

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: ALAN ALTON, ACTING CFO
FINANCE DEPARTMENT

SUBJECT: BILLING ADJUSTMENT POLICY FOR WATER USED FOR FIRE
PROTECTION DURING THE SEPTEMBER 2020 GLASS FIRE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Finance and Water Departments that the Board of Public Utilities, by resolution, adopt a policy for adjusting customers' usage charges for water or recycled used to protect properties during the September 2020 Glass Fire and adjust any associated sewer usage charges.

EXECUTIVE SUMMARY

In September and early October 2020, the City of Santa Rosa experienced the Glass Fire disaster that damaged and/or destroyed approximately 30 properties. In an effort to protect properties from fires, some customers used excessive water to protect their properties from possible damage. Guided by Water Billing Policy UB-2 Billing Adjustments, the Finance Department has developed a policy to assist customers with the costs associated with the water and sewer usage charges associated with the protection of properties.

BACKGROUND

1. On August 20, 2020, the Board of Public Utilities adopted Water Billing Policy UB-2 – Billing Adjustments (Policy UB-2). As part of the adoption of Policy UB-2, the Board directed the Water Director to add language to the Variance Section of Policy UB-2 to address natural disasters. Item 5.2 was added to the Variance Procedures section providing that billing adjustments for unexpected emergency circumstances may be addressed as part of the City's response to the emergency.
2. Under existing Policy UB-2, the Finance Department currently performs adjustments for unexplained excessive usage or theft of water.
3. Policy UB-2 contains specific criteria to perform a billing adjustment. The adjustment must be requested within sixty days of the theft or unexplained water use, water use must

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be 50% higher than the use in the same billing period or periods in the previous year, and the customer may only request an adjustment once in a thirty-six month period.

4. The qualifying potable water use is adjusted to the potable wholesale rate, currently at \$2.96.
5. If the use was outside (e.g., the water theft was from a hose bib), the water was not discharged to the sewer system and any sewer usage charges incurred because of the additional water use are adjusted accordingly.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On August 20, 2020, the Board, by Resolution No.1233, adopted Update Water Billing Policy UB-2 Billing Adjustments.

ANALYSIS

1. Many Santa Rosa Citizens have been affected financially by the September 2020 Glass fire. Some customers have indicated they used water to protect their properties during the fires.
2. Guided by Policy UB-2, as part of the City's response to the emergency, the Finance Department has developed a proposed policy for an additional one-time water usage adjustment for customers to alleviate some of the impact by adjusting the water usage charges for the additional water used by customers in protecting their properties from fire.
3. The criteria for adjustment would be based on usage during the same billing period or periods last year. The difference between the current practice and the proposed adjustment policy is that all additional water usage above the usage used same time last year would be eligible for adjustment.
4. The customers will be required to request an adjustment prior to April 1, 2021 for the period in which the additional water use occurred.
5. Water Billing would adjust the price of the additional water used for fire protection to the potable wholesale rate of water, \$2.96 per thousand gallons. Any excess recycled water used would be adjusted to the wholesale rate of \$0.91 Sewer charges that are associated with the additional water used would be adjusted by the full amount per thousand gallons since the water used would not have been discharged to the sewer systems.

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FISCAL IMPACT

The water used would not have been included in the water projections for this year and the customers will be charged the wholesale rate covering the Water Department's costs for purchasing the water, so there would be no significant fiscal impact.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

None.

ATTACHMENTS

- Attachment 1 – Water Billing Policy UB-2 – Billing Adjustments
- Attachment 2 - Draft Billing Adjustment for Fire Projection Water Use Policy
- Resolution

CONTACT

Alan Alton, aalton@srcity.org, (707) 543-3093