

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: ALAN ALTON – DEPUTY DIRECTOR, FINANCE
SUBJECT: RECOMMENDED CHANGES TO THE COMMERCIAL,
INDUSTRIAL, AND INSTITUTIONAL SEWER CAP CALCULATION
FOR THE SEWER CAP IN EFFECT FROM JULY 1, 2021
THROUGH JUNE 30, 2022

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by Santa Rosa Water and Finance Department staff that the Board of Public Utilities, by resolution, keep the current sewer caps for Commercial, Industrial and Institutional customers, which were based on pre COVID-19 Pandemic restrictions, for the period from July 1, 2021 through June 30, 2022.

EXECUTIVE SUMMARY

Commercial, industrial, and institutional (CII) accounts are required by current standards to install a separate irrigation meter. CII customers pay for the same volume of sewer as they do for domestic water because all use is indoors and therefore discharged to the sewer system. There are approximately 340 CII accounts that have a sewer cap because they were established prior to the requirement for a separate irrigation meter or because they are sewer only accounts and the sewer cap provides the billing system a mechanism to bill sewer usage charges.

CII sewer caps are calculated by the average winter water use for three complete billing periods of use beginning with the first meter reading on or after November 15th and ending after three full billing periods have been completed (Winter Billing Period). The sewer caps go into effect July 1st of each year.

During the most recent Winter Billing Period, the majority of businesses and schools with a sewer cap were not at full capacity due to the COVID-19 Pandemic restrictions and thus winter use would not be representative of sewer discharge.

California reopened on June 15, 2021 and businesses were allowed to return to normal capacities.

RECOMMENDED CHANGES TO THE COMMERCIAL, INDUSTRIAL AND
INSTITUTIONAL SEWER CAP CALCULATION FOR THE SEWER CAP IN EFFECT
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The current sewer caps on the CII accounts with a sewer cap were based on fully operational business and would be representative of sewer being discharged to the sewer system with operations returning to full capacity.

BACKGROUND

1. For water charges, customers are billed a fixed monthly charge based on meter size and a usage charge based on actual metered use, per thousand gallons, for each billing period.
2. CII customers are billed one thousand gallons of sewer for each thousand gallons of water used because they are required to install a separate irrigation meter and all use from the domestic meter is discharged to the sewer system.
3. Over 300 accounts were assigned a sewer cap because they were established before the requirement of a separate irrigation meter or because they do not use City water and the sewer cap is the mechanism for the billing system to charge sewer usage charges.
4. For sewer charges, CII customers with a sewer cap are billed a fixed monthly charge based on the meter size and a usage charge based on indoor water use through the calculation of a sewer cap.
5. The average usage during the Winter Billing Period is used to determine the sewer cap because it is representative of indoor water use.
6. During any billing period, if actual water use is less than the sewer cap, the customer is billed for the same volume of sewer as water used.
7. CII sewer only customers are billed a fixed and usage charge monthly based on the number of employees and/or students and the hours of operation.
8. The sewer caps are updated on July 1st of every year, based on the previous Winter Billing Period average water use. The sewer cap stays in effect from July 1st through June 30th each year.

ANALYSIS

1. During the last Winter Billing Period, Santa Rosa businesses were under COVID-19 Pandemic restrictions and were not fully operational, or were closed or largely unoccupied.
2. The State of California lifted capacity restrictions as of June 15, 2021, allowing businesses the opportunity to return to normal operations.
3. The current sewer caps on the CII accounts with a sewer cap were based on fully operational business and would be representative of sewer being discharged to the sewer system with operations returning to full capacity.

FISCAL IMPACT

This will not have an impact on the projected revenue.

RECOMMENDED CHANGES TO THE COMMERCIAL, INDUSTRIAL AND
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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.

PRIOR CITY COUNCIL REVIEW

N/A

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

N/A

ATTACHMENTS

- Resolution

CONTACT

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