RESOLUTION NO. RES-2025-050

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA LEVYING AND ASSESSING WATER AND WASTEWATER RATES CHARGED FOR SERVICE AND REPEALING RESOLUTION NO. RES-2021-087

WHEREAS, Chapter 14-08 of the Santa Rosa City Code provides for the operation of a potable water system and recycled water system "maintained and operated under the control and direction of the Board of Public Utilities in accordance with the City Charter"; and

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 water and wastewater (sewer) systems, including the wastewater treatment and disposal facilities, be operated as self-supporting utilities and that charges for service for their use shall be calculated and changed from time to time in sufficient amounts to operate and maintain the systems to meet the needs of all users; and

WHEREAS, the Board of Public Utilities has reviewed the proposed water and sewer service charges as outlined in the 2024 Comprehensive Water and Wastewater Rate Study Report to determine their adequacy and satisfy the financial needs required to operate and maintain the water and sanitary sewer systems of the City of Santa Rosa; and

WHEREAS, the City proposed for adoption, subject to notice and hearing as required by California Constitution Article XIII D, section 6 ("Proposition 218"), the proposed rate changes set forth in the January 15, 2025, public notice mailed to property owners and water and sewer users; and

WHEREAS, the notices of proposed water and wastewater rate changes were mailed to all owners and users in accordance with Proposition 218 and the notices included all the requisite information required by Proposition 218 including, without limitation, a schedule of proposed rates and charges, the date, time and location of the public protest hearing, and instructions on how to obtain and complete a written protest form to protest the proposed rate changes, and instructions on how to obtain and submit a written objection form to exhaust administrative remedies; and

WHEREAS, the Council convened a duly noticed public meeting and hearing on April 1, 2025 for the purpose of receiving and considering all qualifying and timely submitted oral and written protests opposing the proposed rate changes; and

WHEREAS, in accordance with the requirements of Proposition 218, the City's hearing on the proposed rate changes was held not less than 45 days after it provided written notice by mail to the owners and users of each affected parcel upon which the respective increased rates are proposed for imposition; and

WHEREAS, at the conclusion of the public hearing, the Council caused to be counted all qualifying and timely submitted written protests to the proposed increased water and wastewater rates and it was determined that the written protests received and not withdrawn represent less than a majority of the affected parcels subject to the proposed increase in rates; and

WHEREAS, the Council finds that the proposed rate changes comply with all requirements of law, including those set forth in Proposition 218 and are in the best interest of the City of Santa Rosa and its customers; and

WHEREAS, the Council finds that the rate increases set forth below are for the purpose of meeting increased operating expenses, debt service, increased catastrophic reserves, cost of supplies, materials and equipment, and financing capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE, BE IT RESOLVED the Recitals set forth in this Resolution and true and correct statements and are incorporated as an operative part of this Resolution and made findings and determinations by the Council.

BE IT FURTHER RESOLVED that the Council of the City of Santa Rosa repeals Resolution No. RES-2021-087 and establishes the following monthly water and wastewater (sewer) service charges to be reflected on billings rendered on and after July 1, 2025, and on and after July 1 for each of the following years through July 1, 2029.

I. Potable Water and Recycled Water Service

1. Fixed Monthly Charges

(a) Single Family Residential, Multi-Family, Commercial, Institutional and Irrigation (Potable Water):

Meter Size	Meters Read on and After				
(in inches)	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
5/8 " & 3/4"	$15.38	$15.84	$16.32	$16.81	$17.81
1"	$35.78	$36.85	$37.96	$39.10	$41.44
1.5"	$69.78	$71.86	$74.03	$76.25	$80.83
2"	$110.58	$113.90	$117.31	$120.83	$128.08
3"	$205.78	$211.95	$218.31	$224.86	$238.35
4"	$341.78	$352.03	$362.59	$373.47	$395.88
6"	$681.78	$702.23	$723.36	$745.00	$789.70

