat. Because your water system is nearing 40 years old, it is important that sufficient funding be available for system replacement needs. Your water system has had 2 major well repairs over the last 5 years and more recently had a bacteria problem. While these issues have been satisfactorily resolved, the costs to keep your system operating in compliance with the State's increasing water quality standards have exceeded the District's revenues in 4 of the past 5 years. Your District's reserves have been used to offset the expensive repairs; however this has caused a rapid decline in the reserves, which are nearly depleted. Rate adjustments are necessary in order to effectively maintain and operate the water system and to assure your district can continue to provide water service in future years.

### What are the proposed rate adjustments?

Current and proposed rates are outlined in Table 1 on the reverse side of this page. Properties are billed a rate based upon property type. The proposed rate increase for a typical single family residence is equivalent to \$7.33 per month in 2012-13. An Engineer's Report, which shows the methodology used to determine the water service charges, can be reviewed at the Office of the Clerk of the Board of Supervisors and at the office of the Public Works Department, or on the County's website at [www.sjgov.org/pubworks/](http://www.sjgov.org/pubworks/).

### What do rates pay for?

Revenues from your water rates pay for the day to day operations of the water system in compliance with state drinking water standards. Additionally, the funds pay for needed capital improvement projects and reserves to replace or rehabilitate aging water system components.

*See reverse side for current & proposed water rates*

## WATER SERVICE CHARGE INFORMATION

The Public Works Department is proposing to adjust water rates over a five year period to minimize the short term impacts to customers. If approved, the rates would be reflected on your 2012-13 property tax statements. Establishment of an annual adjustment factor of up to 3%, if needed, is proposed effective in fiscal year 2017-18 and thereafter. This provides the District with the flexibility to offset minor operating cost increases without incurring the additional costs that are associated with the formal notice and hearing processes.

Table 1 below shows the current and proposed service charges. All parcels that receive services are assessed service fees in proportion to a Single Family Equivalent (SFE), which is based on the water consumption of a typical single family residence.

Current	Proposed				
2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
\$924	\$1,012	\$1,108	\$1,213	\$1,328	\$1,455

## FREQUENTLY ASKED QUESTIONS

(continued from page 1)

### **What is the age and value of the Corral Hollow water system?**

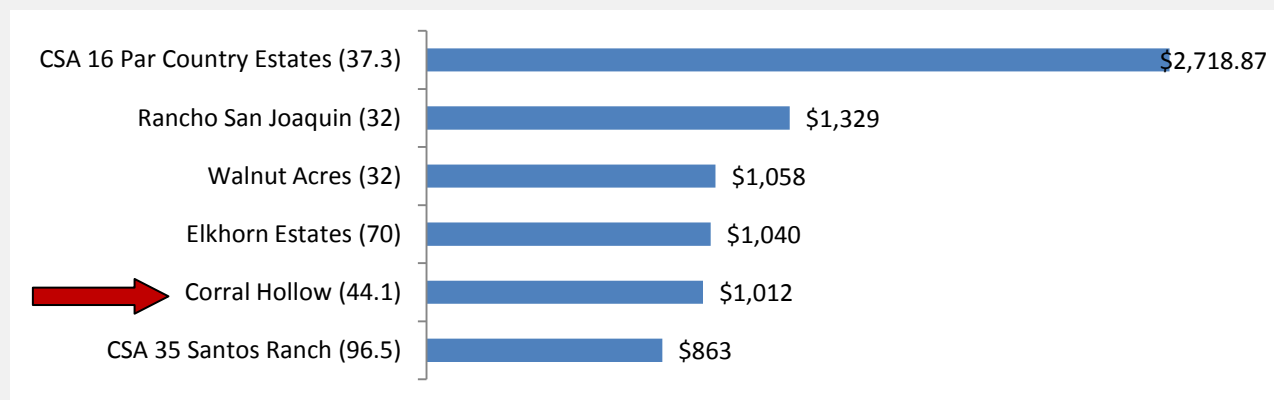
Your water system is 39 years old and has a replacement value of approximately \$2M. Assuming a 50 year life for the major system components, the district should have approximately \$1.5M annually in its replacement reserves, as opposed to the current amount of less than \$10,000.

### **What will happen if the fee increase is not approved?**

Service levels within the district will need to be reduced to generate cost savings. This could include reduced water pressure, elimination of non-essential maintenance and elimination of after-hours service calls.

