



City of Calistoga Attachment 3

NOTICE OF PUBLIC HEARING

Changes in Water and Wastewater Rates

Tuesday, September 21, 2010 at 7:00 P.M.
Calistoga Community Center - 1307 Washington St.

Why Do The Rates Need To Be Changed?

The costs to maintain water and wastewater systems have increased over the years, in spite of cost reducing measures. The costs of labor, energy, chemicals and compliance with Federal and State regulations for clean water and wastewater disposal continue to rise. The City must also comply with State requirements for adequate water supply to construct a new water tank and other system improvements, and to comply with financial agreements to maintain adequate reserves and operating revenues over expenses. The water rates have remained the same for four years since January 2006. The wastewater rates have not been changed for two years since January 2008.

What Has Been Done To Control Costs?

The City has made efforts in the water enterprise budgets to reduce costs by reducing standby overtime, converting standard pumps/motors to variable frequency drive motors to reduce energy costs, and deferring equipment replacements. Certain vacant positions have been left unfilled or filled below the incumbent grade. In addition staff has avoided certain costs through use of alternative solutions, we continue to look for ways to partner with other water utilities in Napa Valley to lower infrastructure costs such as the up-valley pumping station at Dwyer Road, and we continue to look for and obtain grant and low interest loan opportunities. For questions on Water and Wastewater operations or improvements, please contact Public Works at (707) 942 – 2828.

How Are the Rate Changes Developed?

The City Council appointed a Citizens Water and Wastewater Revenue Advisory Committee, assisted by City staff, to review the water and wastewater utility operating costs, improvement projects and assumptions on projected revenue needs in the future. The Committee held 21 meetings over eight months which were open to the public. The Committee considered public input from residents and businesses on developing the proposed rates.

The Committee reviewed ways to reduce the costs of the utilities and understanding how to keep the systems maintained and financially stable. The Committee concluded that rates need to be adjusted over the next five years and adjusted by the consumer price index annually thereafter. The Committee determined how to fairly allocate costs between residential and non-residential users based on use of the services and impact on the systems; implemented conservation measures in the residential rates based on use; and insured that new development pays its fair share of improvements to the utilities that benefit development. A report on water and wastewater rate changes with supporting schedules was developed and submitted to the City Council for approval.

How Can I Find Out More About the Proposed Changes?

You can read the rate studies at www.ci.calistoga.ca.us or copies are available at City Hall or the Library. You can also use the "How to Calculate Your Utility Bill" worksheet with information from your old utility bills on the amount of water you used and how the proposed rate changes will affect you. If you need assistance, you can call Utility Billing at 707-942-2801.

How Do I Protest The Proposed Water and Wastewater Rate Changes?

State Law mandates how protests to water and wastewater rate changes are conducted. Customers directly responsible for the payment of the rates or property owners, if different, may submit a written protest against the rate changes. If written protests are received from the majority of the affected customers or property owners, then the proposed rate changes cannot be adopted by the City Council.

It is important to follow these instructions in order for your protest to be valid:

1. The protest must be in writing and received by the City Clerk at or before the public hearing on September 21, 2010. The protest must specifically identify what is being protested. Written protests may be mailed or personally delivered to the City Clerk at City Hall - 1232 Washington St, Calistoga, CA 94515.
2. All written protests must include the service address and utility account number
3. The protest must be signed by the person listed on the utility account and responsible for paying the utility bill or the property owner. The name of the signer should also be printed legibly. Only one protest will be counted for each account.



City of Calistoga
1232 Washington St.
Calistoga, CA 94515

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NOTICE OF PUBLIC HEARING

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Notice of Public Hearing

Public Hearing on proposed Water and Wastewater rate changes will be held on:

Date: Tuesday, September 21, 2010

Time: 7:00 P.M.

Place: City of Calistoga Community Center
1307 Washington St. Calistoga, Ca 94515

The hearing will review the proposed rates changes for water and wastewater rates over the next five years to January 2015, one-time connection charges and other related changes to fees and charges. This notice has been sent to all utility customers or property owners, if different, as of July 2010. If adopted, the proposed rate changes will become effective 30 days after adoption of the ordinance.

