

# City of Santa Rosa



## Legislation Details

**File #:** 21-0439      **Version:** 1      **Name:** Water-Wastewater Rate Proposal  
**Type:** CC- Public Hearing      **Status:** Agenda Ready  
**File created:** 4/28/2021      **In control:** City Council  
**On agenda:** 5/25/2021      **Final action:**  
**Title:** PUBLIC HEARING - RESOLUTION TO ADOPT PROPOSED FY21/22 THROUGH FY24/25 WASTEWATER RATES AND ORDINANCE AMENDING CHAPTER 14 OF THE SANTA ROSA CITY CODE TO ADOPT THE PROPOSED FY21/22 THROUGH FY24/25 WATER RATE SCHEDULE AND CHANGES TO THE WATER SHORTAGE RATES BASED ON THE WATER AND WASTEWATER COST OF SERVICE STUDY

**BACKGROUND:** In 2018, Santa Rosa Water (SRW) hired The Reed Group, Inc (TRGI) to develop a ten-year long-range financial plan, followed by a thorough cost of service analysis and recommendation of a new water and wastewater rate schedule. TRGI found SRW's financial health is such that at the end of the current fee schedule, set to conclude on June 30, 2021, only moderate annual water and wastewater rate increases would be required for Fiscal Year (FY) 21/22 through FY24/25. Proposed increases between 2-4% each year for water fixed and usage charges and 2% each year for wastewater fixed and usage charges are proposed to help ensure that SRW continues to meet all service and financial obligations. In July 2019, SRW amended the TRGI contract to have TRGI analyze and update the Water Shortage Rate structure, which is part of the City's Water Shortage Contingency Plan (Shortage Plan). To compensate for potentially reduced revenues during a declared water shortage, SRW is proposing an update to the Water Shortage Rate Structure, including implementation of a water shortage charge of 5-45% during water shortage stages 2 through 8 respectively of the Shortage Plan.

**RECOMMENDATION:** It is recommended by the Board of Public Utilities and Santa Rosa Water that the City Council, after conducting a public hearing pursuant to Proposition 218, by resolution, approve 4 years of wastewater fixed and usage charge rate increases to go into effect on July 1 of each year, 2021-2024; and introduce an ordinance approving 4 years of water and recycled water fixed and usage charges rate increases to go into effect on July 1 of each year, 2021-2024, and approving the Water Shortage Rate Structure changes.

**Sponsors:** Board of Public Utilities, Water

**Indexes:** Not a Project

**Code sections:** 15378 - Not a Project

**Attachments:** 1. Staff Report, 2. Attachment 1 - Rate Study Report, 3. Attachment 2 - Ordinance 4056, 4. Attachment 3 - Resolution 28804, 5. Ordinance, 6. Resolution, 7. Presentation

Date	Ver.	Action By	Action	Result
5/25/2021	1	City Council	to waive reading of the text and adopt	Pass
5/25/2021	1	City Council	introduced on first reading	Pass