



ITEM 12

City of Santa Barbara Kick-off Meeting Minutes June 28, 2012

Attendees:

City staff

Cathy Taylor (Water System Manager)
Chris Toth (WW System Manager)
Bill Ferguson (Water Resources Supervisor - retired)
Theresa Lancy (Water Resources Specialist – Billing/Production/Supply)
Michele DeCant (Public Works Business Manager)
Alison Jordan (Water Conservation Coordinator)

RFC team

Sudhir Pardiwala (Project Manager)
Hannah Phan (Staff consultant)

Meeting Notes:

- Water Rate Study
 - The City has conserved water; however because of conservation during the previous droughts of early 1990s, the water usage was already reduced and therefore needs to continue to conserve to meet 20x 2020 goals.
 - Examine Block 1 for SFR customers. 4 hcf was originally designed to cover just basic health and sanitation uses, not all indoor usage. Rate may be lower than average cost.
 - Explore 3-tier structure for commercial
 - Tier 1 – up to 90% of prior period usage
 - Tier 2 – 100% of prior period usage
 - Tier 3 – over Tier 2
 - City staff to determine if billing system can handle this change in structure
 - Current outside-City rate differential is 30%. Calculate outside-City rate differential based on
 - Utility user tax of 6%
 - Differential pumping costs since most outside-City customers are at higher elevations
 - Police and fire protection
 - City will forward the Kennedy Jenks report from 1995 rate study
 - Estimate costs for Ag customers to put in a well as an alternative to receiving City water
 - \$20K to drill well, pumping cost is \$125/AF, pump only to meet irrigation demands
 - This cost puts a ceiling on rate for Ag customers.

- City interested in tying dedicated irrigation meters to ET factors – if we use actual ET, is billing system capable of handling: City to check
 - Water rates need to send strong conservation message to meet 20x20 goal of 117 gpcd per Urban Water Management Plan. FY 2011 gpcd is 130.
 - RFC to research other agencies' policy in requiring separate irrigation meters for large commercial customers
 - Current Ag allotment was based on water needs to grow avocados
 - Current Schools/parks allotment was based on 70% to 80% of ET
 - Not all schools have separate irrigation meters
- Wastewater Rate Study
- RFC will send a list of commercial customers that fall into the Low, Medium, High strength categories (see attached list)
 - City will try to categorize commercial customers into those categories
 - Explore outside-City WW customers rate differential based on police and fire protections
 - Alternative wastewater rate structures
 - Combine MFR 1-4 units and 5+ units classes into a single class to simplify
 - Review cap of 10 hcf for SFR customers
 - Explore changing structure to average winter water usage, subject to a cap
 - If City was able to categorize commercial customers into the different classes, RFC will calculate commercial rates by strength class