This Notice of Public Hearing provides information on the proposed water and wastewater rate changes as required by State law. The ordinance and resolution for proposed rate changes will be presented to the City Council for introduction, and subsequent adoption, on October 19, 2010. This notice also provides information on how the rates are calculated, the reasons for the required rate changes, how customers can receive more information on the effect of the rate changes and how to file a protest against the proposed rate changes.

Current and Proposed Water & Wastewater Rate Changes

The following charts show the changes in proposed rates over the next five years. The first rate increase will be effective in the November and December utility bills. Rates after January 1, 2015 are proposed to be adjusted annually by the consumer price index. You can use the "How to Calculate Your Utility Bill" worksheet with information from your old utility bills on the amount of water you used and how the proposed rate changes will affect you.

Water Rates		Current Rates	30 Days after Effective Date of Ordinance	January 1, 2012	January 1, 2013	January 1, 2014	January 1, 2015
Fixed Monthly Meter Service Charge By Meter Size							
5/8" or 3/4"		\$ 17.56	\$ 18.65	\$ 19.78	\$ 20.26	\$ 20.71	\$ 21.16
1"		\$ 43.90	\$ 46.62	\$ 49.46	\$ 50.64	\$ 51.78	\$ 52.90
1 1/2"		\$ 87.80	\$ 93.25	\$ 98.92	\$ 101.28	\$ 103.56	\$ 105.80
2"		\$ 140.48	\$ 149.20	\$ 158.28	\$ 162.04	\$ 165.70	\$ 169.29
3"		\$ 263.40	\$ 279.75	\$ 296.77	\$ 303.83	\$ 310.68	\$ 317.41
4"		\$ 439.00	\$ 466.24	\$ 494.62	\$ 506.39	\$ 517.80	\$ 529.02
6"		\$ 878.00	\$ 932.48	\$ 989.23	\$1,012.78	\$1,035.60	\$1,058.03
8"		N/A	\$1,491.97	\$1,582.77	\$1,620.45	\$1,656.96	\$1,692.85
Meter Service Charge multiplied by Demand Factor	Current Factor	Proposed Factor			Current Factor	Proposed Factor	
Single family	1.00	1.00	Restaurants		2.38	2.39	
Multi-family residential facilities	1.58	1.42	Laundry		1.16	1.10	
Mobile home parks	2.36	2.11	Transient Occupancy		2.57	1.25	
Commercial general	1.16	1.10	Spa Resorts		2.57	2.57	
			Industrial		5.35	3.19	
Volume Charge for water used in hundred cubic feet (hcf) (equal to 748 gallons)							
Base charge For all Users		\$ 4.61	\$ 5.05	\$ 5.27	\$ 5.35	\$ 5.43	\$ 5.51
Single Family Conservation Rates - Amount of Bi-monthly Water Use in hcf (every 2 months)							
Current Bi-Mthly Tiers	Proposed Bi-Mthly Tiers						
0 - 8 hcf	0 - 8 hcf	\$ 3.46	\$ 5.05	\$ 5.27	\$ 5.35	\$ 5.43	\$ 5.51
9 - 14 hcf	9 - 14 hcf	\$ 4.15	\$ 5.05	\$ 5.27	\$ 5.35	\$ 5.43	\$ 5.51
15 - 50 hcf	15 - 32 hcf	\$ 4.61	\$ 5.05	\$ 5.27	\$ 5.35	\$ 5.43	\$ 5.51
	33 - 50 hcf	\$ 4.61	\$ 5.30	\$ 5.53	\$ 5.61	\$ 5.69	\$ 5.79
51 + hcf	51 - 99 hcf	\$ 6.12	\$ 5.56	\$ 5.81	\$ 5.89	\$ 5.97	\$ 6.07
	100 + hcf	\$ 6.12	\$ 6.75	\$ 7.05	\$ 7.15	\$ 7.25	\$ 7.37
Peak Surcharge rate applied to all non-single family customers water use in excess of monthly use by size of meter and adjusted by demand factor							
Peak Surcharge Rate per hcf		\$ 5.68	\$ 6.75	\$ 7.03	\$ 7.17	\$ 7.31	\$ 7.46
Meter Size		Current Peak Use (in hcf)		Proposed Peak Use (in hcf)			
5/8" or 3/4"		35		35			
1"		88		88			
1 1/2"		175		175			
2"		280		280			
3"		525		525			
4"		875		875			
6"		1,750		1,750			
8"		n/a		2,800			
Outside City Rate		15% of Volume charge rates listed above.					
Lifeline Rate For Qualified Residents (PG&E CARE Program)		20% reduction up to 35 units of bi-monthly water use.					

