

ORDINANCE NO. 35
Adopted 4/12/11

AN ORDINANCE ESTABLISHING MUNICIPAL GROUNDWATER ASSESSMENTS,
AGRICULTURAL GROUNDWATER ASSESSMENTS, DOMESTIC GROUNDWATER
ASSESSMENTS AND CHARGES FOR STREAM-DELIVERED WATER FOR
CALENDAR YEAR 2011

The Board of Directors of Stockton East Water District does ordain as follows:

Section 1: The Municipal Groundwater Assessment for calendar year 2011 shall be One Hundred Eighty Nine Dollars and Nine Cents (\$189.09) for Rate Equalization and Three Dollars and Sixty Cents (\$3.60) for base Groundwater Production Assessment or a Total Municipal Groundwater Assessment of One Hundred Ninety Two Dollars and Sixty-Nine Cents ($\$189.09 + \$3.60 = \$192.69$) per acre foot of water.

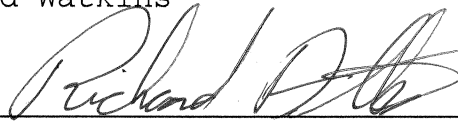
Section 2: The Agricultural Groundwater Assessment for calendar year 2011 shall be Four Dollars and Sixty-Six Cents (\$4.66) per acre foot of water.

Section 3: The Domestic Groundwater Assessment for calendar year 2011 shall be Thirty-Nine Dollars and Fifty Cents (\$39.50) per Domestic Use Unit.

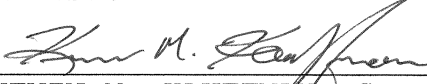
Section 4: The rate for sales of stream-delivered water for calendar year 2011 shall be Twenty-Two Dollars (\$22.00) per acre foot of water.

Section 5: This ordinance shall take effect thirty (30) days after its final passage, and shall be published at least once in a newspaper of general circulation within fifteen (15) days after its final passage, with the names of the members of the Board of Directors voting for and against the same.

AYES: Atkins, Cortopassi, McGaughey, and McGurk
NOES: Panizza
ABSTAIN: None
ABSENT: Sanguinetti, and Watkins


RICHARD ATKINS, President
Board of Directors
Stockton East Water District

ATTEST:


KEVIN M. KAUFFMAN, Secretary
Board of Directors
Stockton East Water District

RULE NO. 162

ADOPTED 04/12/11

RULE FOR RATE EQUALIZATION - CALENDAR YEAR 2011

WHEREAS, the District Act authorizes the Board to adopt rules and regulations as it deems necessary and proper for carrying out the provisions of the Act; and

WHEREAS, paragraph 6D (3) of the Second Amended Contract among SEWD; City of Stockton, County of San Joaquin and California Water Service Company states that "Stockton East shall annually levy a municipal groundwater assessment, pursuant to its enabling legislation such that the cost of groundwater use is equivalent to the cost of surface water use";

NOW, THEREFORE, THE BOARD OF DIRECTORS OF STOCKTON EAST WATER DISTRICT HEREBY ENACTS AND ESTABLISHES THE FOLLOWING RULES TO LEVY A GROUNDWATER ASSESSMENT TO EQUALIZE THE COST OF GROUNDWATER AND SURFACE WATER FOR 2011:

1. POWER COST -- Use actual power costs submitted by owner to accommodate for differences in water depth, pumping efficiency, system pressure, etc. In the absence of actual power costs, the cost of \$70 per acre foot will be assumed.
2. OPERATION AND & MAINTENANCE COST -- Includes labor, repairs, chemicals, treatment costs and the current \$3.60 assessment. The cost of \$36 per acre foot will be assumed.
3. AMORTIZATION AND DEPRECIATION COST -- Includes well and equipment replacement. The cost of \$10 per acre foot will be assumed.
4. FORMULA FOR RATE EQUALIZATION -- Surface water costs plus Groundwater costs divided by total M & I water production equals cost per acre foot. The assumed costs and water production for 2011 are as follows:

Ground water	26,500 AF X \$116.00 =	\$3,074,000
Surface water	<u>55,000 AF</u> X \$396.20 =	<u>\$21,790,881</u>
Totals	81,500 AF	\$24,864,881

The total cost of \$24,864,881 divided by total use of 81,500 AF equals \$305.09 per acre foot. The assumed 2011 additional groundwater assessment is \$305.09 less \$116 (total of items 1-3 above), or \$189.09.

5. Any municipal groundwater user has the right to appeal the amount of this additional \$189.09 per acre foot rate equalization assessment if it can be demonstrated that actual groundwater production costs are higher than the assumed \$116 per acre foot. The appeal process will begin with the Administration Committee of the District Board and if necessary can be appealed to the full Board.
6. Any appeal which is granted shall entitle the appellant to a refund of the amount demonstrated to have been over-collected, less the actual costs to the District of processing the appeal and refund, provided that no overpayment shall be refunded unless the request for appeal has been filed with the Secretary of the District within three years of such overpayment.