



# City of Santa Rosa

## Legislation Details

<b>File #:</b>	21-301BPU	<b>Version:</b>	1	<b>Name:</b>	Water-Wastewater Proposed Rates and Water Shortage Charges
<b>Type:</b>	BPU- Report	<b>Status:</b>			Agenda Ready
<b>File created:</b>	2/8/2021	<b>In control:</b>			Board of Public Utilities
<b>On agenda:</b>	2/18/2021	<b>Final action:</b>			
<b>Title:</b>	REPORT - 2021 WATER AND WASTEWATER COST OF SERVICE STUDY AND PROPOSED FY21/22 THROUGH FY24/25 RATE SCHEDULE, AND PROPOSED UPDATE TO WATER SHORTAGE RATE STRUCTURE				

**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. 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 2021, 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). An update to the Shortage Plan is required by State Law and must be submitted to the State by July 1, 2021. To assist SRW with managing water supply and potential financial deficits during declared stages of drought or emergency, an update to the Water Shortage Charges and Excess Use Penalties are also being proposed.

**RECOMMENDATION:** It is recommended by the Board of Public Utilities Budget Subcommittee and Santa Rosa Water that the Board of Public Utilities, by three resolutions, recommend that, after compliance with applicable law and conduct of a public hearing pursuant to Proposition 218 on or about May 25, 2021, the City Council 1) enact increased charges and rates for water services; 2) enact increased charges and rates for waste water services; 3) adopt a change to the Water Shortage Rate Structure.

**Sponsors:** Board of Public Utilities, Budget Review Subcommittee

**Indexes:** Not a Project

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

**Attachments:** 1. Staff Report, 2. Attachment 1\_Rate Update Study Report, 3. Resolution 1246\_Water Rates, 4. Resolution 1247\_Wastewater Rates, 5. Resolution 1248\_Water Shortage Charges, 6. Presentation (added 2/16/21)

Date	Ver.	Action By	Action	Result
2/18/2021	1	Board of Public Utilities	approved	Pass
2/18/2021	1	Board of Public Utilities	approved	Pass
2/18/2021	1	Board of Public Utilities	approved	Pass