



OUR FUTURE IN EVERY DRÖP

September 23, 2021

To whom it may concern,

RE: Proposed Water Demand Offset (WDO) Policy and WDO Fees during severe water shortages

The City of Santa Rosa (City) is required by State Law to prepare an Urban Water Management Plan (UWMP) every five years to assess the adequacy and reliability of water supplies for current and future needs for our community. State Law also requires the City to have a Water Shortage Contingency Plan (Shortage Plan), which details how the City will respond to water shortage emergencies to ensure demand does not exceed supply. The City's UWMP and Shortage Plan are available online at <http://srcity.org/uwmp>.

During severe water shortages, the City's Shortage Plan requires existing water customers to adhere to very restrictive water allocations (water rationing). Under rationing conditions, no water is available for new demand. To ensure that development can continue during severe water shortages, the Shortage Plan requires developers to offset new water demand that is created by their projects.

In response to the current drought, the City is in a Stage 3 water shortage emergency, requiring a 20% community-wide reduction in water use and is not requiring water allocations. However, should the region not receive sufficient rainfall this winter, the City may need to declare a more restrictive water shortage emergency including requiring water allocations.

To implement the demand offset requirements of the City's Shortage Plan, the City will be considering adoption of a Water Demand Offset (WDO) Policy and WDO Fee structure. The WDO Policy would allow development to continue in Santa Rosa during severe water shortages through the payment of a WDO fee that would be used by the Water Department to implement water use efficiency and/or water supply projects or programs to offset the new demands.

If approved, the WDO Policy and WDO Fee structure would take effect immediately for development projects that (1) have not already applied for a building permit and (2) are subject to new or increased connection fees. Payment of the WDO fee would be due when a development project requests building permit final *if the City is in a declared water shortage emergency that requires existing customers to adhere to water allocations*. If the City is not requiring water allocations at that time, WDO fees would not be required.

The City conducted a WDO Fee Study to develop the WDO fee structure. The Study considered water use factors for new development and programmatic costs and water use reductions associated with specific water saving programs. The draft WDO Fee schedule is provided on the next page.

Proposed WDO Fee Schedule (DRAFT)

Type of Development	WDO Fee
Residential (per housing unit) ⁽¹⁾	
Single Family Residential	
Small Lot (6,000 sq ft and under)	\$ 1,964
Large/Medium Lot (over 6,000 sq ft to 1 acre)	\$ 2,782
Large Lot (over 1 acre)	\$ 5,047
Condos, Apartments, Mobile Homes	\$ 1,573
ADUs and Senior Housing Units	\$ 868
Commercial, Industrial, Institutional and Irrigation (CII) ⁽¹⁾	
Per thousand-gallon unit (TGAL) per month	\$ 415

⁽¹⁾ WDO fee is assessed per housing unit for residential and per thousand-gallon per month of demand for CII accounts

Water Department staff will be making informational presentations at public meetings to inform the Board of Public Utilities, Planning Commission, and City Council about the WDO Policy and WDO Fee structure on these dates:

- October 7 at or after 1:30PM – Board of Public Utilities
- October 14 at or after 1:30 PM – Planning Commission
- October 26 at or after 1:00 PM – City Council

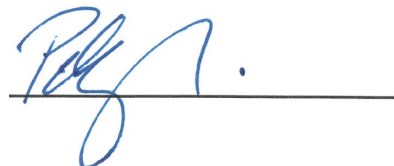
In addition, the Board of Public Utilities and then the City Council will consider the WDO Policy and WDO Fee structure on these dates:

- November 4 at or after 1:30PM – The Board of Public Utilities will consider whether to recommend that the City Council adopt the WDO Policy and WDO fee structure.
- November 30 at or after 5PM – The City Council will hold a public hearing and consider adopting the WDO Policy and WDO Fee structure.

The draft WDO Policy and draft 2021 WDO Fee Study report will be available in October and will be attached to the Board of Public Utilities, Planning Commission, and City Council agendas. For information on upcoming meetings and agendas, please visit santa-rosa.legistar.com

If you have questions or would like to request a copy of the draft WDO Policy and draft 2021 WDO Fee Study report, please contact Colin Close, Senior Water Resources Planner, at 707-543-4524 or via email at CClose@srcity.org.

Sincerely,



PETER MARTIN
Deputy Director Water Resources