

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT THE COUNCIL OF THE CITY OF SANTA ROSA ADOPT THE WATER DEMAND OFFSET POLICY, WATER DEMAND OFFSET FEE STUDY, AND WATER DEMAND OFFSET FEES

WHEREAS, the California Urban Water Management Planning Act (Act) requires all urban water purveyors serving over 3,000 connections or over 3,000 acre-feet of water annually to prepare a Water Shortage Contingency Plan (Shortage Plan) every five years; and

WHEREAS, the City of Santa Rosa is an urban supplier of water to approximately 54,000 connections supplying approximately 19,000 acre-feet of potable water annually and is therefore required to comply with the Act; and

WHEREAS, the purpose of the Act is to ensure sound planning and efficient management of water resources in the urban sector and to prepare for water shortages; and

WHEREAS, the City of Santa Rosa has the authority and responsibility to adopt water demand reduction measures within its service area; and

WHEREAS, the City of Santa Rosa adopted the 2020 Shortage Plan on June 8, 2021 and will consider adoption of the Amended 2020 Shortage Plan on November 30, 2021; and

WHEREAS, the Shortage Plan requires existing water services to adhere to very restrictive individual water allocations (water rationing) that require water conservation sufficient to ensure that water demand does not exceed the limited supply for the duration of the water shortage emergency; and

WHEREAS, no water is available for new development during severe water shortages that require water allocations; and

WHEREAS, the Shortage Plan requires development to offset new demand during severe water shortages that require water allocations; and

WHEREAS, the purpose of the Water Demand Offset (WDO) Policy and WDO Fee structure is to ensure that the City can adequately address short-term water shortages and comply with Water Code section 10632, which requires that the City plan for water shortages and adopt a Shortage Plan that includes response actions to ensure demand for water does not exceed supply during water shortage emergencies; and

WHEREAS, the City is experiencing a housing shortage crisis and must comply with California mandates to plan for and construct a certain amount of housing; and

WHEREAS, the City must balance the mandate to provide housing and the mandate to assure adequate water supply through long range strategies and analysis included within the

Urban Water Management Plan, Water Shortage Contingency Plan, General Plan, and Specific Plans; and

WHEREAS, the WDO Policy and WDO fee structure are the tools included in the Shortage Plan to address water shortage emergencies while simultaneously promoting progress on long-term strategies for housing and economic development; and

WHEREAS, the WDO Policy implements the WDO requirements of the Shortage Plan by establishing a WDO fee and establishing a policy that requires payment of the fee during severe shortages so that it can be used to implement demand management efforts, water supply projects, and/or conservation programs; and

WHEREAS, the WDO Policy provides a process to allow the proponent of a development project to appeal the staff decisions about the project's water demand and/or WDO fee amount; and

WHEREAS, the WDO Fee Study describes the basis for the WDO fees and structure, and, to ensure that the fees continue to capture the cost of offsetting water demand, the City has determined that it is appropriate to adjust the WDO Fees for inflation on an annual basis at the beginning of the calendar year (January 1) starting in 2023, using the Engineering News Record's 20-Cities CCI (20-cities CCI); and

WHEREAS, the City will also update WDO Fee calculations through additional studies to the extent feasible whenever it is updating the Water Shortage Plan in accordance with the statutory requirements; and

WHEREAS, payment of WDO fees would be due when the development project requests building permit final or when any type of occupancy is requested, and WDO fees would be due if a declared water shortage emergency condition exists at that time and requires water allocations for existing customers and water demand offsets for construction projects; and

WHEREAS, the Board of Public Utilities reviewed the WDO Policy and WDO Fee structure in a study session at its meeting on October 7, 2021.

NOW, THEREFORE, BE IT RESOLVED that the Board of Public Utilities recommends that the Council of the City of Santa Rosa adopt the WDO Policy.

BE IT FURTHER RESOLVED that the Board of Public Utilities recommends that the Council of the City of Santa Rosa adopt the 2021 WDO Fee Study attached hereto as Exhibit A.

BE IT FURTHER RESOLVED that the Board of Public Utilities recommends that the Council of the City of Santa Rosa adopt the WDO Fees in Table 1 and authorize the fees to be adjusted on an annual basis to account for inflation at the beginning of the calendar year (January 1) starting in 2023, using the Engineering News Record's 20-Cities CCI (20-Cities CCI).

Table 1: Water Demand Offset Fees

Type of Development	WDO Fee
Residential Per Housing Unit	
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
Duplexes and Triplexes per unit	\$ 1,649
Condos, Apartments, Mobile Homes per unit	
With separate irrigation service	\$ 1,259
Without separate irrigation service	\$ 1,498
Eligible ADUs, Senior Housing, Single Room Occupancy, and Small, High-Density Apartments per unit	\$868
Commercial, Industrial, Institutional and Irrigation (CII)	
Per thousand-gallon unit (TGAL) per month	\$415

DULY AND REGULARLY ADOPTED by the City of Santa Rosa Board of Public Utilities this 4th day of November, 2021.

AYES:
 NOES:
 ABSENT:
 ABSTAIN:

APPROVED: _____
 Daniel J. Galvin III, Chair

ATTEST: _____
 Roberta Atha, Recording Secretary

APPROVED AS TO FORM:

 City Attorney

Exhibit A – 2021 Water Demand Offset Fee Study