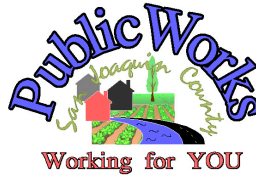




SAN JOAQUIN
— COUNTY —
Greatness grows here.



Department of Public Works

Kris Balaji, Director of Public Works

Fritz Buchman, Deputy Director/Development

David Tolliver, Deputy Director/Operations

Najee Zarif, Deputy Director/Engineering

Kristi Rhea, Business Administrator

NOTICE

of Proposed Service Charge Increase & Public Hearing

April 5, 2022

Dear Property Owner:

You are receiving this notice because you own property within County Service Area (CSA) 44, Zone E (District), which is a Special District administered by San Joaquin County (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 modification to the rate that you pay for this service and the Public Hearing regarding the changes.

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 and an adjustment to your rates is necessary to keep revenues in line with expenses.

The proposed rates are required to properly align the District's revenue with the cost of providing services and contributions to capital replacement reserves. Your rates have not been increased since 2007; however, costs to operate your system have increased during that time. In addition to covering annual operating costs, the proposed rate includes a partial contribution for capital replacement costs. The contribution amount is being phased in over five years to provide property owners a more gradual adjustment in the rate. As the proposed rate only covers half of the necessary contribution to capital reserves, an additional rate increase may be needed in the future for the full contribution amount.

The proposed rates are part of a wider rate adjustment for all of CSA 44 including Zones E and G. The goal of the rate adjustments is for all residents within CSA 44 is to pay the same rate for water service. To achieve this goal, an initial reduction to the annual rate for your zone is proposed, while the metered rate is proposed to increase. No increase is proposed to the fixed fee charged per billing cycle.

SEE REVERSE SIDE

1810 East Hazelton Avenue | Stockton, California 95205 | T 209 468 3000 | F 209 468 2999



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The table below shows the current and the proposed charges per Single Family Equivalent (SFE), per fiscal year (FY):

Service	Current Rate 2021-2022	Proposed Rate				
		2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Annual Water Service Charge (per SFE ¹)	\$330	\$211	\$246	\$281	\$316	\$350
Metered Rate (per 1,000 gallons)	\$1.10	\$1.15	Inflationary adjustment per CPI, as necessary, max 5% per year			
Fixed Fee (paid per billing cycle) ²	Based on meter size	No proposed increase				

1. Parcels with one single family home or are vacant = 1 SFE. Parcels with two dwelling units = 1.3 SFE
Undeveloped properties are currently 0.2 SFE; this is proposed to increase to 1 SFE.
2. For a one-inch meter, the fixed fee is \$22, charged quarterly.

The proposed charges, if approved, will be effective FY 2022-2023, which begins in July 2022. Beginning FY 2023-2024 through FY 2026-2027, 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 County's Board of Supervisors will consider adoption of the increase at a Public Hearing on:

Tuesday, May 24, 2022
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 County's Public Works office at 1810 East Hazelton Avenue, Stockton, California 95205 by 5:00 p.m., on Monday, May 23, 2022, 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; and,
- 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-44-ze. The Engineer's Report can be reviewed at the Office of the Clerk of the Board of Supervisors or at Public Works' office.

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