



City of Calistoga
1232 Washington St.
Calistoga, CA 94515

NOTICE OF PUBLIC HEARING



City of Calistoga
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 by the City. 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 law requirements for adequate water supply to construct a new water tank and other system improvements and 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 and wastewater 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. Vacant positions related to water and wastewater operations have been left unfilled or filled below the incumbent grade. In addition staff has avoided certain costs through use of alternative solutions. For example, 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 project financing in grants 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 properly maintained and financially stable. The Committee concluded that rates must be adjusted over the next five years and adjusted by the consumer price index annually thereafter. In order to cover costs of providing services. The Committee determined how to fairly and properly 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 establishes 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 the City receives written protests from a 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 who is listed on the utility account and is 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.

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 changes for water and wastewater rates, 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 on October 5, 2010 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 will be adjusted annually in accordance with the San Francisco Bay Area Consumer Price Index (CPI). 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,	January 1,	January 1,	January 1,	Annually Beginning January 7,
			2012	2013	2014	2015	2016
Fixed Monthly Meter Service Charge By Meter Size							
5/8" 9/16"	\$ 1,750	\$ 18,955	\$ 19,778	\$ 20,261	\$ 20,711	\$ 21,118	All Rates tied to CPI Adjustments
1"	\$ 4,390	\$ 46,622	\$ 49,446	\$ 50,644	\$ 51,778	\$ 52,990	
1 1/2"	\$ 8,780	\$ 93,225	\$ 98,892	\$ 101,288	\$ 103,566	\$ 105,800	
2"	\$ 14,048	\$ 149,220	\$ 158,228	\$ 162,044	\$ 165,170	\$ 169,429	
3"	\$ 283,440	\$ 279,775	\$ 296,777	\$ 300,833	\$ 310,688	\$ 317,441	
4"	\$ 439,000	\$ 468,224	\$ 494,632	\$ 506,339	\$ 517,800	\$ 529,022	
6"	\$ 878,000	\$ 932,448	\$ 989,223	\$ 1,012,778	\$ 1,035,500	\$ 1,058,033	
8"	n/a	\$ 1,491,977	\$ 1,582,777	\$ 1,620,445	\$ 1,656,936	\$ 1,692,835	
Meter Service Charge Multiplied by Demand Factor	Current Factor	Proposed Factor	Current Factor	Proposed Factor			
Single Family	1.00	1.00	2.38	2.39			
Multi-family facilities	1.58	1.42	1.16	1.10			
Mobile home parks	2.38	2.11	Transient Occupancy	2.57	1.25		
Commercial/Industrial	1.18	1.10	Spa Reasons	2.57	2.57		
Single Family Fire Sprinkler Meter	n/a	n/a	Industrial	5.35	3.18		
Fire Service Meter Rate	n/a	n/a	For accounts that required a larger meter for the fire sprinkler system - monthly service charge shall be the next smaller meter size.				
Volume Charge for Water Used in Unmetered Outside Curb (equal to 728 gallons)	n/a	n/a	For non single family users with a separate fire service or compound meter for a completed account - the only monthly service charge shall be 10% of the standard meter charge and no Demand Factor.				
Base Charge For all Users	\$ 4.61	\$ 5.05	5.27	\$ 5.35	\$ 5.43	\$ 5.51	Rates tied to CPI Adjustments
Single Family Conservation Rates - Amount of Bi-monthly Water Use in hcf (every 2 months)	Current	Proposed					
0-8 hcf	\$ 3.48	\$ 5.05	\$ 5.27	\$ 5.35	\$ 5.43	\$ 5.51	
9-14 hcf	\$ 4.15	\$ 5.05	\$ 5.27	\$ 5.35	\$ 5.43	\$ 5.51	
15-50 hcf	\$ 4.61	\$ 5.05	\$ 5.27	\$ 5.35	\$ 5.43	\$ 5.51	
51+ hcf	\$ 4.61	\$ 5.30	\$ 5.53	\$ 5.61	\$ 5.69	\$ 5.79	
	\$ 6.12	\$ 5.66	\$ 5.81	\$ 5.89	\$ 5.97	\$ 6.07	
	\$ 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	Current	Proposed	Current	Proposed	Current	Proposed	Rates tied to CPI Adjustments
Head Size	5/8" or 3/4"	35	35	52.5	52.5	52.5	
	1"	88	88	87.5	87.5	87.5	
	1 1/2"	175	175	1,750	1,750	1,750	
	2"	280	280	n/a	n/a	2,800	
Outside City Rate							
Lifeline Rate For Qualified Residents (PG&E CARE Program)							
Surcharge for Wholesale Water Cost Adjustments	n/a	n/a	Annual adjustments to volume charge for pass-through of adjustments in wholesale water costs.				

Wastewater Rates

Rate by Meter Type	Basis	Current Rates	30 Days after Effective Date of Ordinance	January 1, 2012	January 1, 2013	January 1, 2014	January 1, 2015	Annually Beginning January 1, 2016
Single Family Residential	Flat Monthly	\$ 43.41	\$ 51.08	\$ 56.63	\$ 59.94	\$ 61.82	\$ 62.72	All Rates tied to CPI Adjustments
Multi Family Residential	Flat Monthly	\$ 43.41	\$ 50.56	\$ 52.94	\$ 51.94	\$ 52.52	\$ 52.77	
Mobile Home	Flat Monthly	\$ 30.62	\$ 32.65	\$ 34.18	\$ 33.54	\$ 33.91	\$ 34.08	
Transient Rates	Per hcf of Water	\$ 7.93	\$ 9.41	\$ 10.70	\$ 11.88	\$ 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	\$ 21.84	\$ 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	\$ 8,752.0	\$ 9,349.28	\$ 9,359.57	\$ 9,396.02	\$ 9,929.06	
Calculated BOD Rate	Per Pound	\$ 1.04	\$ 1.59	\$ 1.80	\$ 1.90	\$ 1.80	\$ 1.82	
Calculated SS Rate	Per Pound	\$ 0.81	\$ 1.22	\$ 1.24	\$ 1.25	\$ 1.24	\$ 1.25	
Citywide Water Discharge Rates								
Spa	Per hcf of Water	\$ 8.12	\$ 3.67	\$ 4.11	\$ 3.92	\$ 3.93	\$ 3.99	
Residential/Spa/Comm	Per hcf of Flow	\$ 4.99	\$ 6.30	\$ 7.45	\$ 7.90	\$ 8.15	\$ 8.28	
Other Rates								
Wastewater Capacity	Per Monthly	\$ 39.21	\$ 41.17	\$ 46.83	\$ 44.98	\$ 44.44	\$ 44.06	
Minimum Rate	Per 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	\$ 1.08
Total	\$ 83.11	\$ 190.03

To find out how the proposed rates will affect 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.callistoga.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. It is proposed that these rates are annually increased in accordance with the Construction Cost Index.

	Current Rates	Proposed Rates
Water Connections	\$ 29,350	\$ 31,843
Wastewater Connections	\$ 88,225	\$ 92,984

Annual Rate Changes after January 1, 2015

The water and wastewater rates will be adjusted annually after January 1, 2015 in accordance with the San Francisco Bay Area Consumer Price Index (CPI). It is anticipated that this annual adjustment would keep the rates in line with operating costs. Any annual CPI adjustment would be set by a resolution adopted by the City Council after a noticed public hearing on the rate adjustments, in accordance with State Law.