RESOLUTION APPROVING A PROPOSITION 218 PUBLIC NOTICE AND PROTEST HEARING PROCESS AND TO SCHEDULE A PUBLIC HEARING NO SOONER THAN THE AUGUST 17, 2010, STOCKTON CITY COUNCIL MEETING TO CONSIDER A STORMWATER RATE INCREASE

On March 16, 2010, by Resolution 10-0077, the Stockton City Council approved a contract with HDR Engineering, Inc., to perform a rate study, community outreach, and Proposition 218balloting procedures for the stormwater utility; and

The findings of the Wastewater and Stormwater Rate Study reveal that an increase to the current stormwater user rates is necessary to meet the permit requirements and other stormwater utility operational financial requirements; and

On June 9, 2010, the proposed stormwater rate increases were presented to a joint meeting of the Council Water Committee and the Water Advisory Group; and

On June 9, 2010, the Council Water Committee, with the agreement of the Water Advisory Group, recommended that the City Council approve a Proposition 218 Public Notice and Protest Hearing Process and schedule a Public Hearing for the City Council Meeting no sooner than August 17, 2010, to consider adoption of the proposed stormwater rate increases; and

At the conclusion of the Public Hearing, if less than fifty percent plus one of the mailed notices are returned protesting the procedure, City Council will be asked to authorize the balloting procedure for a stormwater rate increase and to set the time and date of the Final Public Hearing; and

The City of Stockton Municipal Utilities Department will conduct two public meetings in July 2010 to provide information to the general public regarding the proposed stormwater rate increases; now, therefore,

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

1. The City Manager is authorized to send a 45-day Proposition 218 public notice to all City of Stockton stormwater utility property owners. The notice will inform customers of the proposed stormwater rate increase, which is described in the Proposed Rate Adjustment Schedule and which is attached and included by reference, for Fiscal Years 2010-2011 through 2013-2014, and future adjustments, which shall be according to an appropriate Consumer Price Index (CPI). The Proposition 218 public notice shall include the proposed rate increase amounts, the reasons for the proposed
increase, the date of the public hearing to consider the proposed increases, and how
the customers may protest the proposed increases.

2. A Public Hearing held no sooner than at the August 17, 2010, Council
Meeting is to be scheduled to consider authorizing mailing of the ballots for the
proposed stormwater increases.

3. The City Manager is authorized to take the steps that are appropriate to
carry out the purpose and intent of this resolution.

PASSED, APPROVED, and ADOPTED ____________________________

JUN 29 2010

ANN JOHNSTON, Mayor
of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

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## STORMWATER

### PROPOSED RATE ADJUSTMENT SCHEDULE

<table>
<thead>
<tr>
<th>Monthly Base Rate (per ERU)</th>
<th>Present 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
</tr>
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<tbody>
<tr>
<td>Single Family</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>One ERU per residence</td>
<td>$2.10</td>
<td>$4.98</td>
<td>$5.33</td>
<td>$6.62</td>
<td>$6.74</td>
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<tr>
<td>Condominiums, Multi-Family, &amp; Apartments</td>
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<td>$6.74</td>
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<td>Non-Residential (Gross Parcel Area per ERU)</td>
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<td>Commercial (90% Gross Parcel Area)</td>
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<td>Industrial (75% Gross Parcel Area)</td>
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<td>$6.74</td>
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<tr>
<td>Institutional (62% Gross Parcel Area)</td>
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<td>$6.74</td>
</tr>
</tbody>
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**EXHIBIT “A”**