

ITEM 10

NOTICE OF PUBLIC HEARING Proposed Increase to Utility Rates



Date: June 15, 2010
Time: 2:00 p.m.
Place: City Council Chambers, City Hall
735 Anacapa Street, Santa Barbara

NOTICE IS HEREBY GIVEN that the City Council of the City of Santa Barbara will consider a recommendation to adopt a resolution, at the above-indicated time and place, to increase water, wastewater (sewer), and solid waste collection rates charged by the City. Increases would be effective on utility bills dated July 1, 2010 or later. Sample billing comparisons for current and proposed rates are shown on the reverse. Small variations in the stated percentages may occur due to rounding.

Water Rates (Applicable only to customers billed by the City for water service)

The proposed water rate increase is three and one-half percent (3.5%) of quantity charges and monthly service charges for all customer classes. The monthly bill for the average in-City single family residential customer (twelve hundred cubic feet of water) would increase from \$61.39 to \$63.57 under the proposed rates. The proposed increase will fund increasing water system costs resulting from infrastructure cost escalation, increased treatment costs due to water quality effects of the Zaca Fire, stricter drinking water regulations, and the ongoing need to repair and upgrade the water system. This includes rehabilitation of the City's Ortega Groundwater Treatment Plant, advanced treatment improvements at Cater Water Treatment Plant, and the annual water main replacement program.

Wastewater Rates (Applicable only to customers billed by the City for sewer service)

The proposed wastewater rate increase is four percent (4%) of the City's current charges for all customer classes. The maximum monthly charge for a single family residential customer would increase from \$32.93 to \$34.21 under the proposed rates. The proposed increase will fund rising wastewater system costs resulting from capital improvement requirements and the ongoing need for rehabilitation of the City's wastewater treatment plant and collection system.

Trash & Recycling (Applicable only to customers billed by the City for trash/recycling collection)

Increases are needed to meet the City's contractual obligation to compensate haulers for changes in the cost of doing business. Lower cost recycling, greenwaste, and foodscrap services are available to help customers reduce their overall costs and help the City meet its trash diversion goals.

Residential: A 2.9% increase is proposed for single-family and multi-unit residential trash/recycling collection rates. Exception: The multi-unit minimum charge is proposed to change to include 3 cans, rather than the current minimum of 4, for an increase of \$2.96 per month for customers with 4 cans.

Business: The required 2.9% increase in revenue was targeted, with modest differences in specific rate changes designed to encourage efficient levels of service. Specific rate changes include: 1) Extra and on-call pick-ups for businesses would be increased to 10% above regular business charges for extra pick-ups; 2) The credit for customer-owned recycling, foodscraps, or greenwaste dumpsters would be reduced to 15% of the credit for trash dumpsters to reflect the reduced rates for recycling, foodscraps, and greenwaste service. 3) The rate for trash service for business carts/cans would not be increased.

This notice is intended only for customers billed by the City of Santa Barbara for water, wastewater, and/or solid waste collection services. For a complete list of all current and proposed rates, go to: www.SantaBarbaraCA.gov/UtilityBilling or call (805) 564-5460.

If you oppose any of the above increases, please deliver your protest **in writing** to the City Clerk of the City of Santa Barbara at 735 Anacapa Street, Santa Barbara, CA, 93101, prior to or during the City Council's consideration of this item on June 15, 2010. (If you wish to submit your protest during the public hearing, please deliver it to City Staff in the Council Chamber.) Because multiple rates are being considered by City Council at the same hearing, please indicate the specific rate you are protesting.

