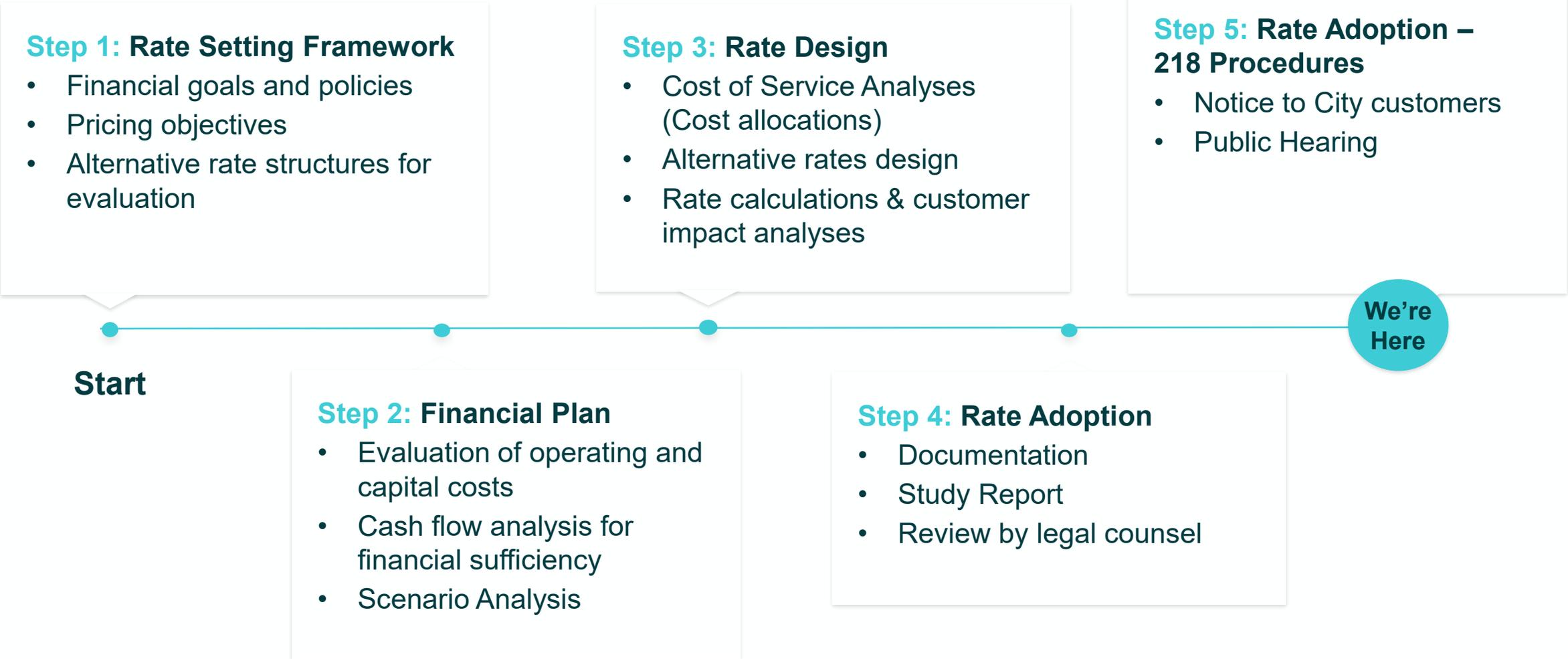




City of Healdsburg

Utility Rates Public Hearing
City Council Presentation | May 6, 2024

Rates Study Process



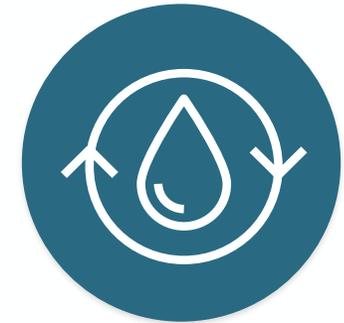
Aligning with Community Values and Objectives



