



CITY OF SANTA ROSA PROPOSITION 218 NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES TO WATER, RECYCLED WATER AND WASTEWATER SERVICE CHARGES

DATE: December 6, 2011
TIME: At or after 5:00 PM
LOCATION: Santa Rosa City Council Chamber, City Hall
100 Santa Rosa Avenue, Santa Rosa

You are receiving this notice because you are either a City of Santa Rosa water, recycled water and/or wastewater customer or you own property that is receiving City water, recycled water and/or wastewater service. The City Council will be considering a recommendation from the Board of Public Utilities to adopt increases to the water, recycled water and wastewater service charges at a public hearing on Tuesday, December 6, 2011 at the Santa Rosa City Council Chamber, 100 Santa Rosa Avenue. The hearing will start at 5:00 PM or after. The new service charges, if adopted, will go into effect on or after January 14, 2012.

The City's Water, Recycled Water and Wastewater Utilities

The City of Santa Rosa provides water services to over 50,000 residential, commercial, industrial and irrigation customers. The City provides approximately 7 billion gallons of water per year and maintains over 620 miles of water pipelines, 6,500 fire hydrants, and 22 storage tanks. The City provides wastewater services to approximately 45,000 customers, maintaining over 580 miles of sewer mains and 19 wastewater lift stations. In addition, the City owns and operates the Subregional Water Reuse System, providing wastewater treatment, disposal and reuse for more than 225,000 people in Santa Rosa, Cotati, Rohnert Park, Sebastopol and South Park Sanitation District. The City's share of the costs to run the Subregional Water Reuse System is approximately 75%, with the other four user agencies contributing the remaining 25%. The Subregional Water Reuse System is one of the largest water recyclers in the state, reusing between 90-100% of the recycled water it produces annually for urban irrigation, agricultural irrigation and to recharge the Geysers steam fields to produce energy.

How are the City's utilities funded?

The City's utilities are enterprises, supported by water, recycled water and wastewater service charges and fees. Service charges and fees for service are used to pay for the ongoing operation, maintenance, repair and replacement of existing water, recycled water and wastewater systems. Costs associated with growth and serving new development are paid for from connection or demand fees. This public notice and the public hearing will only cover proposed increases in water, recycled water and wastewater service charges.

How has the City Utilities Department cut costs?

Santa Rosa continues to make every effort to keep costs down while maintaining the high level of service that customers have come to expect. The 2011/2012 Utilities Department budget is less than any Utilities Department budget since fiscal year 2005/06. Over the past few years, the City has worked with employees to reduce labor costs and the Utilities Department has acted to significantly reduce expenses by eliminating positions and reducing operating costs. For the most recent budget for Fiscal Year 2011/2012, the Utilities Department reduced the budget for water by 8.9%, for wastewater by 2.8%, and for the Subregional Water Reuse System by 3.9%.

Reasons for the Proposed Service Charge Increases

Service charge increases are necessary to cover the rising cost of services and supplies, as well as to comply with new, unfunded regulations requiring retrofits and upgrades to existing facilities. There are several reasons for the proposed service charge increase:

- Capital improvement projects to repair/replace and maintain aging water and sewer infrastructure
- New construction projects to meet existing customers' storage and fire flow needs
- Restoration of water fund reserves that have been drawn down due to the economic recession
- Increasing rate revenue stability by re-balancing the water fixed monthly charge
- Costs associated with new required environmental regulations

How would the service charges change?

Service charges are comprised of two components: 1) a user charge based on the amount of water used or wastewater flow generated each billing period, and 2) a fixed monthly charge based on customer meter size. The City is proposing the following increases to user charges and fixed monthly charges for water, recycled water and wastewater for 2012 and 2013:

- 2012 - 1% increase for the water and recycled water user charges, an 18% increase (\$1.50 per month for the average single-family residential customer) for the water and recycled water fixed monthly charges, and a 3% increase for both the wastewater fixed monthly charges and user charges.
- 2013 - 1% increase for the water and recycled water user charges, a 15.2% increase (\$1.50 per month for the average single-family residential customer) for the water and recycled water fixed monthly charges, and a 3% increase for both the wastewater fixed monthly charges and user charges.

Water, Recycled Water and Wastewater Rate Structures

Santa Rosa has a rate structure that encourages water conservation. Customers are charged a fixed monthly charge based on meter size and a user charge based on usage, per thousand gallons, for each billing period. The following details the rate structure for each type of customer:

- **Single-Family Residential (SFR)** customers are charged a water fixed monthly charge based on meter size and a user charge based on a four tiered water rate structure that encourages water conservation. In addition to the water fixed monthly charge, SFR customers that have water-only accounts (accounts with no City-provided wastewater service) that use City water for both indoor and irrigation uses are assigned a water cap and charged a user charge based on a four tiered water rate structure. The water cap is calculated by averaging usage during winter billing periods occurring during the months of November through March. In addition to the water fixed monthly charge, SFR customers with no sewer cap due to an absence of irrigation usage have all water billed at the Tier 1 user charge.

