

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: KIMBERLY ZUNINO, DEPUTY DIRECTOR – ADMINISTRATION
SANTA ROSA WATER
SUBJECT: RESOLUTION ADOPTING UPDATED POLICY UB-2 BILLING
ADJUSTMENTS IN PLACE OF POLICY UB-1 BILLING
ADJUSTMENTS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by Santa Rosa Water (SRW) and the Finance Department that the Board of Public Utilities, by resolution, replace the current Water Billing Policy – UB-1 Billing Adjustments with the new Water Billing Policy – UB-2 Billing Adjustments to conform to the current water rate structure and add defined procedures for additional billings performed by SRW and Finance.

EXECUTIVE SUMMARY

The Finance Department provides billing adjustments for customer property side leaks, inaccurate landscape measurements, unexplained use and sewer cap re-evaluations per Water Billing Policy UB-1 Billing Adjustments (UB-1). UB-1 defines how to calculate adjustments for single-family residential (SFR) property side water leaks. The calculation is based on the previous four-tier SFR rate structure and this proposed policy modifies the calculation to use the current two-tier SFR rate structure for water. In addition, SRW and Finance are adding adjustment parameters for other billings performed by SRW and Finance to ensure consistency in processing those adjustments. New adjustment procedures being defined by this proposed policy are for sewer rate category re-assignment and specialty meter billings.

BACKGROUND

In November 2011 the Board of Public Utilities adopted the current UB-1 per Resolution No. 1012.

Water Billing in the Finance Department bills SRW customers for water and sewer charges and provides, per policy, various adjustments to the water and sewer bills. Pursuant to UB-1, the following adjustments are defined:

1. Customer property side leak adjustments.
2. Unexplained water use.
3. Water budget adjustments for inaccurate landscape measurements.
4. Re-evaluation of sewer caps.

UB-1 provides parameters and procedures to ensure consistent application of calculations for the above listed adjustments. The policy also includes timeframes for the frequency of requesting adjustments, limits on when requests may be submitted, methodologies for calculation, requirements for resolution of any issues that may result in and qualify for an adjustment, and procedures for appeals.

UB-1 provides SFR customer property-side leak adjustments based on a four-tier SFR water rate structure. The current SFR rate structure consists of two-tiers. UB-1 provides that leak adjustments can be determined at the discretion of the Water Director. Therefore, staff has been providing customer side leak adjustments since the new two-tier rate structure was implemented based on a memo provided by the Director of Water dated December 31, 2015 (Leak Adjustment Memo).

Customer side leak adjustments are based on charging the wholesale water rate instead of the rate of the tier in which the water use was charged. Only water attributed to the leak qualifies for an adjustment and only after repairs have been made and documented. This ensures the cost to SRW for purchase of the water is collected.

UB-1 does not provide parameters and calculations for other adjustments to billings that are performed by Water Billing or the Revenue Division miscellaneous billing process.

ANALYSIS

UB-1 grants authority to the Director of Water to make variances to the policy. In 2015, the City Council adopted a new SFR water rate structure consisting of two tiers instead of four. The Leak Adjustment Memo provided for SFR leak adjustment to align with the rate structure change until such time as UB-1 was updated by the Board of Public Utilities. Staff has identified additional adjustment processes and methodologies to be included in the policy and proposes modifications as well as updating the policy to reflect the two-tier SFR rate structure and adding definition and methodology sections to provide clarification for each type of adjustment.

The updates being proposed are to define, by policy, the process staff and customers will need to adhere to in order to adjust a billing. The following adjustments are new to the policy:

1. Sewer Rate Category Reassignment – There are various rates for commercial customers based on the constituents of their discharge. They may request an evaluation of their constituents that define which category their business is assigned.
2. Adjustments for Specialty Billing Meters – There are meters in SRW's system that provide the ability to add or deduct water and/or wastewater charges to accommodate billing for commercial processes. As an example, commercial

customers that pay for water that is incorporated in the products they produce (i.e. bread, tortillas, beer, etc.) are not discharging that water to the sewer and therefore should not pay sewer charges. The metering configuration allows Water Billing to accurately bill these types of uses. Customers will now have a defined process for requesting adjustments to these charges.

FISCAL IMPACT

There will be no fiscal impact with this policy as these procedures are not changing from current practice.

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 Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

The Board of Public Utilities reviewed and adopted the current Water Billing Policy UB-1 Billing Adjustments on November 3, 2011.

ATTACHMENTS

Attachment 1 - Water Billing Policy UB-1 Billing Adjustments

Attachment 2 - Proposed Draft Water Billing Policy UB-2 Billing Adjustments

Attachment 3 - Memo from Director Guhin – Interim Leak Adjustments (dated December 31, 2015)

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