



City of Santa Rosa Notice of Public Hearing

ON PROPOSED DROUGHT RATES

DATE OF PUBLIC HEARING: Tuesday, April 21, 2009
TIME: 5:00 PM (or soon thereafter)
PLACE: City Council Chamber, City Hall
100 Santa Rosa Avenue, Santa Rosa

Proposed Drought Rates

Proposed drought rates are the water shortage rates that would only go into effect if the Santa Rosa City Council declares a water emergency and adopts mandatory water rationing. The proposed drought rate structure consists of a water shortage charge added to all units of water sold when mandatory water rationing is in effect and an excess use charge added to all water used above the consumption limits in Stage 3 and Stage 4 of a water shortage.

Why Drought Rates

Due to two consecutive winters with significantly lower than average rainfall, the Sonoma County Water Agency, which is the wholesaler of water to the City of Santa Rosa, is projecting that their water storage will hit unprecedented historically low levels this year. The Sonoma County Water Agency has announced it anticipates declaring a water shortage and requiring a minimum of 30% mandatory rationing from all of its water customers.

Past Conservation Efforts Rewarded

The City of Santa Rosa has an adopted Urban Water Shortage Contingency Plan (Shortage Plan) which addresses how the City will respond in the event of a water shortage. The Shortage Plan is designed to achieve a community-wide reduction in water use in response to a reduction in water supply and takes into account the level of water conservation that has been previously implemented by customers. Some customers may already be meeting consumption limits.

The Urban Water Shortage Contingency Plan

The Shortage Plan outlines four rationing stages with corresponding community-wide water demand reduction goals as follows: **Stage 1** – Minimal, with a voluntary community-wide reduction goal of 15%; **Stage 2** – Moderate, with a mandatory community-wide reduction goal of 25%; **Stage 3** – Severe, with a mandatory community-wide reduction goal of 35%; and **Stage 4** – Critical, with a mandatory community-wide reduction goal of 50% and greater. The Shortage Plan also includes customer consumption limits, prohibitions on water use, outlines how violations of water use restrictions will be handled, and includes a process for requesting water allotment variances.

The Shortage Plan also includes a proposed water shortage rate structure based on modifications to the current water rate structure. The water shortage rate structure is designed to encourage customers to reduce water use per consumption limits and to reward customers for using water per the consumption limits. The proposed water shortage rate structure is based on projected revenue decline from reduced water sales, the need to maintain funding for operating expenditures, and to offset the extraordinary costs of a water shortage, such as additional water conservation support.

Affects Water Usage Charges Only

The proposed water shortage rate structure only affects the water use portion of the water bill when Stages 2, 3 or 4 of the City of Santa Rosa's Shortage Plan are implemented. Except during implementation of Stages 2, 3 or 4 of a water shortage, the proposed water shortage rate structure does not change the current water user charge. **The proposed water shortage rate structure does not impact or change the current fixed monthly charges for water, wastewater user charges, or the wastewater fixed monthly charges.**

Proposed Water Shortage Rates

The proposed water shortage rate structure includes the following:

- A 10% water shortage charge added to the current user charge on every unit of water sold (per 1,000 gallons) for all customer accounts in Stage 2.
- Beginning in Stage 3 and continuing in Stage 4, the tiered water user charges for single family residential and dedicated irrigation accounts are eliminated and the user charge for multi-unit residential and commercial and industrial accounts (the "commodity rate") is imposed on all customer accounts.
- For all customer accounts, a 20% water shortage charge added to the commodity rate on all water sold (per 1,000 gallons) in Stage 3 and a 30% water shortage charge added to the commodity rate on all water sold (per 1,000 gallons) in Stage 4.

- An excess use charge for water use above consumption limits in Stages 3 and 4. In Stage 3, the excess use charge consists of a 50% surcharge for use 101 – 150% above consumption limits and a 100% surcharge for use over 150% of consumption limits for all customer accounts. In Stage 4, the excess use charge consists of a 100% surcharge for use 101 – 150% above consumption limits and a 200% surcharge for use over 150% of consumption limits for all customer accounts.