SFR customers are charged a wastewater fixed monthly charge based on meter size and a wastewater user charge based on calculated wastewater use as defined by the sewer cap (see below).
- **Sewer Cap** is determined based on indoor water usage, this is calculated by averaging usage during winter billing periods occurring during the months of November through March. During any billing period, if water usage is less than the sewer cap, accounts are charged wastewater user charges on the basis of actual water usage (the lesser amount).
- **Multi-family/Industrial/Commercial** customers are charged a water fixed monthly charge based on meter size and a user charge based on a uniform rate. Multi-family/Industrial/Commercial customers are charged a wastewater fixed monthly charge based on meter size and a wastewater user charge based on calculated wastewater use as defined by the sewer cap (see above).
- **Dedicated Irrigation Accounts** have a meter used only for irrigation and are charged a water fixed monthly charge based on meter size and a user charge based on site-specific billing period water budgets determined for each billing period in arrears.
- **Recycled Water** customers use recycled water for irrigation or other eligible uses and are charged a recycled water fixed monthly charge based on meter size and recycled water user charges based on site-specific billing period water budgets determined for each billing period in arrears.
- **Billing Period Water Budget** is the amount of water that the landscape needed during the billing period and is determined by using the site's square footage measurements for the type of landscape and the evapotranspiration rate.

Other Pertinent Rate-Related Changes – Minimum Sewer Charge

Pursuant to City Code Section 15-20.040(C), the City has the authority to set a minimum sewer user charge. The minimum sewer user charge will be set at 1,000 gallons per month or a sewer cap of 1.0. During any billing period, if water usage is less than 1,000 gallons, accounts will not be billed user charges.

Estimating Your Utility Bill

An average single-family residential customer having a sewer cap of 4,000 gallons and using 7,000 gallons of water per billing period will see his/her bill increase by \$3.81 per bill in 2012. However, every customer's usage is unique and each customer's bill will vary. You can estimate how the proposed service charges will affect your utilities bill in 2012 by using the formulas below. You will need a copy of a recent utility bill. From your utility bill, locate your fixed monthly charge determined by your meter size (most single-family residential accounts have a 5/8" meter), your sewer cap, and the amount of water that you use in each tier. Use the information from your bill and the amounts from the tables on the next page with the equations below:

Proposed Single Family Residential Water Charges:

$$\text{Fixed Cost by meter size} + \left(\text{Tier 1 water use} \times \frac{\$ \text{ per } 1000 \text{ gallons}}{1000} \right) + \left(\text{Tier 2 water use} \times \frac{\$ \text{ per } 1000 \text{ gallons}}{1000} \right) + \left(\text{Tier 3 water use} \times \frac{\$ \text{ per } 1000 \text{ gallons}}{1000} \right) + \left(\text{Tier 4 water use} \times \frac{\$ \text{ per } 1000 \text{ gallons}}{1000} \right) = \text{Est. Monthly Water Bill}$$

2012 Single Family Residential Calculation Example:
\$9.85 + (4 x \$4.55) + (3 x \$5.24) = \$43.77 (Est. monthly water bill)
 This example is based on a 5/8" meter, sewer cap of 4,000 gallons (or 4.0), and 7,000 gallons of water usage

Proposed Sewer Charges:

$$\text{Fixed Cost by meter size} + \left(\text{Sewer Usage} \times \frac{\$ \text{ per } 1000 \text{ gallons}}{1000} \right) = \text{Est. Monthly Sewer Bill}$$

2012 Sewer Calculation Example:
\$19.57 + (4 x \$12.00) = \$67.57 (Est. monthly sewer bill)
 This example is based on a 5/8" meter and 4,000 gallons of sewer usage

