RESOLUTION NO. 28804

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AMENDING AND RESTATING RESOLUTION NO. 28718 LEVYING AND ASSESSING WASTEWATER SERVICE CHARGES TO REFLECT A REDUCTION IN RATE INCREASE FOR 2016

WHEREAS, Chapter 15-20 of the Santa Rosa City Code provides for the operation of sanitary sewer facilities as a City-owned utility "maintained and operated under the control and direction of the Board of Public Utilities in accordance with the City Charter"; and

WHEREAS, it is a policy of the City that the wastewater (sewer) system, including the wastewater treatment and disposal facilities, be operated as a self-supporting utility and that service charges for its use shall be calculated and changed from time to time in sufficient amounts to operate and maintain the sewer system to meet the needs of all users; and

WHEREAS, the Board of Public Utilities has reviewed the previously authorized 5-year proposed sewer service charges as adopted by the City Council pursuant to Council Resolution No. 28718 to determine their adequacy with respect to the financial needs required to operate and maintain the sanitary sewer system of the City of Santa Rosa; and

WHEREAS, based on its review, the Board of Public Utilities has recommended that the 2016 wastewater service charge increase be reduced from a 3% increase to a 2% increase with all other future rate increases remaining as previously authorized; and

WHEREAS, the Council finds that the revised wastewater rate increases of 2%, as opposed to the prior 3% in 2016, as set forth below are adequate to meet operating expenses, cost of supplies, materials and equipment, and financing capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa hereby amends and restates Resolution No. 28718 with respect to the wastewater service charges to reflect the reduction in rate increase for 2016 and establishes the following monthly wastewater (sewer) service charges to be reflected on billings rendered on and after January 5, 2016, and on and after July 1, 2016 and for each of the following years through July 1, 2020.

1. Fixed Monthly Charges

(a) Residential: The fixed monthly charge per sewer connection for single family residential users, on billings rendered on and after January 5, 2016, shall be $22.74.

The fixed monthly charge per sewer connection for single family residential users shall reflect the reduced rate increase of 2% on billings rendered on and after July 1, 2016 and for each of the following years through July 1, 2020, shall be as follows:

Meters Read on and After July 1, 2016	Meters Read on and After July 1, 2017	Meters Read on and After July 1, 2018	Meters Read on and After July 1, 2019	Meters Read on and After July 1, 2020
$23.19	$23.89	$24.61	$25.22	$25.85

(b) Commercial/Industrial/Multi-Family: The fixed monthly charge per sewer connection for commercial, industrial, and multi-family residential users is based on the size of the water meter to the premises, and shall reflect the reduced rate increase of 2% as of July 1, 2016, and for each of the following years through July 1, 2020, shall be as follows:

Meter Size (in inches)	Meters Read on and After January 5, 2016	Meters Read on and After July 1, 2016	Meters Read on and After July 1, 2017	Meters Read on and After July 1, 2018	Meters Read on and After July 1, 2019	Meters Read on and After July 1, 2020
5/8" & 3/4"	$22.74	$23.19	$23.89	$24.61	$25.22	$25.85
1"	$54.75	$55.85	$57.53	$59.26	$60.74	$62.26
1.5"	$108.11	$110.27	$113.58	$116.99	$119.91	$122.91
2"	$172.15	$175.59	$180.86	$186.29	$190.95	$195.72
3"	$321.56	$327.99	$337.83	$347.96	$356.66	$365.58
4"	$535.00	$545.70	$562.07	$578.93	$593.40	$608.24
6"	$1,068.60	$1,089.97	$1,122.67	$1,156.35	$1,185.26	$1,214.89

2. General User Charges

(a) Residential: In addition to the fixed monthly charge set forth in section 1, residential users shall pay a user charge of $13.08 for each 1,000 gallons of wastewater generated, on billings rendered on and after January 5, 2016, and usage charges for each 1,000 gallons of wastewater generated, on billings rendered on and after July 1, 2016, which shall reflect the reduced rate increase of 2%, and for each of the following years through July 1, 2020 as follows:

Meters Read on and After July 1, 2016	Meters Read on and After July 1, 2017	Meters Read on and After July 1, 2018	Meters Read on and After July 1, 2019	Meters Read on and After July 1, 2020
$13.34	$13.74	$14.15	$14.50	$14.86

(b) User Charges for Commercial/Industrial Operations: In addition to the fixed monthly charges set forth in section 1, the following types of commercial/industrial operations shall pay a user charge for each 1,000 gallons of water used, based on wastewater strength ranges on file at the Water Department, which shall reflect the reduced rate increase of 2% effective as of July 1, 2016 and for each of the following years through July 1, 2020, as follows:

	Meters Read on and After January 5, 2016	Meters Read on and After July 1, 2016	Meters Read on and After July 1, 2017	Meters Read on and After July 1, 2018	Meters Read on and After July 1, 2019	Meters Read on and After July 1, 2020
Low Strength	$ 10.87	$ 11.09	$ 11.42	$ 11.76	$ 12.05	$ 12.35
Standard Strength	$ 13.08	$ 13.34	$ 13.74	$ 14.15	$ 14.50	$ 14.86
Medium Strength	$ 14.50	$ 14.79	$ 15.23	$ 15.69	$ 16.08	$ 16.48
High Strength	$ 17.91	$ 18.27	$ 18.82	$ 19.38	$ 19.86	$ 20.36

Commercial/industrial users identified and coming within the provisions of section 3 shall also pay a surcharge as therein set forth.