Wastewater Rates	Basis	Current Rates	30 Days after Effective Date of Ordinance	January 1, 2012	January 1, 2013	January 1, 2014	January 1, 2015
Rates by User Type							
Single Family Residential	Flat Monthly	\$ 43.41	\$ 51.08	\$ 56.63	\$ 59.94	\$ 61.82	\$ 62.72
Multi Family Residential	Flat Monthly	\$ 43.41	\$ 50.56	\$ 52.94	\$ 51.94	\$ 52.52	\$ 52.77
Mobile Home	Flat Monthly	\$ 30.82	\$ 32.65	\$ 34.18	\$ 33.54	\$ 33.91	\$ 34.08
Transient Lodging Rates	Per hcf of Water	\$ 7.93	\$ 9.41	\$ 10.70	\$ 11.68	\$ 12.18	\$ 12.83
Comm Gen'l & Other Uses	Per hcf of Water	\$ 5.21	\$ 6.01	\$ 6.31	\$ 5.46	\$ 5.07	\$ 4.97
Restaurant/Bakery	Per hcf of Water	\$ 12.75	\$ 15.32	\$ 17.61	\$ 20.93	\$ 21.64	\$ 22.03
Brewery/Winery	Per hcf of Water	\$ 12.98	\$ 1.61	\$ 1.47	\$ 1.40	\$ 1.40	\$ 1.42
Industrial & Bottling Works Rates							
Measure Flow Rate	Per mg of Flow	\$5,858.65	\$ 6,752.60	\$8,349.28	\$9,369.57	\$9,399.02	\$9,929.06
Calculated BOD Rate [1]	Per Pound	\$ 1.04	\$ 1.59	\$ 1.60	\$ 1.60	\$ 1.60	\$ 1.62
Calculated SS Rate [1]	Per Pound	\$ 0.81	\$ 1.22	\$ 1.24	\$ 1.25	\$ 1.24	\$ 1.26
Groundwater Discharge Rates							
Spa	Per hcf of Water	\$ 8.12	\$ 3.67	\$ 4.11	\$ 3.92	\$ 3.93	\$ 3.99
Residential/Spa/Commercial	Per hcf of Flow	\$ 4.96	\$ 6.30	\$ 7.45	\$ 7.90	\$ 8.15	\$ 8.28
Other Rates							
Wastewater Capacity [2]	Flat Monthly	\$ 36.21	\$ 41.17	\$ 46.83	\$ 44.98	\$ 44.44	\$ 44.06
Minimum Rate Paid	Flat Monthly	\$ 30.82	\$ 32.65	\$ 34.18	\$ 33.54	\$ 33.91	\$ 34.08

[1] BOD is Biological Oxygen Demand and SS is Suspended Solids which are methods of calculating the strength of the wastewater.

[2] Charged to properties that are not developed or underdeveloped to maintain right to access wastewater system

What is the impact on a Typical Single Family Residential Customer?

The following shows the impact of the first year rate changes on a typical residential customer which assumes 6 hcf of water use per month. The actual amounts will vary with different use due to the single family conservation rate structure.

	Current Rates	Proposed Rates
Water Use - 6 hcf/4,488 gallons	\$ 39.70	\$ 48.95
Wastewater disposal	43.41	51.08
Total	\$ 83.11	\$ 100.03

To find out how the proposed rates will effect your bill, you can use the "How to Calculate Your Utility Bill" worksheet with information from your old utility bills. You can download a copy of the worksheet at www.ci.calistoga.ca.us or copies are available at City Hall. If you need assistance, you can call Utility Billing at 707-942-2801.

Connection Fees on Development

The Connection Fee is a one-time charge to new or expanded development to connect to the utility systems. This charge is determined by calculating the estimated annual demand on the water and wastewater systems. The revenue from the Connection Fees is used to pay the fair share of improvement costs to the utility system that will benefit new development. Below is a chart that shows the current and proposed rates to be charged per acre foot of utility demand. The rates are proposed to annually increase by the Construction Cost Index.

	Current Rates	Proposed Rates
Water Connections	\$ 26,350	\$ 31,643
Wastewater Connections	\$ 86,225	\$ 92,384