Provide fairness, so all customers pay their fair share for service, regardless of their class



Ensure financial sufficiency recovering operating costs, funding long-term capital needs, and maintaining prudent reserves



Water Supply Security to improve water supplies during droughts

Council Direction & Rate Results

- **A Water Enterprise Financial Plan that prioritizes strengthen the City's water supply**
- **Water and Wastewater Enterprise Financial Plans that allow for necessary infrastructure reinvestment**
- **Tiered Single Family Residential water rates**
- **Financial Reserves Policy to lessen rate impacts**

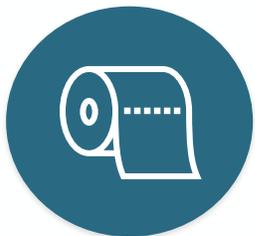
Rate Study Results

Single Family Residential (SFR) Average Monthly Impact, Year One



\$16.59 increase for water service

Primary drivers: CIP, aging infrastructure, inflationary cost pressure, water supply security, current cash position, and rate restructuring



\$17.62 increase for wastewater service

Primary financial drivers: CIP, aging infrastructure, inflationary cost pressure, current cash position, and updated cost of service analysis

Water Supply Security

Contract Water from Lake Sonoma

- Loss of the Potter Valley Project reduces reliability of the upper Russian River
- Council provided direction to staff to prioritize development of more stable water supplies
- By deferring treatment improvements at the Fitch Well field, those funds can support the restoration of pumping capacity at the Dry Creek wells
- Increased pumping capacity allows the City to pump stored water from Lake Sonoma providing greater water security during future droughts
- Impacts to proposed rate increases is roughly 1% in the third year
- If treatment improvements are delayed, the City would likely lose the use of the Fitch Well fields until those improvements are constructed.

Planned Capital Projects

Included In Proposed Rates

(13.9 million)

- Dry Creek Cryptosporidium Filtration – Water
- Dry Creek Pumping & Clear Well Improvements – Water
- Gauntlett Reservoir Liner Replacement – Water
- Healdsburg Ave Utility Replacement - Water & Wastewater
- Brown Street Sewer & Water Replacement – Water & Wastewater
- University Street Sewer & Water Rpl. – Water & Wastewater
- Orchard Lift Station Rehabilitation – Wastewater
- Healdsburg Ave Sewer Replacement - Wastewater
- Water Reclamation Facility Membrane Replacement – Wastewater
- Magnolia List Station Rehabilitation – Wastewater

