




## MEMORANDUM

**DATE:** December 31, 2015

**TO:** Kimberly Zunino, Revenue Manager

**FROM:** David Guhin, Director of Santa Rosa Water 

**SUBJECT:** Interim Leak Adjustments – Based on New Rate Structure

A new 2 tiered rate structure was approved by City Council December 1, 2015 and the new structure will go into effect on January 5, 2016. Due to the new rate structure several policies will need to be modified, one being the Adjustment Policy. The Adjustment Policy defines how a customer may request a leak adjustment and the calculations for a refund of charges paid that can be attributed to the leak.

The current Adjustment Policy allows leak adjustments to be determined at the discretion of the Director of Santa Rosa Water. Therefore, until such time as the policy is modified and approved by the Board of Public Utilities I am approving leak adjustment refunds to be processed in the following manner:

1. All parameters of the determination of a leak will stand per policy, i.e. above normal use for same time period.
2. Any use that is attributed to the leak and billed in Tier 2 will be calculated at the Leak Adjustment Rate, current wholesale rate from the Sonoma County Water Agency (\$2.54 on today's date).
3. An adjustment will be made to the account to refund the difference of the Tier 2 charges paid and the Leak Adjustment Rate.

Example:

- |  |          |
|--|----------|
| • 20,000 gallons attributed to leak at Tier 2 rate | \$122.00 |
| • 20,000 gallons at Leak Adjustment Rate           | \$50.80  |
| • Difference to be refunded                        | \$71.20  |

At such time the policy is updated and approved by the Board of Public Utilities, this memo approving a variance to the current policy will expire.