(b) Single Family Residential, Multi-Family, Commercial, Institutional and Irrigation (Recycled Water):

Meter Size	Meters Read on and After				
(in inches)	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
5/8 " & 3/4"	$13.84	$14.26	$14.68	$15.13	$16.03
1"	$32.20	$33.17	$34.16	$35.19	$37.30
1.5"	$62.80	$64.69	$66.63	$68.63	$72.74
2"	$99.52	$102.51	$105.58	$108.75	$115.28
3"	$185.20	$190.76	$196.48	$202.38	$214.52
4"	$307.60	$316.83	$326.33	$336.13	$356.29
6"	$613.60	$632.01	$650.97	$670.50	$710.73

2. Residential: In addition to the fixed monthly charge set forth in section 1, residential users shall pay a user charge of $7.21 for each 1,000 gallons of water usage up to the sewer cap[1] (tier 1 usage) on billings rendered on and after July 1, 2025, and $8.43 for each 1,000 gallons of water usage above the sewer cap[1] (tier 2 usage).

   The usage rates for the fiscal years beginning July 1, 2026 – 2029 are to be determined contingent on the increase in wholesale water supply costs ("pass-through") from Sonoma Water.

   (1) The Sewer Cap is calculated for each customer based on the average billing period water use during November through March, and is used to differentiate between tier 1 and 2 rates on residential accounts.

3. Dedication Irrigation: Dedicated irrigation accounts shall pay user charges of $7.33 for each 1,000 gallons of potable water usage up to 125% of the water budget[2] (tier 1 usage) on billings rendered on and after July 1, 2025, and $9.36 for each 1,000 gallons of potable water usage above 125% of the water budget[2] (tier 2 usage).

   Dedicated irrigation accounts utilizing recycled water (non-potable) shall pay user charges of $6.96 for each 1,000 gallons of recycled water usage up to 125% of the water budget[2] (tier 1 usage) on billings rendered on and after July 1, 2025, and $9.36 for each 1,000 gallons of recycled water usage above 125% of the water budget[2] (tier 2 usage).

   The usage rates for the fiscal years beginning July 1, 2026 – 2029 are to be determined contingent on the increase in wholesale water supply costs ("pass-through") from Sonoma Water.

   (2) The landscape water budget varies for each customer each billing period and is determined using the site's square footage for the types of plants and the evapotranspiration rate for the billing period.

4. Multi-Family, Commercial, Industrial and Institutional: Multi-family, commercial, industrial and institutional accounts shall pay user charges of $7.66 for each 1,000 gallons of water usage on billings rendered on and after July 1, 2025.

The usage rates for the fiscal years beginning July 1, 2026 – 2029 are to be determined contingent on the increase in wholesale water supply costs ("pass-through") from Sonoma Water.

II. Wastewater Service

1. Fixed Monthly Charges

(a) Residential: The fixed monthly charge per sewer connection for single family residential users, on billings rendered on and after July 1, 2025 shall be $29.77.

The fixed monthly charge per sewer connection for single family residential users, on billings rendered on and after July 1, 2025 and for each of the following years through July 1, 2029, shall be

Meters Read on and After July 1, 2025	Meters Read on and After July 1, 2026	Meters Read on and After July 1, 2027	Meters Read on and After July 1, 2028	Meters Read on and After July 1, 2029
$29.77	$31.26	$32.82	$34.46	$36.18

(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 be as follows:

Meter Size (in inches)	Meters Read on and After July 1, 2025	Meters Read on and After July 1, 2026	Meters Read on and After July 1, 2027	Meters Read on and After July 1, 2028	Meters Read on and After July 1, 2029
5/8" & 3/4"	$29.77	$31.26	$32.82	$34.46	$36.18
1"	$69.80	$73.29	$76.95	$80.80	$84.84
1.5"	$136.53	$143.36	$150.53	$158.06	$165.96
2"	$216.60	$227.43	$238.80	$250.74	$263.28
3"	$403.42	$423.59	$444.77	$467.01	$490.36
4"	$670.32	$703.84	$739.03	$775.98	$814.78
6"	$1,337.56	$1,404.44	$1,474.66	$1,548.39	$1,625.81

