



VALLEJO HEIGHTS *Neighborhood Association*

Volume 11 Issue 2

February 2016



GENERAL MEETING

Date: February 27, 2016

Time: 10 am - 12 noon

Place: Mira Community
Cultural Center

51 Daniels Avenue, Vallejo

Meeting Agenda

10:00 am Welcome!

Minutes

Treasurers Report

Open Forum

Business Meeting

11:00 am **Refreshment Break**

11:15 am Speaker:

Martin Querin, Assistant
Public Works Director-Water

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Editor: Patricia Gatz

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Notes from The Board

The Public Works Water Division of the City of Vallejo has completed a five (5) year water rate study and has presented three (3) different rate system structures to the City Council for their review and directions. These options are available for residents to review at www.vallejowater.org.

In order to provide information on the proposed rate structures, the Water Division is conducting presentations. On Saturday, February 27, 2016, at the VHNA General Meeting our guest speaker will be Martin Querin, Assistant Public Works Director—Water Division. He will provide information on Vallejo's water system, infrastructure and current and proposed rate structures. This is a very important issue that will have an effect on how much water users will be charged in order for the City of Vallejo to update and maintain the water supply system.

Please mark your calendar to attend the VHNA General Meeting on Saturday, February 27 at the Mira Community Cultural Center, 51 Daniels Avenue in Vallejo from 10 am to Noon. Refreshments and Moschetti coffee will be provided by the VHNA and its members.

BOARD OF DIRECTORS

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Andreas Schmidt, Vice-President

Arturo Murillo, Secretary

Elaine Paurel, Treasurer

Yolanda Thruston, Member at
Large

Kathleen O'Sullivan, Member at
Large



VALLEJO WATER RATE INCREASE PROPOSAL

On February 9, 2016 the Vallejo City Council (CC) approved a resolution to receive the draft City of Vallejo five (5) year water utility financial plan and rate study (January 2016). The CC directed staff to initiate a Proposition 218 protest process by sending out notices and setting a date for a public hearing on the proposed water rates and charges for Fiscal Years 2015-2016 to 2019-2010.

The City of Vallejo Public Works Department retained NBS in April 2014 to re-evaluate its water rates and capacity fees primarily for the purpose of meeting long-term revenue requirements, providing adequate funding for system repair and rehabilitation needs, and complying with Proposition 218 requirements.

The current rate structure relies on variable charges from water sales, which have declined due to water conservation. Variable charges include costs associated with delivery capital, conservation and revenue offsets.

The majority of expenses, about 85 percent, are fixed costs and do not change regardless of how much water is used. Fixed costs include labor, overhead and debt service needed to treat, store and deliver water, as well as maintaining required flows and storage for firefighting.

The water study is lengthy (480 pages) and complex. What the water users need to know is just what is this going to cost me monthly for water? Not only will water rates increase dramatically over the next five (5) years, but there will be a surcharge for conserving water. Vallejo water users more than met the State's 16 percent water reduction goal by conserving 20 percent.

On February 27, 2016 at the VHNA General Meeting, you will have an opportunity to ask Martin Querin, Assistant Public Works Director-Water, questions about the proposed water rate increases. This is a very important issue that will financially impact all water users. Alert your neighbors about the meeting and encourage them to attend the meeting to take advantage of meeting Mr. Querin to learn about the proposed water rate increases. The meeting will be at the Mira Community Cultural Center, 51 Daniels Avenue in Vallejo, from 10:00 am to Noon.

The Vallejo Heights Neighborhood Association (VHNA) is proud to feature Associate members Eagle Vines Realty and Vallejo Independent Bulletin this month.



CITY BANKRUPTCY—HARD LESSONS LEARNED

- Vallejo entered Chapter 9 protection in May, 2008. It emerged from bankruptcy in November, 2011. (Cost of Vallejo's bankruptcy: \$12 million dollars)
- Stockton filed for Chapter 9 protection in June, 2012. It emerged from bankruptcy February, 2015.

On December 3rd, 2015, Kurt Wilson, the City Manager for Stockton and Daniel E. Keen, the City Manager for Vallejo, talked about the hard lessons learned from their cities journey through **Chapter 9 bankruptcy**. Their presentations were made as part of the continuing **Randall Lewis Seminar Series** presented by the UC Riverside School of Public Policy's Center for Sustainable Suburban Development.

Both City Managers emphasized that bankruptcy is not an option they would recommend a city take unless it had no other option left. They talked about the hard lessons learned from Stockton and Vallejo's bankruptcy experience. Keen said, "It's difficult, it's expensive, it takes a long time, and the impacts are really long lasting."

Stockton City Manager Kurt Wilson called bankruptcy the most painful process one can make a community endure. "It's the most embarrassing thing you can go through for the employees, the community," Wilson said. "The anxiety that comes along with it is immeasurable, and you just can't get out of that." "On the bad side, we have a much lower service level. On the good side, we're much more stable. We're growing, we're recovering. Our future is looking very good. It's because our foundation now is very solid," Wilson said.

Both city managers presented how a long list of bad decisions made by their cities years earlier combined with factors beyond the cities control to send them into bankruptcy. Both city managers also stressed the biggest lesson learned from bankruptcy is to maintain fiscal discipline.

