

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING A PUBLIC HEARING BE HELD TO CONSIDER INCREASES IN THE CITY'S WASTEWATER RATES AND CHARGES AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO MAIL A NOTICE OF THE PUBLIC HEARING TO CONSIDER THE PROPOSED INCREASES TO THE WASTEWATER RATES AND CHARGES

On April 17, 2018, by Resolution 2018-04-17-1108, the Stockton City Council approved a professional services contract with HDR Engineering, Inc., to evaluate the Wastewater utility's revenue requirements, prepare a cost of service analysis, and design rates that are equitably distributed among all customer classes; and

The Wastewater Rate Study used three interrelated analyses to address the adequacy and equity of the utility's rates. These three analyses were the revenue requirement analysis, which compares the revenues to the expenses of the utility to determine the overall rate adjustments required; the cost of service analysis, which allocates the revenue requirement to the various customer classes of service in a fair and equitable manner; and the rate design analysis, which considers both the level and structure of the rate design to collect the target level of revenue; and

The Municipal Utility Department's (MUD) proposed Wastewater rates have been developed with the intent of meeting the legal requirements of California Constitution article XIII D, section 6 (Article XIII D), commonly referred to as Proposition 218. A key component of Article XIII D is the development of rates that reflect the cost of providing service and proportionally allocate those costs among the various customer classes of service. Revenue requirements are allocated to the different customer classes based on the respective volume and strength of their discharges, strength, and customer group. The rate design reflects the findings of the revenue requirements, meets the goals and objectives of the City, and are cost-based and equitably and proportionately distributed among all the customer classes; and

On March 6, 2019, and March 12, 2019, the Draft Wastewater Rate Study and proposed rate increases were presented to the Water Advisory Group and Council Water Committee, respectively. The Council Water Committee, with the recommendation of the Water Advisory Group, approved recommending to the Council to proceed with the Article XIII D notice and public hearing process for the consideration of the adoption of the proposed wastewater rate increases; and

The MUD will conduct public information sessions, including at a minimum, two public meetings in April or May 2019 to provide information to any interested members of the public regarding the proposed rate increases, public hearing and majority protest proceedings under Article XIII D; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Manager is authorized and directed to mail a notice of a Public Hearing to consider the adoption of proposed increases to the City's wastewater rates and charges. The notice shall be mailed to all City of Stockton wastewater utility customers and the record owners of property upon which the proposed wastewater rates and charges are proposed to be imposed. The notice shall include the amount of the proposed wastewater rates and charges, the reasons for the proposed increases to the wastewater rates and, the basis upon which the wastewater rates and charges were calculated, and the date, time and location of the Public Hearing to consider the proposed wastewater rates and charges.

2. The City Council authorizes the Public Hearing to be held in the future for the consideration of the proposed wastewater rates and charges. The Public Hearing shall be held not less than 45 days after the notice of the public hearing has been mailed.

3. The City Manager is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED March 26, 2019.

MICHAEL TUBBS, Mayor
of the City of Stockton

ATTEST:

CHRISTIAN CLEGG, Deputy City Manager/
Interim City Clerk of the City of Stockton