Typical Water and Wastewater Billing Comparisons – Current vs. Proposed Rates

Customer Class	Example	Assumed Monthly Usage (hcf/mth)	Total Monthly Water & Wastewater Charges*		
			Current Rates	Proposed Rates	\$ Increase
Single Family Residential	Low User 5/8" meter	6	\$57.40	\$59.52	\$2.12
	Average User 5/8" meter	12	\$94.32	\$97.78	\$3.46
	Above Average User 1" meter	40	\$250.55	\$259.60	\$9.05
Multi-Family Residential Building	12 dwelling units 2" meter	60	\$558.89	\$579.64	\$20.75
Commercial	75% at Block 1 rate 25% at Block 2 rate 2" meter	60	\$527.24	\$546.34	\$19.10
Industrial/ High Strength Commercial	75% at Block 1 rate 25% at Block 2 rate 2" meter	100	\$864.94	\$896.54	\$31.60
Irrigation- Commercial	75% at Block 1 rate 25% at Block 2 rate 2" meter – no sewer	60	\$385.04	\$398.74	\$13.70
Recycled Water	2" meter – no sewer	250	\$545.69	\$564.04	\$18.35
Irrigation- Residential	1 acre of irrigated area 75% at Block 1 rate 25% at Block 2 rate 1" meter – no sewer Allotments are annualized – monthly average shown at right	40	\$222.80	\$230.75	\$7.95
Irrigation- Recreation		120	\$374.30	\$387.65	\$13.35
Irrigation- Agriculture		72	\$193.88	\$200.69	\$6.81
Out-of-City Customers	Currently charged at 130% of rates for corresponding in-City classes; no change is proposed in this percentage.				

* Not including 6% utility tax on water, as applicable

Typical Trash, Recycling, & Greenwaste Billing Comparisons Current vs. Proposed Rates

Service Level	Current Rates*	Proposed Rates*	\$ Change
Basic Residential Service (32-gal trash, 32-gal greenwaste, up to 96-gal recycle)	\$26.08	\$26.83	+\$0.75
Minimum Multi-Unit Residential (3 cans or less) (3-32 gal trash/week, + up to 96-gal greenwaste, up to 96-gal recycling)	\$34.40	\$34.30	-\$0.10
Multi-Unit Residential (4 cans) (4-32 gal trash/week, + up to 96-gal greenwaste, up to 96-gal recycling)	\$34.40	\$37.36	+\$2.96
Sample Small Business Cart/Can Service Assuming (96-gal trash/week, up to 96-gal greenwaste, up to 96-gal recycle)	\$60.83	\$58.80	-\$2.03
Sample Business Dumpster Service Assuming (4yd trash/week, 4yd recycle/week)	\$320.28	\$329.61	+\$9.33

* Not including 6% utility tax on trash/recycling collection, as applicable

For more information, including a complete list of all current and proposed rates:

www.SantaBarbaraCA.gov/UtilityBilling or (805) 564-5460

City of Santa Barbara
Current FY 2010 & Proposed FY 2011
Monthly Rates for Water and Wastewater Service
 1 hcf = 100 cubic feet = 748 gallons

Customer Class	Water Service Rates ¹ (The following quantity charges are in addition to the monthly meter charges shown below.)			Wastewater Service Rates		
		Current	Proposed		Current	Proposed
Single Family Residential	First 4 hcf @:	\$2.84	\$2.94	Basic Service Charge:	\$12.03	\$12.51
	Next 16 hcf @:	\$4.76	\$4.93	Quantity Charge per hcf (up to 10 hcf per month):	\$2.09	\$2.17
	All other hcf @:	\$5.01	\$5.19			
Multi-Family Residential, 1-4 dwelling units	First 4 hcf per dwelling unit @:	\$2.84	\$2.94	Basic Service Charge, per dwelling unit:	\$12.03	\$12.51
	Next 8 hcf per dwelling unit @:	\$4.76	\$4.93	Quantity Charge per hcf (up to 8 hcf per dwelling, per month):	\$2.09	\$2.17
	All other hcf @:	\$5.01	\$5.19			
Multi-Family Residential, 5+ dwelling units	First 4 hcf per dwelling unit @:	\$2.84	\$2.94	Basic Service Charge, per dwelling unit:	\$12.03	\$12.51
	Next 8 hcf per dwelling unit @:	\$4.76	\$4.93	Quantity Charge per hcf (up to 7 hcf per dwelling, per month):	\$2.09	\$2.17
	All other hcf @:	\$5.01	\$5.19			
Commercial	100% of base allotment, ² per hcf @:	\$4.76	\$4.93	Quantity Charge per hcf subject to minimum charge by meter size (see table below):	\$2.37	\$2.46
	All other hcf @:	\$5.01	\$5.19			
Industrial & High Strength Commercial	100% of base allotment, ² per hcf @:	\$4.76	\$4.93	Quantity Charge per hcf subject to minimum charge by meter size (see table below):	\$2.87	\$2.98
	All other hcf @:	\$5.01	\$5.19			
Irrigation - Residential	Billed as if used through associated residential meter, OR:			Not applicable		
	Annual allotment of 654 hcf/acre @:	\$4.76	\$4.93			
	All other hcf @:	\$5.01	\$5.19			
Irrigation - Recreation/ Parks/ Schools	Annual allotment of 1404 hcf/acre @:	\$2.24	\$2.32	Not applicable		
	Next 240 hcf/acre/year @:	\$4.76	\$4.93			
	All other hcf @:	\$5.01	\$5.19			
Irrigation - Commercial	100% of base allotment, ² per hcf @:	\$4.76	\$4.93	Not applicable		
	All other hcf @:	\$5.01	\$5.19			
Irrigation - Agriculture	Annual allotment of 1,080 hcf/acre @:	\$1.45	\$1.50	Not applicable		
	Next 240 hcf/acre/year @:	\$4.76	\$4.93			
	All other hcf @:	\$5.01	\$5.19			
Recycled Water	All hcf @:	\$1.80	\$1.86	Charges based on type of use. Not applicable for irrigation.		
Outside City Limits	Percentage of corresponding in-City rates:	130%	130%	Same as in-City rates, except residential accounts not receiving City water are charged at maximum rate.		

