

Wholesale Recycled Water Rate Recommendation

City Council

July 30, 2013

Overview

- ❑ Subregional Pricing Policy
- ❑ Recommended Wholesale Rate Changes
- ❑ Public Hearing





Subregional Pricing Policy

- Initially set in the 1990's and included recycled water policies and pricing structure to maximize disposal
 - Provided guidance on recycled water charges for urban and agricultural customers
- December 2007 - Wholesale-retail relationship between Subregional and Local Water established
 - Subregional Pricing Policy reviewed and changes recommended



Subregional Pricing Policy

- May 2008 – Board adopted updated Pricing Policy
 - Recognizing the water supply value of recycled water
 - Recommending the wholesale recycled water rate for the Santa Rosa Urban Reuse System
- June 2008 – City Council adopted Reso No. 27152
 - Set the wholesale rate at \$225/ac-ft in 2008 dollars
 - Indexed to increases in SCWA wholesale rate

Current Non-Interruptible Wholesale Recycled Water Rate

□ Wholesale Rate Increases

Date	Percentage Increase in SCWA Wholesale Rate (%)	Wholesale Rate (Per Acre-Foot)
7/1/2013	4.95%	\$336.90
7/1/2012	5.98%	\$321.01
7/1/2011	5.00%	\$302.89
7/1/2010	6.93%	\$288.47
7/1/2009	19.90%	\$269.78
12/1/2008	---	\$225.00

□ Current Rate is \$336.90 per acre-foot

Recommended Update to Non-Interruptible Wholesale Recycled Water Rate

- Recommend indexing to CPI-U for San Francisco-Oakland-San Jose, California

Date	Percentage Annual Change CPI - U (%)	Wholesale Rate (Per Acre-Foot)
1/1/2013	2.7%	\$242.08
1/1/2012	2.6%	\$235.72
1/1/2011	1.4%	\$229.75
1/1/2010	0.7%	\$226.58
12/1/2008	---	\$225.00

- Recommend setting wholesale rate at \$242 acre-foot in 2013 dollars and index to CPI-U



Recommended Establishment of Interruptible Service Wholesale Rate

- Interruptible service provides flexibility to the Subregional System
 - Interruptible service – Customers that store recycled water on site and use that storage to pressurize their irrigation system
 - Their system can be interrupted at any time
- Recommend establishing wholesale rate for interruptible service at \$130 per acre-foot in 2013 dollars



Recommendation

- Recommended by Board of Public Utilities, SubTAC and Utilities Department Staff
 - Adopt wholesale recycled water rate for interruptible service and decrease the wholesale recycled water rate for non-interruptible service



Public Hearing