3. Additional Surcharge

(a) Calculated:

In addition to the fixed and user charges set forth in sections 1, and 2 for a commercial/industrial user whose wastewater strengths exceed the range for its category, as determined by being sampled and analyzed, an additional surcharge based on strength shall be imposed, calculated, and billed based on the actual test results.

Additional surcharges are based on laboratory analysis of the discharge to the sewer collection system by the affected customer. Monthly surcharges are developed for each commercial and industrial connection to the sewer system whose wastewater is sampled and analyzed, based on the flow from the premises, the laboratory analysis, and the applicable unit costs. Each customer subject to the extraordinary strength surcharges would also pay the general wastewater rates, including a service charge based on meter size and the standard strength wastewater usage rate. The additional surcharges reflect the additional costs associated with treating loads associated with wastewater from these monitored users.

	On and After January 5, 2016	On and After July 1, 2016	On and After July 1, 2017	On and After July 1, 2018	On and After July 1, 2019	On and After July 1, 2020
	Additional Surcharges Per Pound					
BOD	$ 0.44	$ 0.45	$ 0.46	$ 0.47	$ 0.48	$ 0.49
TSS	$ 0.51	$ 0.52	$ 0.54	$ 0.56	$ 0.57	$ 0.58
Ammonia	$ 1.12	$ 1.14	$ 1.17	$ 1.21	$ 1.24	$ 1.27

Sample Additional Surcharge Calculation

Measured monthly flow = 100,000 gallons = 0.100 MG
Measured BOD = BODM = 1200 mg/l
Measured TSS = TSSM = 800 mg/l
Measured TKN = TKNM = 50 mg/l

Extraordinary Strength Surcharge =
[(BODM - BODStd) x $0.44
+ (TSSM - TSSStd) x $0.51
+ (TKNM - TKNStd) x $1.12] x 8.34
x Flow
= [(1,200 – 270) x $0.44 + (800 – 225) x $0.51 + 0 x $1.12] x 8.34 x 0.100 MG
= **$586.95**

In this example, the measured TKN is below the standard threshold, so the surcharge does not include costs related to this constituent. Also, the factor from converting mg/l to lbs/MG is 8.34.

(b) Establishment of a Monthly Surcharge Rate:

In addition to the fixed and user charges set forth in Sections 1 and 2, a monthly surcharge rate may be established for commercial/industrial users discharging high strength waste. The monthly rate shall be determined as set forth in 3(a) and by utilizing the average of twelve billing periods of analytical data. Should the discharge characteristics of a commercial/industrial category change over time from that which the rate was developed, the rate for that commercial/industrial discharger shall be developed in accordance with 3 (a).

5. Mixed Service Users

The City of Santa Rosa shall place each account into one of the above categories of users based upon which is the predominant service use.

Business enterprises will be classified into a commercial or industrial category by the City of Santa Rosa in accordance with standard definitions.

BE IT FURTHER RESOLVED that wastewater service billings shall be based on these new rates and charges on billings rendered on and after January 5, 2016.

BE IT FURTHER RESOLVED that the revenues collected from the adopted wastewater service charges shall be used to defray any expenses associated with the City's Local Wastewater Fund.

BE IT FURTHER RESOLVED that pursuant to City Code Section 15-20.040(C), the minimum sewer usage charge will be set at 1,000 gallons per month.

BE IT FURTHER RESOLVED that delinquent charges and all penalties thereon when recorded as provided in Chapter 6 of Part 1 of Division 2 of Title 5 of the Government Code and in Chapter 15-20 of the Santa Rose City Code, as the same now exist or may hereafter be amended, shall constitute a lien upon the real property served (except publicly-owned property) and such lien shall continue until the charge(s) and all penalties thereon are fully paid or the property sold therefore.

BE IT FURTHER RESOLVED that the Council, based on the reports, oral and written, of staff, the recommendations of the Board of Public Utilities, the other materials provided and considered, and the testimony and other evidence presented, finds that the changes in monthly service charges and rates set forth above are required and sufficient to meet the estimated costs and operating expenses (including, but not limited to, employee wages and benefits, the cost of purchasing and/or leasing supplies, materials and equipment, financial reserve requirements, including payments on outstanding bonds, and capital costs required for replacements and previously approved improvements, including costs and improvements required to meet regional water quality control wastewater discharge requirements) of the City's wastewater utility, an enterprise system, which are necessary for the utility to continue to provide proper and adequate service to the properties and premises served by it. Based on this finding, the Council finds and determines that the

changes in the service charges and rates set forth in this resolution are exempt from the provisions of the California Environmental Quality Act under section 15273 of the State CEQA Guidelines.

IN COUNCIL DULY PASSED this 15th day of June, 2016.

AYES: (7) Mayor Sawyer, Vice Mayor Schwedhelm, Council Members Carlstrom, Combs, Coursey, Olivares, Wysocky

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST:_____ APPROVED:_____

Interim City Clerk Vice Mayor

APPROVED AS TO FORM:

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Acting City Attorney