Removed from Proposed Rates

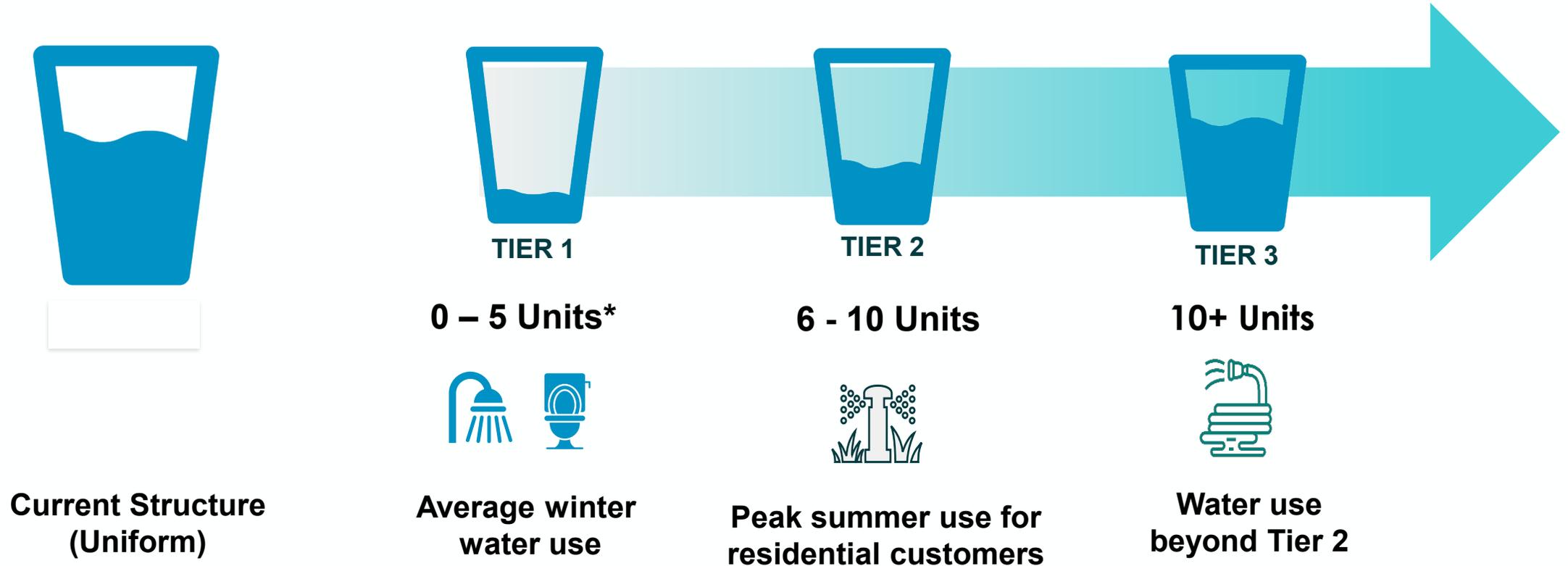
(27.5 million*)

- Fitch Well Field Cryptosporidium Filtration – Water
- Dry Creek Well Capacity Improvements – Water
- Gauntlett WTP Membrane Replacements – Water
- Fitch Treatment Modernization – Water
- PFAS removal – Water (TBD by 2024/25 test results)
- Gauntlett and Fitch Pipeline Rehab – Water
- McDonough Watermain Replacement – Water & Wastewater
- Heron Lift Station Relocation – Wastewater
- Hendricks Lift Station Conversion – Wastewater
- Inflow & Infiltration Repairs – Wastewater

*Includes possible costs for PFAS removal

RESIDENTIAL (SFR & MFR)

Proposed Rate Structure Modifications



*1 Unit = Hundred Cubic Foot (HCF) 748 gallons or approximately 15 bathtubs

Water Fixed Monthly Service Charges – Three Year Schedule

- Current: Residential fixed charges based on Dwelling Units (DU)
- Proposed: All Classes based on meter size

Description	Current FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027
Residential Fixed Monthly Service Charge				
Single Family	\$28.61	By Meter Size	By Meter Size	By Meter Size
Single Family + ADU (per DU)	\$21.84	By Meter Size	By Meter Size	By Meter Size
Multi-Family (Per DU)	\$17.01	By Meter Size	By Meter Size	By Meter Size
Fixed Monthly Service Charges				
Up to 1"	\$45.26	\$41.34	\$49.61	\$56.06
1 1/2"	\$86.90	\$77.94	\$93.53	\$105.69
2"	\$136.86	\$121.86	\$146.24	\$165.26
3"	\$253.46	\$238.98	\$286.78	\$324.07
4"	\$419.91	\$370.75	\$444.90	\$502.74
6"	\$1,127.75	\$736.76	\$884.12	\$999.06

Water Commodity Rates (\$/HCF) – Three Year Schedule

Class and Tier	Current FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027
Residential (Single Family & Multi-Family)				
Tier 1 (0-5 HCF)	\$6.48	\$6.48	\$7.78	\$8.80
Tier 2 (6-10 HCF)	\$6.48	\$8.41	\$10.10	\$11.42
Tier 3 >10 HCF	\$6.48	\$10.80	\$12.96	\$14.65
Non-Residential Classes				
Commercial	\$6.48	\$7.61	\$9.14	\$10.33
Industrial	\$6.48	\$9.49	\$11.39	\$12.88
Landscape	\$6.48	\$11.06	\$13.28	\$15.01
Riverview HOA	\$1.59	\$1.93	\$2.32	\$2.63

¹¹ Only the volumetric rate applicable to Riverview HOA under the terms of the 1997 order of condemnation. HOA Riverview pays a fixed monthly service charge by meter size that increases based schedule.