### **Why do water rates vary between different districts operated by the County?**

The age and operating costs of each district's facilities differ, as do the number of customers in each district. Typically, larger districts enjoy a greater economy of scale. Corral Hollow's proposed annual water rates for fiscal year 2012-13 are reasonable when compared to similar districts:



## FREQUENTLY ASKED QUESTIONS

(continued from page 2)

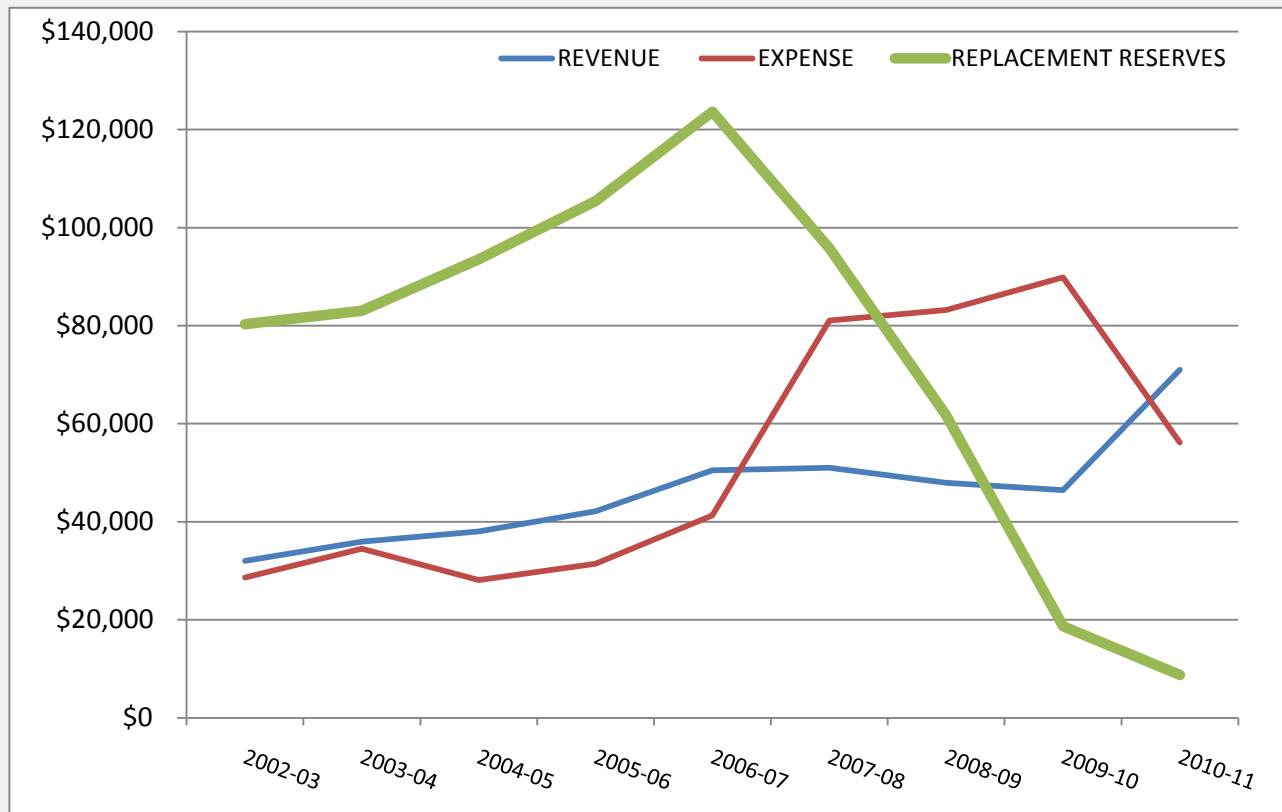
### When was the last time rates were adjusted?

Your water rates were last adjusted in fiscal year 2006-07.

### Are water meters planned for the installation within our district?

There are no short term plans to install residential water meters within the Corral Hollow Maintenance District. In 2008, the Board of Supervisors approved a water conservation initiative that includes adding water meters to County operated water systems, when cost effective to do so. You will be notified in advance of any plans to install meters on the water system.

### Corral Hollow Maintenance District Financial Summary:



### Where can I obtain additional information?

If you have any questions regarding the proposed rate adjustments or this process, please call Alicia Albright, at (209) 953-7150 between the hours of 8:00 am & 4:00 pm., or visit the County's website at [www.sjgov.org/pubworks/](http://www.sjgov.org/pubworks/).