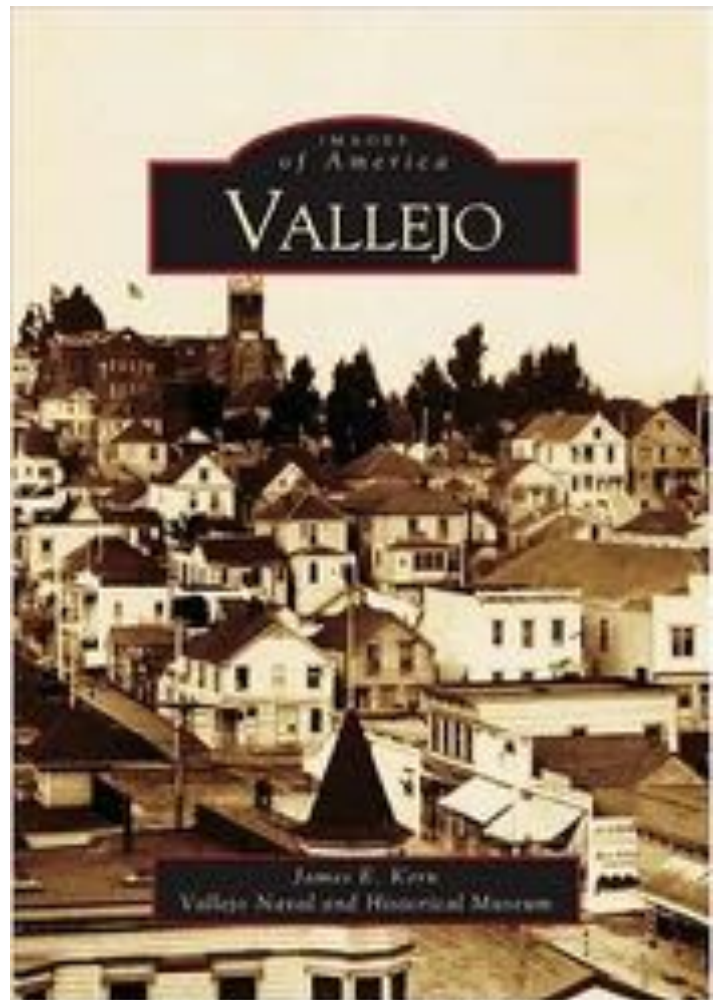
"You have to know what you're facing down the road," Keen said. "What happened in Vallejo is there were a lot of decisions made over years where nobody sat down and said the decision you're making today is going to cost you a lot of money down the road."

Now both cities have made balanced budgets and economic forecasts routine. Both cities also made the budgetary process much more transparent to their citizens. As a result, Vallejo residents surprisingly voted to extend or create several local taxes to rebuild.

"Today, we are a much more engaged community. We have a lot closer relationship," Keen said. "Residents were angry to be painted with this brush that somehow they were inferior because we went through bankruptcy."

Despite both cities emerging from bankruptcy protection, neither city is done with it by a long shot. "We (Stockton) have some restructured debt that goes out to 2053," Wilson said. "The court retains jurisdiction until that time." Keen added there are still many hard decisions to make. "It's not over when you exit bankruptcy," he said. "In fact it's just the start of a story that goes beyond that."

Information source: article by KJ Thomas and "Municipal Bankruptcy—Lessons Learned" video at City of Vallejo's Website.



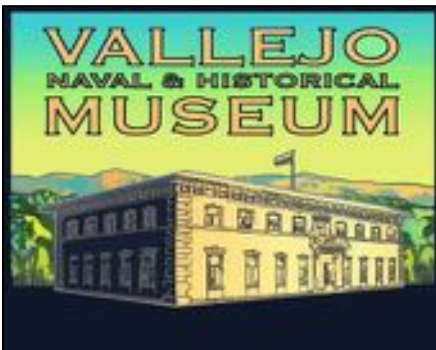
UPCOMING EVENTS

VALLEJO NAVAL AND HISTORICAL MUSEUM
734 Marin Street, Vallejo

4th ANNUAL TRIVIA NIGHT!
SUNDAY, MARCH 19, 2016
Doors Open at 5:30 pm
Game starts at 6:30 pm

\$30 per person-8 people per team
Raffle Prizes-No host bar

For information: 707.643.0077
www.valmuse@pacbell.org



SAN FRANCISCO BAY FLY WAY FESTIVAL
FEBRUARY 19-21, 2016
575 CONNELLY-BLDG 253
MARE ISLAND-VALLEJO

The Fly Way Festival is the 20th annual celebration of bird migration through San Francisco Bay. This free event provides wildlife viewing, outings, exhibits, activities for children and the opportunity to talk with wildlife and birding experts.

For information: 707-249-9633 or myrnahayes@mac.com



SOLANO LAND TRUST

HIKE TO SEE THE RAPTORS AT LYNCH CANYON ON

SUNDAY FEBRUARY 28, 2016
From 10 AM TO 2 PM

\$10 plus \$6 parking

For information, directions and to sign up go to:
www.solanolandtrust.org



Vallejo Heights Neighborhood Association

PO Box 4243
Vallejo, CA 94590

Next VHNA General Meeting: February 27, 2016 from 10 am to 12 noon
Mira Community Cultural Center, 51 Daniels Avenue in Vallejo