



FREQUENTLY ASKED QUESTIONS ABOUT THE PROPOSED WATER RATE INCREASE

The City of Tracy provides water service to its residents and businesses. The City owns and operates a water transmission and distribution system, and various production and treatment facilities for surface water and ground water sources. The City's water system is a carefully operated water system dedicated to delivering safe and reliable water to the City's customers. Customer rates fund the maintenance and operation of the City's water system. The City is considering approving a new proposed water rate schedule that will increase the monthly water bill of an average residential customer by \$6.10 per month.

Why is a water rate increase necessary?

Water rates were last increased in 2008. The current rates are not generating adequate revenue to meet the costs of maintaining and operating the City's water system. Therefore, the City's cost of providing water service currently exceeds the amount charged to customers for water service. The shortfall in revenue is due to increased costs relating to the replacement of aging infrastructure and operations, and on-going reduced water sales as a result of water conservation efforts.

How are water rates increased?

The City prepared a Water Rate Study which reviewed prior years' expenditures and revenues. A workshop with the City Council was held on September 5, 2017 to review the study. The proposed rate increase will be the subject of a public hearing on **Tuesday, November 21, 2017 at Tracy City Hall, Council Chambers.**

When will rates increase?

If approved, the proposed water rate increase will take effect on January 1, 2018.

Does the proposed water rate increase comply with Proposition 218?

The City's rate setting process and rates have been developed to meet the intent of California law, including Proposition 218. A notice of the proposed rate increase will be sent to all property owners. The proposed rate structure is based on the City's Water Rate Study and the City's specific costs and customer characteristics of each of the customer classes of service.

Will it be necessary to have future water rate increases?

The necessity of future water rate increases depends upon the volume of water sales and the amount of funding needed for the replacement of aging water pipelines. If water sales remain at the current level, a future rate increase will likely be needed. The City anticipates reviewing water rates again within two years.

How much will it cost per day for water for a single family home?

Under the proposed rates, an average single family home is proposed to pay \$1.08 per day for water based on the lowest tier of consumption in summer season. The City averages 3 people per home so the cost per day per person is 36 cents.

How does Tracy’s water rate compare to other cities?

Tracy has among the lowest water rates in San Joaquin County.

<u>City</u>	<u>Water Bill</u>
Tracy - Current	\$26.70
Tracy – Proposed	\$32.80
Lodi	\$38.02
Modesto	\$47.64
Stockton	\$64.45
Lathrop	\$67.67
Pleasanton	\$69.65
Concord	\$74.27
Livermore	\$77.50
Dublin	\$93.53

Where can I receive additional information?

If you have questions, or need additional information, please call Steve Bayley at (209) 831-6356 or Steve.Bayley@cityoftracy.org. The Water Rate Study is available at www.cityoftracy.org or at the office of the City Clerk at 333 Civic Center Plaza, Tracy California 95375.

Este informe contiene información sobre su cuenta de agua. Es muy importante que entienda el material. Para ver la traducción de este informe vaya a la página www.cityoftracy.org o llame al (209) 831-6127.