The following is a comparison of current water rates and proposed water shortage rates for 2009:

2009 PROPOSED WATER SHORTAGE RATES FOR STAGE 1 AND STAGE 2 WATER SHORTAGE				
Account Type	Current User Charges (\$ Per Thousand Gallons)		Proposed Water Shortage Rate Charge	
	NO CHANGE		Stage 1 – Minimal (\$ Per Thousand Gallons)	Stage 2 - Moderate (\$ Per Thousand Gallons)
Single Family Residential	Tier 1	\$3.83	Tier 1	\$3.83
	Tier 2	\$4.77	Tier 2	\$4.77
	Tier 3	\$7.16	Tier 3	\$7.16
Dedicated Irrigation Accounts	Tier 1	\$3.83	Tier 1	\$3.83
	Tier 2	\$4.77	Tier 2	\$4.77
	Tier 3	\$7.16	Tier 3	\$7.16
Multi-Unit Residential (2 units or more)	\$4.08		\$4.08	
Commercial, Industrial, Government, Health Care, Safety	\$4.08		\$4.08	
2009 PROPOSED WATER SHORTAGE RATES AND EXCESS USE CHARGES FOR STAGE 3 AND STAGE 4 WATER SHORTAGE				
Account Type	Proposed Drought Rate Charge Stage 3 - Severe (\$ Per Thousand Gallons)		Proposed Drought Rate Charge Stage 4 - Critical (\$ Per Thousand Gallons)	
	(Commodity Charge +20% and Excess Use Charges)		(Commodity Charge +30% and Excess Use Charges)	
All Customer Accounts	0 – 100% Consumption Limit	\$4.90	0 – 100% Consumption Limit	\$5.30
	101 – 150% Consumption Limit	\$7.35	101 – 150% Consumption Limit	\$10.60
	Over 150% Consumption Limit	\$9.80	Over 150% Consumption Limit	\$15.90

Water Use Consumption Limits

To achieve the community-wide demand reduction goals, priorities for water use have been established, from highest to lowest, as follows: health and safety; commercial, industrial and government; existing landscaping; and new demand. Different reduction goals have been established for each account type based on the priorities. Residential consumption limits are based on per person water use plus a small amount for irrigation. Commercial, industrial and government consumption limits are based on prior year demand. Dedicated irrigation accounts consumption limits are based on plant type and evapotranspiration data. As outlined by the Shortage Plan, the water use consumption limits for each account are as follows:

Account Type	Water Use Consumption Limits			
	Stage 1	Stage 2	Stage 3	Stage 4
Single Family Residential	Voluntary – 15%	65 gpcd* 2,500 gal/mo May – Oct	57 gpcd* 2,000 gal/mo May – Oct	50 gpcd*
Multi-Family Residential	Voluntary – 15%	65 gpcd* Moderate Landscape Allotment May – Oct	57 gpcd* Minimum Landscape Allotment May – Oct	50 gpcd*
Commercial, Industrial	Voluntary – 15%	85% of previous 12 months use	80% of previous 12 months use	70% of previous 12 months use
Health Care, Safety	Voluntary – 15%	95% of previous 12 months use	90% of previous 12 months use	85% of previous 12 months use
Dedicated Irrigation	Voluntary – 15%	80% of net evapotranspiration demand	50% of net evapotranspiration demand	Minimal amount for mature trees and shrubs

* gpcd = Gallons per capita per day

How Your Water Bill Might Change

Customers who reduce their water use per the consumption limits should expect to see a decrease in the water portion of their monthly bill. The table below summarizes a sample water bill (not including wastewater fees) for an average Single Family Residential account that uses water per the consumption limits compared to a sample bill for an average Single Family Residential account that does not reduce their water use per the consumption limits.

