

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: NICK HARVEY, DEPUTY DIRECTOR ADMINISTRATION
SANTA ROSA WATER
SUBJECT: PUBLIC HEARING TO CONSIDER ADOPTING NEW
MISCELLANEOUS FEES AND REVISING THE SCHEDULE OF
MISCELLANEOUS FEES AND CHARGES FOR WATER AND
WASTEWATER RELATED SERVICES

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Budget Review Subcommittee and Santa Rosa Water that the Board of Public Utilities, by resolution, adopt new Water Department miscellaneous fees and charges for water and wastewater services, increase certain fees based on updated cost information, adopt all fees through June 30, 2026 and authorize the Water Director to escalate certain fees on July 1, 2026, and July 1st of each year thereafter, based on price changes as identified by the Consumer Price Index (CPI) for urban consumers in the San Francisco Bay Area.

EXECUTIVE SUMMARY

Santa Rosa Water collects miscellaneous water and wastewater fees and charges, as adopted by Board of Public Utilities (BPU) resolution, for services provided to customers. Miscellaneous fees and charges for water and wastewater related services were last updated in 2022 via BPU Resolution No. 1306. After holding a public hearing, the BPU will consider adopting new and revised Water Department miscellaneous fees and charges.

BACKGROUND

Santa Rosa Water's miscellaneous fees and charges reimburse the department for specific services for individual customers and include charges such as initiating water or sewer service, installing a new meter, charges for late payment of utility bills, deposits for construction meters, charges for wastewater discharge, and time and materials charges for various other services provided by City staff. These charges are collected from the customers who receive the service so that the costs for specific services are not spread to the entire ratepayer base.

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Miscellaneous fees and charges for water and wastewater related services were last updated in 2022. Santa Rosa Water staff recently reviewed the current miscellaneous fees and charges and recommends certain new and revised fees for water and wastewater related services. Miscellaneous water and wastewater fees and charges are typically determined on a time and materials basis or through other methodologies that help define the reasonable cost of providing the specific services. In addition to the new fees recommended by staff, Santa Rosa is requesting the escalation of certain miscellaneous fees based on increased staff time, staff costs, and materials costs associated with delivering those services. Staff is also proposing the escalation of all other fees, with few exceptions, by the increase in the San Francisco Bay Area CPI for urban customers (CPI-U) between February 2023 and February 2024, which is 2.4%. Furthermore, staff proposes that the BPU adopt the new and revised fees to take effect through June 30, 2026, and authorize the Water Director to escalate certain fees on July 1, 2026, and July 1 of each year thereafter, based on changes as identified by the CPI-U in the San Francisco Bay Area.

If the BPU adopts the attached resolution after the Public Hearing on October 3, 2024, the newly added and revised fees will take effect 60 days after adoption, on December 2, 2024.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On December 15, 2022, the BPU, by Resolution No. 1306, adopted updated miscellaneous fees and charges for water and wastewater related services, effective February 13, 2023.

On March 21, 2019, the BPU, by Resolution No. 1189, adopted updated miscellaneous fees and charges for water and wastewater related services, effective May 20, 2019.

ANALYSIS

1. Miscellaneous fees and charges are typically calculated based on staff time and material costs to perform specific services.
2. Material and labor costs have been updated, where necessary, to reflect the current cost.
3. New fees/charges are listed for services that have been added since the last review. New fees/charges have been added as follows:
 - a. Broken Viper Lock: Viper locks are specialty locks utilized for lock-outs on customer accounts with a history of equipment tampering. This fee would be to replace a broken viper lock.
 - b. Gate Opening Fobs: Fobs will provide electronic access to the Laguna Treatment Plant for our waste haulers. This fee will be charged to any