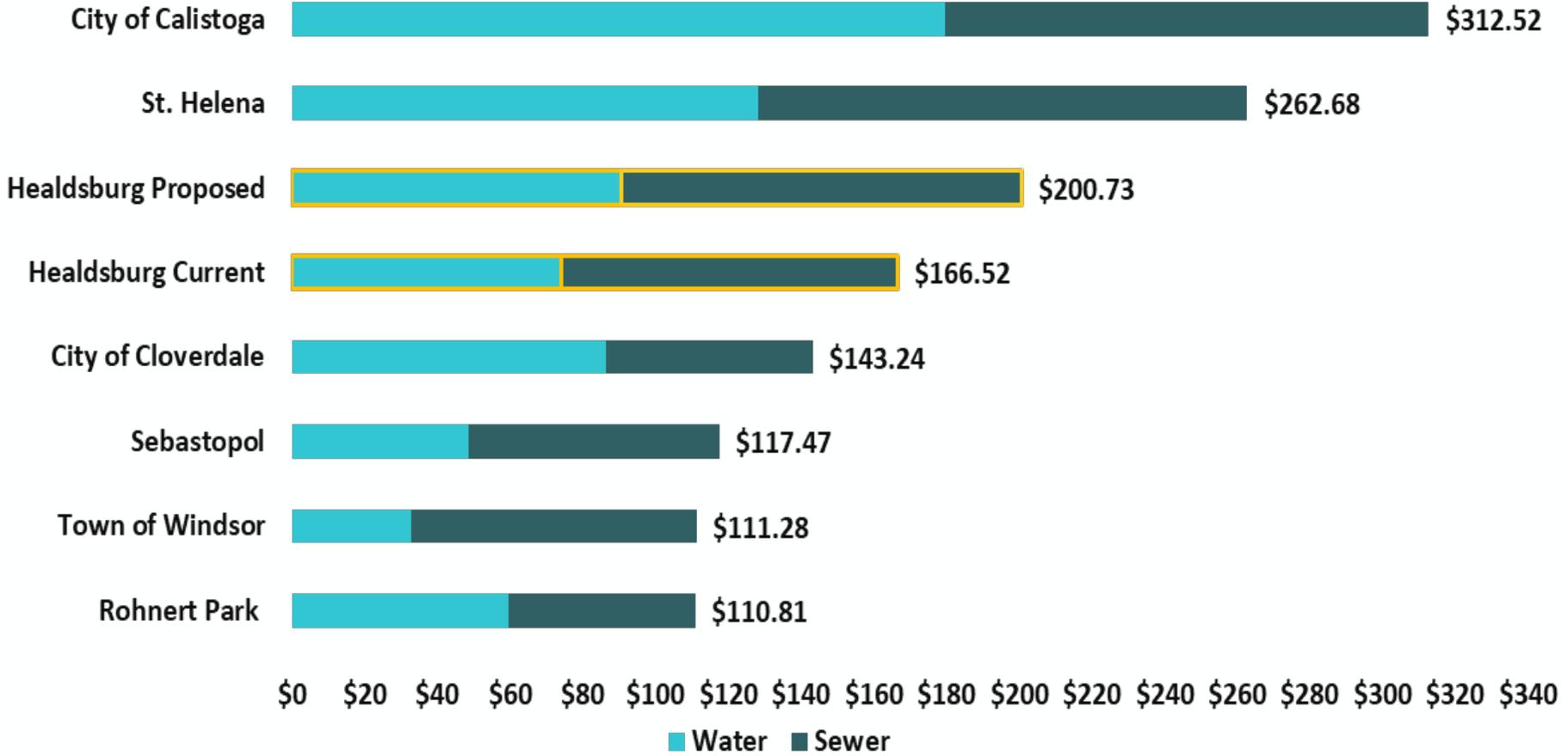
Wastewater Monthly Service Charges – Three Year Schedule