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 $16.86 for each 1,000 gallons of wastewater generated, on billings rendered on and after July 1, 2025 and on and after July 1, for each of the following years through July 1, 2029 as follows:

Meters Read on and After July 1, 2025	Meters Read on and After July 1, 2026	Meters Read on and After July 1, 2027	Meters Read on and After July 1, 2028	Meters Read on and After July 1, 2029

$16.86	$17.70	$18.59	$19.52	$20.50

(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, on bills rendered on and after July 1, 2025, and on and after July 1, for each of the following years through July 1, 2029 as follows:

	Meters Read on and After July 1, 2025	**Meters Read on and After July 1, 2026**	**Meters Read on and After July 1, 2027**	**Meters Read on and After July 1, 2028**	**Meters Read on and After July 1, 2029**
Low Strength	$13.87	$14.56	$15.29	$16.05	$16.85
Standard Strength	$16.86	$17.70	$18.59	$19.52	$20.50
Medium Strength	$18.77	$19.71	$20.70	$21.74	$22.83
High Strength	$23.39	$24.56	$25.79	$27.08	$28.43

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.

Extraordinary Load Surcharges					
	Volumetric Rate				
Metric	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
BOD ($/LB)	$0.59	$0.62	$0.65	$0.68	$0.71
TSS ($/LB)	$0.70	$0.74	$0.78	$0.82	$0.86
TKN ($/LB)	$1.52	$1.60	$1.68	$1.76	$1.85

Sample Additional Surcharge Calculation
Measured monthly flow = 100,000 gallons = 0.100 MG
Measured BOD = BOD_M = 1200 mg/l
Measured TSS = TSS_M = 800 mg/l
Measured TKN = TKN_M = 50 mg/l

Extraordinary Strength Surcharge =
[(BOD_M - BOD_{Std}) x $0.54
+ (TSS_M - TSS_{Std}) x $0.63
+ (TKN_M - TKN_{Std}) x $1.37] x 8.34
x Flow
= [(1,200 – 270) x $0.54 + (800 – 225) x $0.63 + (0) 1 x $1.37] x 8.34 x 0.100 MG
= $720.95
[1] In this example, the measured TKN of 50 mg/l is below the standard threshold of 55 mg/l, so the surcharge does not include additional costs related to this constituent.

(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 for which the rate was developed, the rate for that commercial/industrial discharger shall be developed in accordance with 3(a).

4. 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 water and wastewater service billings shall be based on these new rates and charges on billings rendered on and after July 1, 2025.

BE IT FURTHER RESOLVED that the revenues collected from the adopted water service charges shall be used to defray any expenses associated with the City's Water Fund and 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 14-08.010, the minimum water usage charge will be set at 1,000 gallons per month and 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 Rosa 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 if any section, subsection, sentence, clause or action in this Resolution or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Resolution or any part thereof. The Council hereby declares that it would have adopted each section irrespective of the fact that any one or more sections, subsections, sentences, clauses, or actions be declared unconstitutional, invalid, or ineffective.

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 regulatory requirements) of the City's water utility, an enterprise system, and wastewater utility, an enterprise system, which are necessary for the utilities 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 Public Resources Code section 21080, subdivision (b)(8) and Title 14 California Code of Regulations section 15273.

IN COUNCIL DULY PASSED this 1st day of April, 2025.

AYES:	(6) Mayor Stapp, Vice Mayor Alvarez, Council Members Bañuelos, Fleming, MacDonald, Okrepkie
NOES:	(0)
ABSENT:	(1) Council Member Rogers
ABSTAIN:	(0)
RECUSE:	(0)

ATTEST: _____ APPROVED: _____
City Clerk Mayor

APPROVED AS TO FORM: _____
Assistant City Attorney