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- waste hauler that receives a fob.
 - c. Broken Collar: Collars are devices that lock off service. This fee would be charged when a collar is broken and needs to be replaced. Typically they only need to be replaced when tampering occurs.
4. Some existing fees/charges have been updated based on a program cost evaluation.
- a. Water and sewer demand payment plan processing fee
 - b. WDO (Water Demand Offset) application processing fee
 - c. WDO (Water Demand Offset) application processing fee – applicant proposed program
 - d. Water waste turn-off fee
 - e. Manual meter reading fee (AMI refusal)
 - f. Charge-back fee/ customer stop-payment
 - g. Annual waste hauler permit fee
 - h. Groundwater – one-time discharge permit (uncontaminated – no limit)
 - i. Groundwater – one-time discharge permit (potentially contaminated/contaminated - < 10,000 gallons)
 - j. Groundwater – one-time discharge permit (potentially contaminated/contaminated - $\geq$ 10,000 gallons)
 - k. Broken lock – standard
 - l. Replace broken lock and meter
5. Trucked waste tipping fees will continue to be informed by the final Trucked Waste Program Evaluation Report, published on August 16, 2022, as well as ongoing analysis related to the costs incurred for program delivery. As such, it will not be subject to CPI-U escalation. Furthermore, we are proposing to extend “year 2” of the tipping fee schedule to be effective through June 30, 2026, synchronizing them with the rest of our miscellaneous fee schedule.
6. All other fees, with some exceptions, to be escalated on December 2, 2024, and then on July 1, 2026 and every July 1 thereafter, by changes in the CPI for urban consumers in the San Francisco Bay Area between February of the previous year and February of the current year.
- a. The following fees are the exceptions to this escalation methodology and will not be escalated at this time because they are deposits, fees for which costs are paid on an actual basis, items for which our costs have not increased or fees for which the application of the CPI-U resulted in increases of less than \$1, and therefore were not escalated
 - i. Initiate water/sewer or water service
 - ii. Initiate sewer service only
 - iii. Unable to read meter (vehicle on meter, meter buried, etc.)
 - iv. Second request to start/stop service
 - v. Penalty for failure to pay utility bill on time – 14 days past due

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- vi. Leak check – first call
- vii. Construction meter – 5/8", 1"
- viii. 3" hydrant, 2" or 6" bridge
- ix. Unable to set or test meter
- x. Minimum monthly construction charge for all construction meters
- xi. Monthly fire line protection fee (2", 4" or 6")
- xii. Cost recovery for collection agency fee on past due invoices
- xiii. Water supply assessment – Outside consultant
- xiv. Water audit validation
- xv. Backflow administration fee – Monthly
- xvi. Monthly fire line testing fee
- xvii. Hydraulic model assessment – Outside consultant
- b. CPI-U is a commonly accepted form of cost escalation across governmental organizations and water districts. There are several fees within the City of Santa Rosa that have already adopted and are currently using this methodology including:
 - i. The annual Storm Water assessment
 - ii. Development fees
- c. The first of these CPI-U escalations, included in the List of New and Revised Miscellaneous Fees with Justification, represent the change in consumer prices for all urban consumers in the SF Bay Area between February 2023 and February 2024 at 2.4%.

FISCAL IMPACT

This action assures Santa Rosa Water is recovering its costs for providing these services and will not have any negative fiscal impact.

ENVIRONMENTAL IMPACT

This action is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15378 and 15061(b)(3) 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 and there is no possibility such new or increased fees and charges will have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On September 17, 2024, the Budget Review Subcommittee reviewed this item and unanimously recommended approval by the full Board at a future meeting.

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NOTIFICATION

In conjunction with our Communications and Outreach team, Santa Rosa Water is notifying the following groups of proposed changes in the miscellaneous fee schedule.

- a. Waste haulers utilizing the trucked waste program at the Laguna Treatment Plant
- b. Members of the Northern California Engineering Contractors Association (NCECA)

Additionally, in accordance with applicable law regulating Public Hearings, we informed the public of the proposed changes to the miscellaneous fee schedule via publication in the Press Democrat on September 15 and 23, 2024.

ATTACHMENTS

- Attachment 1 – List of New and Revised Miscellaneous Fees with Justification
- Attachment 2 – Resolution No. 1306, adopted December 15, 2022
- Attachment 3 – Current Fee Schedule
- Attachment 4 – (Redline) Revised Schedule of Miscellaneous Fees and Charges Including New and Escalated Fees
- Attachment 5 – Public Hearing Notice
- Resolution

PRESENTER

Nick Harvey, Deputy Director – Administration, Santa Rosa Water