

TO: City Council
FROM: Doug Monn, Public Works Director
SUBJECT: Residential Sewer Charges
DATE: April 15, 2014

NEEDS: For the City Council to consider an adjustment of residential sewer bills for Fiscal Year 14/15 due to the drought conditions of Winter 2013/14.

- FACTS:**
1. Under City Ordinance No. 975, residential sewer bills that become effective on July 1 of each year are based on the average water use of the previous December, January, and February. These winter months are normally the best representation of indoor water use.
 2. The City received very little rainfall in December 2013 through February 2014. A statistical analysis of all residential water and sewer billing data indicates that the median winter water use for Winter 13/14 was 20% greater than Winter 12/13. There was not a corresponding increase in wastewater flows received at the wastewater treatment plant.
 3. This greater water demand may be attributed to outdoor water use (i.e., irrigation).

**ANALYSIS &
CONCLUSION:**

Water production data indicates residential water use in Winter 2013/14 was greater than normal due to outdoor water use. Since the volume-based sewer rate is predicated on little or no outdoor water use in the winter months, a reduction to residential sewer bills that become effective July 1, 2014 and continue through June 2015 would be appropriate, to compensate for high outdoor water use during the Winter 2013/14 survey period.

Median winter water use is the best measure of changes to typical residential water use year-over-year. Since median winter water use for Winter 13/14 was 20% greater than Winter 12/13, a 20% reduction to the basis of all residential sewer bills for Fiscal Year 14/15 seems appropriate. A 20% reduction would bring the basis of a typical residential customer's monthly sewer bill down to 7 units, which was the median residential winter water use when the City established the volume-based sewer rate structure in 2011.

This would be a one-time one-year adjustment based on the abnormal conditions of the Winter 13/14 survey period, and would return to the normal methodology prescribed by Ordinance No. 975 after the Winter 14/15 survey period.

POLICY

REFERENCE: Proposition 218 requirement that property-related fees are charged to owners in proportion to use.

FISCAL

IMPACT: A 20% reduction to the basis of residential sewer bills for Fiscal Year 14/15 should not have an adverse impact on the Sewer Enterprise Fund. The reduction would align revenues with projections (of the sewer rate study completed in 2011).

OPTIONS:

- a. Adopt Resolution No. 14-XX, to reduce the basis of all residential sewer bills for Fiscal Year 14/15 by 20%, due to increased outdoor water use resulting from drought conditions of the Winter 13/14 survey period.
- b. Amend, modify or reject the above option.

ATTACHMENT: Resolution No. 14-XXX

RESOLUTION NO. 14-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
TO ADJUST RESIDENTIAL SEWER BILLS FOR FISCAL YEAR 14/15

WHEREAS, under City Ordinance No. 975, residential sewer bills that become effective on July 1 of each year are based on the average water use of the previous December, January, and February. These winter months are normally the best representation of indoor water use.

WHEREAS, the City received very little rainfall in December 2013 through February 2014. Water production data indicates residential water use in these months was greater than normal due to outdoor water use (i.e., irrigation).

WHEREAS, median winter water use is the best measure of changes to typical residential water use year-over-year.

WHEREAS, a statistical analysis of all residential water and sewer billing data indicates that median winter water use for the Winter 13/14 survey period was 20% greater than Winter 12/13. There was not a corresponding increase in wastewater flows received at the wastewater treatment plant.

WHEREAS, a 20% reduction would bring the basis of a typical residential customer's monthly sewer bill down to 7 units, which was the median residential winter water use when the City established the volume-based sewer rate structure in 2011.

WHEREAS, a 20% reduction to the basis of residential sewer bills for Fiscal Year 14/15 should not have an adverse impact on the Sewer Enterprise Fund.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council hereby reduces the basis of all residential sewer bills for Fiscal Year 14/15 by 20%.

SECTION 2. This is a one-time adjustment based on the abnormal conditions of the Winter 13/14 survey period. Calculation of residential sewer bills will return to the normal methodology prescribed by Ordinance No. 975 after the Winter 14/15 survey period.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 15th day of April 2014, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Duane Picanco, Mayor

Caryn Jackson, Deputy City Clerk