Description	Current FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027
Monthly Residential Service Charges				
Single Family Residential (SFR)	\$46.67	\$51.33	\$60.57	\$69.66
SFR + ADU	\$31.95	N/A	N/A	N/A
Multi-Family Residential (MFR)	\$37.80	\$36.94	\$43.60	\$50.14
Flat Rate (Sewer Only SFR)	\$104.01	\$110.18	\$130.02	\$149.53
Monthly Non-Residential Service Charges (per meter)				
Up to 1"	\$75.75	\$83.88	\$98.99	\$113.84
1 1/2"	\$148.49	\$243.37	\$287.18	\$330.26
2"	\$235.77	\$396.68	\$468.09	\$538.31
3"	\$439.44	\$1,279.52	\$1,509.84	\$1,736.32
4"	\$730.39	\$1,405.05	\$1,657.97	\$1,906.67
6"	\$1,966.94	\$1,405.05	\$1,657.97	\$1,906.67

Wastewater Usage Charges (\$/HCF) – Three Year Schedule

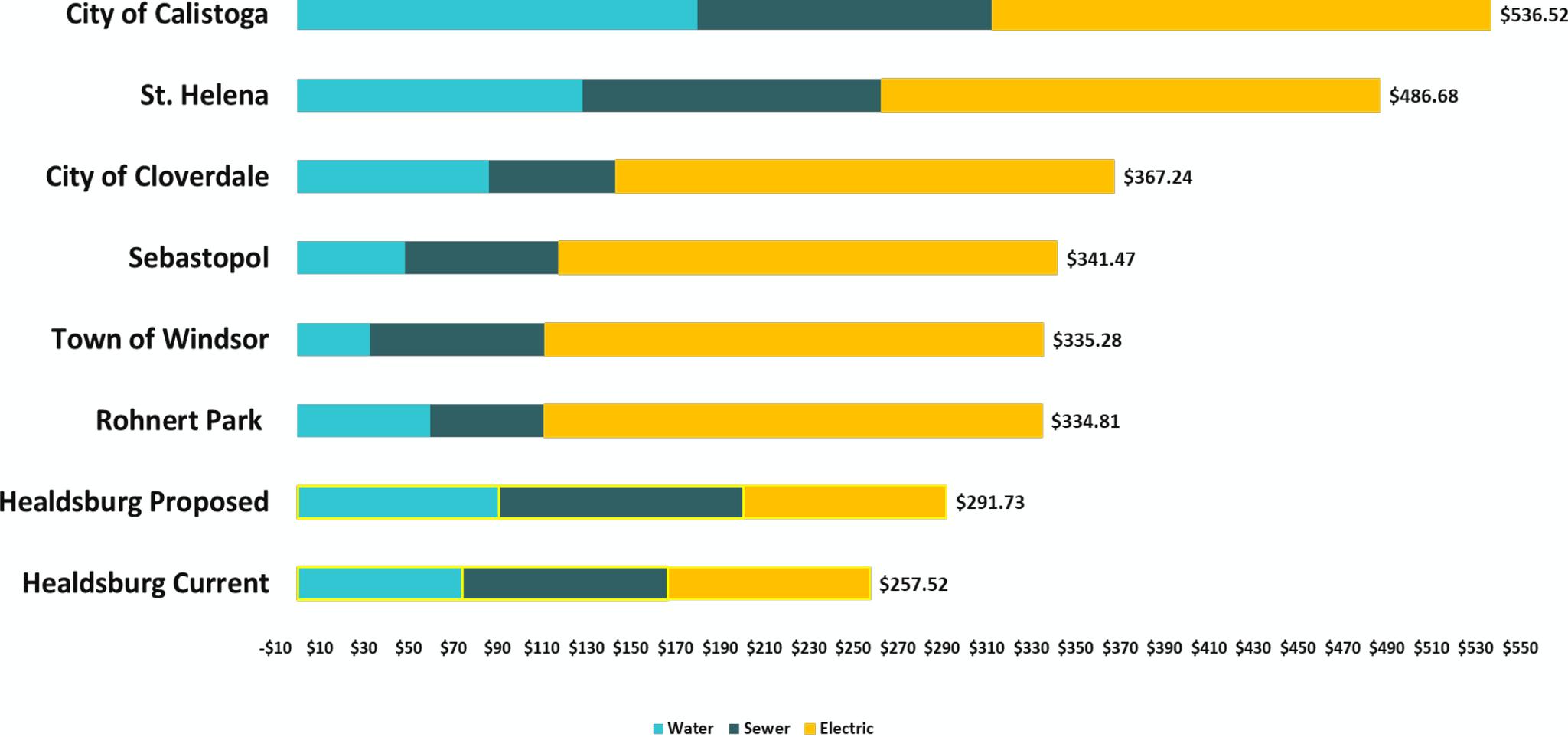
Description	Current FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027
Wastewater Usage Charges (\$/HCF)				
Residential (SFR/MFR)	\$11.47	\$14.71	\$17.37	\$19.98
Non-Residential				
Low Strength	\$10.31	\$11.43	\$13.49	\$15.52
Medium Strength	\$15.09	\$15.21	\$17.95	\$20.65
High Strength	\$22.08	\$21.08	\$24.88	\$28.62

