



NOTICE OF PUBLIC HEARING

Proposed Changes to Utility Rates

Date: Tuesday, June 11, 2013
Time: 2:00 p.m.
Place: City Council Chambers, City Hall
735 Anacapa Street, Santa Barbara

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

How Will the Proposed Changes Impact My Bill?

The rate impact for the average in-City single family residential customer (twelve hundred cubic feet of water and a 5/8" meter) will be very small, only increasing from \$67.75 to \$67.81 under the proposed rates.

What are the Proposed Changes?

Overall, water rate structure is proposed to remain largely the same, with changes in the per unit costs outlined in Table 1. Proposed fixed monthly capacity charges (formerly referred to as meter charges) are summarized in Table 2.

Proposed changes include:

Reduction of Single Family Residential Tier 2 from 20 hcf to 18 hcf and reduction of Multi-Family Residential Tier 2 from 12 hcf to 8 hcf to reflect actual demand in this tier considering average weather conditions, household size, and improvements in water efficiency.

All irrigation customers have two blocks, rather than three. The first block is sized to provide adequate supply for irrigation, in accordance with actual plant water needs. See more on irrigation rates in "What is a Monthly Water Budget?".

Commercial and residential irrigation accounts will be considered the same classification.

Why Have a Rate Study?

The last comprehensive rate study was completed in 1995. The City needed the rate study to develop a 10-year financial plan that ensures financial stability and sufficiency and to develop a water rate structure that:

- Is based on cost of service principles,
- Is fair and equitable,
- Ensures revenue stability,
- Promotes water conservation, and
- Minimizes impacts.

The study concluded that both prior and proposed rates are in compliance with Proposition 218, which is the initiative requiring water and wastewater rates to reflect the cost of providing service to different classes of customers.

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. Small variations above or below the 4% amount may occur due to rounding. The maximum monthly charge for a single family residential customer would increase from \$39.21 to \$40.78 under the proposed rates. Proposed wastewater fees are summarized in Table 3. The proposed increase will fund increasing wastewater system costs resulting from inflation and the ongoing need for rehabilitation of the City's wastewater treatment plant and collection system.

What is a Monthly Water Budget?

(Applicable only to customers billed by the City for dedicated irrigation meters)

The monthly water budget is a calculation of irrigation allotment based on customer-specific irrigable area and seasonal watering needs. The purpose of providing a monthly allotment is to bill customers based on the seasonal water needs of their landscaping.

Please call (805) 564-5460 if you would like further details on water budgeting.

TABLE 1 – PROPOSED PER UNIT WATER RATE CHANGES

Customer Class	Tiers	Proposed Rates	Current Rates
Single Family Residential	First 4 hcf	\$3.18	\$3.14
	Next 14 hcf	\$5.16	\$5.25
	All other hcf	\$6.62	\$5.53
Multi-Family Residential	First 4 hcf (per dwelling unit)	\$3.18	\$3.14
	Next 4 hcf (per dwelling unit)	\$5.16	\$5.25
	All other hcf	\$6.62	\$5.53
Commercial / Industrial	100% of base allotment	\$5.16	\$5.25
	All other hcf	\$5.91	\$5.53
Irrigation – Residential & Commercial	100% of monthly budget	\$5.16	\$5.25
	All other hcf	\$6.62	\$5.53
Irrigation - Recreation/ Parks/Schools	100% of monthly budget	\$2.70	\$2.47
	All other hcf	\$6.62	\$5.25/\$5.53
Irrigation – Agriculture	100% of monthly budget	\$1.51	\$1.45
	All other hcf	\$6.62	\$5.25/\$5.53
Recycled Water	All HCF	\$2.16	\$1.98
Outside City Limits	130% of corresponding in-City rates		

TABLE 2 – PROPOSED CAPACITY TO SERVE CHARGES*

	5/8"	3/4"	1"	1 ½"	2"	3"	4"	6"	8"	10"
Current:	\$13.19	\$19.82	\$33.00	\$65.97	\$105.58	\$211.14	\$329.91	\$659.81	\$1,054.84	\$1,517.56
Proposed:	\$13.81	\$19.57	\$31.09	\$59.89	\$94.44	\$203.87	\$365.14	\$751.02	\$1,384.55	\$2,190.86

*Formerly referred to as Monthly Meter Charges

TABLE 3 – PROPOSED WASTEWATER RATE CHANGES

Customer Class	Tiers	Proposed Rates	Current Rates
Single Family Residential	Fixed Charge	\$14.88	\$14.31
	First 10 hcf	\$2.59	\$2.49
Multi-Family Residential	Fixed Charge (per dwelling unit)	\$14.88	\$14.31
	First 8 hcf (per dwelling unit)	\$2.59	\$2.49
Commercial	All hcf (Subject to minimum**)	\$2.93	\$2.82
Industrial	All hcf (Subject to minimum**)	\$3.55	\$3.41

** Go to www.SantaBarbaraCA.gov/Water to see all minimum charges

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 11, 2013. (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.