



CITY OF VACAVILLE

UTILITIES DEPARTMENT

6040 Vaca Station Road • Elmira, CA 95625 • CityofVacaville.gov • 707.469.6400

February 20, 2025

Dear Vacaville Utility Customer,

The City of Vacaville Utilities Department (Utilities Department) will introduce a Water and Wastewater Rate Study and options for a proposed five-year rate increase during the City Council meeting on **Tuesday, February 25, 6:00 PM** at 650 Merchant St. Vacaville, CA 95688. It is anticipated that the City Council will receive a presentation and provide feedback.

The Utilities Department intends to return to City Council during the next regular meeting, **Tuesday, March 11, 6:00 PM**, with a recommendation that the City Council select one of the proposed rate options and initiate a Proposition 218 noticing process. At its conclusion, a Public Hearing will be held. Further information will be provided at this time. If approved, the new rates would take effect July 1, 2025, and increase annually thereafter, through July 1, 2029. Should the City Council give the direction to proceed with a Proposition 218 process, the City will offer community information sessions.

Water rates cover the cost of providing a reliable supply of high-quality drinking water to City of Vacaville (City) residents, business owners, and visitors. Wastewater rates cover the cost of safely collecting and treating sewage and discharging tertiary-treated effluent. Rates also include maintenance, repair, and rehabilitation of the water distribution and sewer collection systems and related infrastructure. Rate changes are needed due to increasing costs, including higher construction and maintenance costs for critical infrastructure, stricter water quality and environmental regulations, and water supply initiatives. Rate adjustments also ensure the Utilities Department has adequate debt coverage; a fiscally responsible practice that helps maintain a strong credit rating which lowers borrowing costs.

The Utilities Department strives for operational efficiencies and processes that reduce upward rate pressure. Securing grants, maximizing the use of lowest cost water, increasing energy efficiencies, and reducing long-term costs by installing improved infrastructure, and partnering with other agencies to execute joint projects, reduce overall operational costs. Cost controls have helped keep rates consistently in the lower range compared to neighboring agencies.

The Utilities Department periodically conducts an in-depth financial analysis to ensure water and wastewater rates accurately reflect the cost of service. The City uses outside expert consultants to ensure that rates are properly determined. As a public agency, the City of Vacaville makes no profit and cannot request rate increases beyond the projected cost of providing service.

Residents can attend the City Council meetings in person, watch online at CityofVacaville.gov/Agendas and YouTube @CityofVacaville, on Comcast channel 26 and AT&T 99, or view a recording within 48 hours. In addition, the City Council will take in-person comments from the public during the agenda item.

The recording will be available at CityofVacaville.gov/Agendas. Updates will be available online, visit CityofVacaville.gov/UtilitiesRateStudy.

Sincerely,

Your Utilities Department Team