Combined Monthly Water & Wastewater Bill – Neighboring Agency Survey (Single Family Residential: 7 HCF Water & 4 HCF Sewer)



Note: Sebastopol, Windsor, and Rohnert Park are currently conducting studies

Combined Monthly Utility Bill – Neighboring Agency Survey (Single Family Residential: 7 HCF Water, 4 HCF Sewer, & 456 kWh)



Note: Sebastopol, Windsor, and Rohnert Park are currently conducting studies

Adoption & Implementation Schedule

February 5, 2024
City Council Meeting

Preliminary Financial Outlook and Required Rate Adjustments
(Provide direction on rate structures and priority projects)

March 18, 2024
City Council Meeting

Proposed Rates Structures & Draft Financial Report
(Authorization to Notice Customers)

March-May
Procedural Period

Customer Noticing Period
(45 Day Minimum Protest Period)



May 6, 2024
City Council Meeting

Public Hearing on Proposed Rates
(Formal Rate Adoption, Absent a Majority Protest)

May 20, 2024
City Council Meeting

2nd Reading of Rate Ordinance
(30 day wait period commences)

July 1, 2024
Implementation

New Rates Effective and will appear on August utility bill.

Public Hearing Procedure



City of Healdsburg
401 Grove Street
Healdsburg, CA 95448

- Council Questions on Presentation
- Open Public Hearing
- Allow public comment
- Close Public Hearing
- City Clerk to provide vote count
- Council deliberation

NOTICE OF PUBLIC HEARING

To Consider Proposed Water and Wastewater
Rate Adjustments

AVISO DE AUDIENCIA PÚBLICA

*Para Considerar los Ajustes Propuestos de Las Tarifas de
Agua y Aguas Residuales*

PUBLIC HEARING

6 p.m. Monday, May 6, 2024
Healdsburg City Council Chambers
401 Grove Street
Healdsburg, CA 95448

AUDIENCIA PÚBLICA

6 p.m. lunes, 6 de mayo de 2024
Ayuntamiento de Healdsburg
401 Grove Street
Healdsburg, CA 95448



www.healdsburg.gov



Thank you

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Justin Rasor

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