Proposed Service Charge Increases – User Charge

User Charge (per 1,000 gallons)	Current Charge (\$ per 1,000 gallons)	Proposed increase effective 1/14/2012	Proposed increase effective 1/1/2013
WATER			
Single-Family Residential			
Tier 1 (up to the sewer cap)	\$4.50	\$4.55*	\$4.60*
Tier 2 (Sewer cap to 8,000 gallons above sewer cap)	\$5.19	\$5.24*	\$5.29*
Tier 3 (8,001 to 30,000 gallons above sewer cap)	\$6.47	\$6.53*	\$6.60*
Tier 4 (Over 30,000 gallons above sewer cap)	\$9.71	\$9.81*	\$9.91*
Dedicated Irrigation			
Tier 1 (Up to 125% of billing period water budget)	\$4.75	\$4.80*	\$4.85*
Tier 2 (126 - 200% of billing period water budget)	\$6.47	\$6.53*	\$6.60*
Tier 3 (Over 200% of billing period water budget)	\$9.71	\$9.81*	\$9.91*
Multi-Family Residential	\$4.96	\$5.01*	\$5.06*
Commercial and Industrial	\$4.96	\$5.01*	\$5.06*
RECYCLED WATER			
Dedicated Irrigation			
Tier 1 (Up to 125% of billing period water budget)	\$4.51	\$4.55*	\$4.59*
Tier 2 (126 - 200% of billing period water budget)	\$6.47	\$6.53*	\$6.60*
Tier 3 (Over 200% of billing period water budget)	\$9.71	\$9.81*	\$9.91*
Commercial and Industrial	\$4.71	\$4.76*	\$4.80*
WASTEWATER			
All customers	\$11.65	\$12.00	\$12.36

* Plus or minus the automatic adjustment that passes through any adopted increases or decreases in the wholesale charges for water established by the Sonoma County Water Agency (City Code Section 14-08.15)

Proposed Service Charge Increases – Fixed Monthly Charge

Monthly Fixed Service Charge (by meter size)	Current Charge (\$)	Proposed increase effective 1/14/2012	Proposed increase effective 1/1/2013
WATER			
5/8" meter	\$8.35	\$9.85	\$11.35
1" meter	\$15.21	\$17.95	\$20.68
1½" meter	\$29.07	\$34.30	\$39.52
2" meter	\$48.86	\$57.65	\$66.42
3" meter	\$114.27	\$134.84	\$155.33
4" meter	\$194.40	\$229.39	\$264.26
6" meter	\$425.58	\$502.18	\$578.52
RECYCLED WATER			
5/8" meter	\$7.52	\$8.87	\$10.22
1" meter	\$13.69	\$16.15	\$18.61
1½" meter	\$26.16	\$30.87	\$35.56
2" meter	\$43.97	\$51.88	\$59.77
3" meter	\$102.84	\$121.35	\$139.80
4" meter	\$174.96	\$206.45	\$237.83
6" meter	\$383.02	\$451.96	\$520.66
WASTEWATER			
5/8" meter	\$19.00	\$19.57	\$20.16
1" meter	\$42.32	\$43.59	\$44.90
1½" meter	\$90.31	\$93.02	\$95.81
2" meter	\$157.33	\$162.05	\$166.91
3" meter	\$349.03	\$359.50	\$370.29
4" meter	\$617.36	\$635.88	\$654.96
6" meter	\$1,384.07	\$1,425.59	\$1,468.36

VISIT SRCITY.ORG/UTILITYRATES FOR ADDITIONAL INFORMATION ABOUT THE PROPOSED SERVICE CHARGE INCREASES



City of
Santa Rosa

P.O. Box 1658
SANTA ROSA, CA 95402

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ATTENTION

**This notice contains
important information
about proposed
rate increases for
water, recycled water,
and wastewater services.**

Notice of Public Hearing

Date: December 6, 2011

Time: At or after 5:00 PM

**Santa Rosa Council Chamber
100 Santa Rosa Avenue,
Santa Rosa**

On Tuesday, December 6, 2011, at or after 5:00 PM, the Santa Rosa City Council will hold a public hearing to consider the proposed increases to water, recycled water and wastewater service charges as described in this notice.

Additional information is available on the City's website at srcity.org/utilityrates

How to protest the proposed rate increases

All owners and tenants of property receiving water, recycled water and/or wastewater service, all City water, recycled water and/or wastewater customers, and interested persons are invited to attend the Public Hearing and be heard about proposed increases to the service charges for water, recycled water and wastewater service. An owner or tenant of property receiving City water, recycled water or wastewater service may protest the proposed increased service charges by submitting a written protest by mail or in person to the City Clerk, 100 Santa Rosa Avenue, Room 10, Santa Rosa, CA 95404. Written protests must be received (*not postmarked*) by the City Clerk before or during the public hearing. Any protest submitted by e-mail or other electronic means will not be accepted.

The protest must be signed by the property owner(s) or tenant(s) and must include the assessor's parcel number(s) or street address(es) of all property(ies) serviced. Only one written protest per identified parcel or property will be counted for purposes of determining whether there is a majority protest.

Cost data regarding the proposed increased charges is available for review during business hours at the City Clerk's Office, City Hall, 100 Santa Rosa Avenue, Room 10. For questions call (707) 543-3150. Additional information about the proposed increases may be found at srcity.org/utilityrates.