



NOTICE

of Proposed Service Charge Increase & Public Hearing

May 19, 2020

Dear Property Owner:

You are receiving this Notice because you own property within County Service Area 35 (District), which is a special district administered by San Joaquin County (County). The District provides domestic water services to the properties within the District's boundaries. The Department of Public Works (Department) is advising you of a proposed increase to the rates that you pay for these services and the Public Hearing regarding the increase.

The annual charges you pay to the District are property related fees collected as part of your property tax bill. The fees fund labor for maintenance and repairs, testing of the water, and administration costs associated with the services. The County's costs for these services have increased with inflation and an adjustment to your rates is necessary to keep revenues in line with expenses. **The County is proposing a 3.5 percent increase to your rates, effective July 2020.**

District fees are a flat rate charge based on the Single Family Equivalent (SFE) unit. This is the level of service received by the average single family residence. The proposed charges, if approved, will be effective Fiscal Year 2020-2021, which begins in July 2020. Beginning Fiscal Year 2021-2022 through Fiscal Year 2024-2025, an annual adjustment factor for inflation, not to exceed five percent, 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 this time would require another notice of proposed increase and Public Hearing. The service charges are annual and will continue indefinitely for the purpose of covering all the necessary expenses to operate, maintain and replace the District's public utilities for services.

The table below shows the current and the proposed charges per SFE, per fiscal year:

Service	Current Rate 2019-2020	Proposed Rate 2020-2021
Annual Water Service Charge (per SFE*)	\$1,028	\$1,064

*Parcels with one single family home = 1 SFE. Parcels with two dwelling units = 1.3 SFE.

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

Tuesday, July 7, 2020
9:00 A.M. – Chambers of the Board of Supervisors
44 North San Joaquin Street, Sixth Floor, Suite 627
Stockton, California 95202-2924

Any written protests must be received by the Department at 1810 East Hazelton Avenue, Stockton, California 95205, by 5:00 p.m., on July 6, 2020, 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 at the County's website at www.sjgov.org/ud/csa/csa-35. The Engineer's Report can be reviewed at the office of the Clerk of the Board of Supervisors or at the Department.

Should you have any questions, please contact Jayna Rutz, Community Infrastructure Engineering Manager, at (209) 468-3697, or by email at jruzts@sjgov.org.