Monthly Water Meter Service Charges By Meter Size¹

Meter Size:	5/8"	3/4"	1"	1½"	2"	3"	4"	6"	8"	10"
Current Charge:	\$11.95	\$17.96	\$29.90	\$59.79	\$95.69	\$191.36	\$299.00	\$598.00	\$956.80	\$1,375.40
Proposed Charge:	\$12.37	\$18.59	\$30.95	\$61.88	\$99.04	\$198.06	\$309.47	\$618.93	\$990.29	\$1,423.54

¹ Utility users tax of 6% added to metered water charges and monthly water meter service charges, as applicable.

² Base allotment = average monthly consumption during most recent January - June period.

Minimum Monthly Sewer Charges by Meter Size for Non-Residential Customers

Meter Size:		5/8"	3/4"	1"	1½"	2"	3"	4"	6"	8"	10"
Commercial:	Current:	\$22.61	\$33.91	\$39.45	\$67.71	\$112.89	\$225.69	\$281.69	\$564.22	\$987.41	\$1,515.65
	Proposed:	\$23.51	\$35.27	\$41.03	\$70.42	\$117.41	\$234.72	\$292.96	\$586.79	\$1,026.91	\$1,576.28
Industrial/HS Commercial:	Current:	\$28.18	\$42.27	\$49.39	\$84.83	\$141.07	\$282.07	\$352.70	\$705.27	\$1,234.18	\$1,939.55
	Proposed:	\$29.31	\$43.96	\$51.37	\$88.22	\$146.71	\$293.35	\$366.81	\$733.48	\$1,283.55	\$2,017.13

Monthly Fireline Service Charges By Size

Fireline Size:	1"	1½"	2"	4"	6"	8"	10"	12"
Current Charge:	\$2.29	\$3.26	\$4.66	\$8.38	\$13.04	\$18.64	\$26.08	\$37.26
Proposed Charge:	\$2.37	\$3.37	\$4.82	\$8.67	\$13.50	\$19.29	\$26.99	\$38.56

Water and Wastewater Buy-in Fees for New Construction – Current vs. Proposed (No changes proposed for FY 2011)

Customer Class:	Multi-Family Resid.		Single Family Resid.	All Other Classes								
	5/8"	1" & larger		5/8"	1"	1½"	2"	3"	4"	6"	8"	10"
Water Buy-in, Current:	\$2,904	\$7,261	By meter size at right	\$5,691	\$14,227	\$28,455	\$45,528	\$91,056	\$142,275	\$284,549	\$455,279	\$654,463
Proposed:	\$2,904	\$7,261		\$5,691	\$14,227	\$28,455	\$45,528	\$91,056	\$142,275	\$284,549	\$455,279	\$654,463
Sewer Buy-in, Current:	\$2,101	\$4,118	\$4,118	\$4,118	\$10,294	\$20,588	\$32,941	\$65,882	\$102,941	\$205,882	\$329,411	\$473,528
Proposed:	\$2,101	\$4,118	\$4,118	\$4,118	\$10,294	\$20,588	\$32,941	\$65,882	\$102,941	\$205,882	\$329,411	\$473,528