Rationing Stage	Single Family Reduction Goal	Monthly Water Use (1000 gal)	Water Fixed Monthly Charge	Water User or Commodity Charge	Water Shortage Charge	Excess Use Charge	Total Water Bill (Wastewater Fees Not Included)
<i>Average Single Family Customer Meeting Allocation Limits</i>							
Normal	0%	12	\$7.16	\$45.96	\$0.00	\$0.00	\$53.12
Stage 1	15%	10	\$7.16	\$38.30	\$0.00	\$0.00	\$45.46
Stage 2	29%	9	\$7.16	\$34.47	\$3.45	\$0.00	\$45.08
Stage 3	40%	7	\$7.16	\$28.56	\$5.71	\$0.00	\$41.43
Stage 4	57%	5	\$7.16	\$20.40	\$6.12	\$0.00	\$33.68
<i>Average Single Family with No Water Use Reduction</i>							
Normal	0%	12	\$7.16	\$45.96	\$0.00	\$0.00	\$53.12
Stage 1	15%	12	\$7.16	\$45.96	\$0.00	\$0.00	\$53.12
Stage 2	29%	12	\$7.16	\$45.96	\$4.60	\$0.00	\$57.72
Stage 3	40%	12	\$7.16	\$48.96	\$9.79	\$15.19	\$81.10
Stage 4	57%	12	\$7.16	\$48.96	\$14.69	\$67.58	\$138.39
Notes: Assumes 3 person household and summertime irrigation							

Water Conservation Information and Assistance

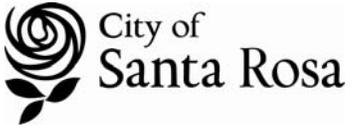
The City of Santa Rosa Water Conservation Program offers a number of rebates and incentive programs, as well as information and services to assist customers in reducing water use. To help reduce indoor water use, the Water Conservation Program provides **free high efficiency showerheads and faucet aerators**, provides **rebates for replacing washing machines** with qualifying high efficiency washing machines, and offers **rebates for replacing high flow toilets** with high efficiency toilets. To improve water use efficiency outdoors, the Water Conservation Program offers a **Green Exchange Rebate Program**, which provides rebates for improving the efficiency of irrigation hardware and for replacing turf with low water use alternatives, and offers **free shut off hose nozzles** and Water Wise Gardening CD's. The Water Conservation Program also provides **free home "Check-Ups"**, where City staff will come to your location, review current water uses, and make recommendations for improving water use efficiency indoors and outdoors. For more information on current incentives or to request assistance in reducing your water use, please contact the Water Conservation Hotline at (707) 543-3985 or visit www.srcity.org/wc.

Rate Adoption

At the public hearing on April 21, 2009, the City Council will consider a recommendation from the Board of Public Utilities to adopt the water shortage rates. All owners of property receiving City water service, all City water customers, and interested persons, are invited to attend the public hearing and be heard on the proposed water shortage rates. Owners of property receiving City water service and City water customers may protest the proposed water shortage rates in writing, filed with the City Clerk, and wholly received (not postmarked) by the City Clerk before or during the public hearing. **Please note that protests, if any, will only apply to the proposed water shortage rates and will not apply to the current water fixed monthly service charges and user charges already approved by City Council on December 4, 2007.** The protest must be signed by the property owner or a City water customer and must include the assessor's parcel number(s) or street address(es) of all property(ies) served. The mailing address is City Clerk, Room 10, City Hall, 100 Santa Rosa Avenue, Santa Rosa, California 95404. Before the hearing, protests may be delivered in person to the City Clerk's office.

Additional Information

Copies of the proposed water shortage rates and Urban Water Shortage Contingency Plan are available on the City of Santa Rosa website at www.srcity.org/wc or at the City Clerk's office, Room 10, City Hall, 100 Santa Rosa Avenue, Santa Rosa, CA. For questions, call (707) 543-3150.



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