



NOTICE OF PUBLIC HEARING PROPOSED CHANGES TO CITY OF SANTA BARBARA UTILITY RATES

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

CITY WATER RATES HAVE BEEN REVIEWED AND REVISED

Water Rates

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

How were water rates determined?

The City completed a Rate Study to develop a multi-year Financial Plan that ensures financial stability and sufficiency and to develop a water rate structure that:

- Promotes water conservation,
- Ensures revenue stability,
- Is fair and equitable, and
- Is based on cost of service principles, as required by Proposition 218 (State law that oversees utility rate regulations).

How will the proposed changes impact my water bill?

The water rate impact for the average in-City single family residential customer (12 HCF [Hundred Cubic Feet] and a 5/8" meter) will be minimal, only increasing from \$67.75 to \$67.81 under the proposed rate increases.

What are the proposed changes?

Overall, water rate structure is proposed to remain largely the same, with changes in the unit costs outlined in Table 1 (see other side). Proposed fixed monthly meter charges are summarized in Table 2 (see other side).

Proposed changes include:

- Reduction in allocation of amount of water in Single Family Residential Tier 2 from 16 HCF to 14 HCF and reduction of Multi-Family Residential Tier 2 from 8 HCF to 4 HCF to reflect average need considering household size, water efficient plumbing fixtures, and increased water wise landscaping. (1 HCF = 748 gallons)
- All irrigation customers will have two tiers, rather than three. The first tier is sized to provide adequate supply for irrigation, in accordance with actual plant water needs.
- Slight reduction in the cost of Tier 1 commercial rates.
- The Tier 3 residential water rates, and Tier 2 commercial and irrigation water rates are higher to send a stronger water conservation signal to very high water users.

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 rates 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.

CHECK OUT THE RESIDENTIAL WATER RATE CALCULATOR AT:

WWW.SANTABARBARACA.GOV/WATER

TABLE 1 – PROPOSED WATER RATE CHANGES (1 HCF = 748 GALLONS)

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 water budget	\$5.16	\$5.25
	All other HCF	\$6.62	\$5.53
Irrigation - Recreation/ Parks/Schools	100% of monthly water budget	\$2.70	\$2.47
	All other HCF	\$6.62	\$5.25/\$5.53
Irrigation – Agriculture	100% of monthly water 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		

What is a Monthly Water Budget?

The monthly water budget is a calculation of Tier 1 allotment based on the property’s irrigated landscape area and the plants’ monthly watering needs. The purpose of providing a monthly allotment is to bill customers based on the water needs of their landscaping. Please call 564-5460 if you would like further details on water budgeting.

TABLE 2 – PROPOSED MONTHLY METER 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

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 proposed changes

PARA INFORMACIÓN EN ESPAÑOL, LLAME AL 805-564-5460

Trash and Recycling Rates (Applicable only to customers billed by the City for trash/recycling service)

Starting **July 1, 2013**, the City of Santa Barbara will begin a new contract for trash and recycling services with MarBorg Industries. Under the new contract, residential customers receive significantly more recycling and greenwaste service with their paid trash rate; battery and cell phone collection; free disposal of sharps (i.e. home-generated needles) through the mail; unlimited collection of “white goods” (e.g. large appliances such as washers, dryers, refrigerators, etc.); extra collection of trash and recycling at Christmas; and, twice per year collection of “bulky items” (e.g. extra trash, furniture, electronics, etc.) all at no additional charge. Business customers will continue to receive trash, recycling, greenwaste and foodscrap service. A wide variety of different container sizes and collection frequencies are offered to meet the specific needs of Business customers. For detailed information on all services available to residential and business customers, visit www.SBrecycles.org

The new contract also includes many environmental enhancements that will benefit all City residents and businesses. For example, MarBorg will clean up twice as many piles of litter and abandoned furniture in our neighborhoods; will cut vehicle emissions by replacing old diesel trucks with cleaner burning compressed natural gas vehicles; and will work with customers to expand recycling to help the City meet current and future State-mandated recycling goals.

Under the new contract, some rates have increased and others have decreased. Generally, rates will increase 2.68% to account for an increase in the tipping fees for trash and foodscrap and an increase to the Consumer Price Index, which the City is obligated to pay MarBorg. See www.SBrecycles.org for full rates sheets and call Environmental Services at 805-564-5631 for tips on how to change service to keep your costs as low as possible.

Details of Residential Rate Changes

- **Cart Surcharge for In-Place Service:** The new rates for all carts (35, 65 and 95 gallon containers with wheels) assume that the Residential customer has rolled the carts to the curb for collection. Carts serviced “in place” will be assessed a 30% surcharge above the normal rate for Multi Family Residential, and flat rate of \$25.05 per month for Single Family Residential customers. Customers may call MarBorg and switch to curbside cart service or backyard can service to avoid this charge.
- **Price of Recycling and Greenwaste Containers:** Under the current rates, cart and can recycling and greenwaste service for Multi Family Residential customers is priced approximately 25% of the equivalent trash container. Under the new rates, recycling and greenwaste containers will cost 50% of the trash price. This ensures that the 50% price incentive will be sustainable over the long-term. Single Family customers receive unlimited recycling and up to two 95 gallon carts (or 6 cans) of greenwaste at no extra cost.
- **Frequency Surcharge:** Multi Family customers with frequent collection (more than once per week) will pay more than those with once per week collection. Customers can call MarBorg 963-1852 to add or increase the size of containers in order to reduce collection frequencies and therefore pay less.
- **Dumpster Rentals:** Dumpster rentals are included in cost of service (no separate charge).

Rate Impact to Residential Customers

Single Family customers that currently subscribe to a high level of recycling or greenwaste service and Multi Family Residential customers with Minimum Service may experience a slight decrease in their monthly bills. Approximately half of Multi Family Residential customers will see an increase in their bill ranging from 5-15%. Multi Unit customers with significant recycling and greenwaste in carts and cans; customers who opt for “in-place” cart service (see above); and/or, customers with frequent collection will see the largest increases. Finally, rates for Single Family Residential Lifeline (low income) customers will be the same as regular rates, but they will be exempt from the 6% tax.

Details of Business Rate Changes

- **Minimum Rate for Trash:** The minimum charge for trash will increase by 32%, but the price for additional trash cans or carts will decrease.
- **Price of Recycling and Greenwaste Containers:** Under the current rates, recycling, greenwaste and foodscrap services cost 17% -30% of the price of equivalent trash services. Under the new rates, recycling, greenwaste and foodscrap containers will cost 50% of the trash price. This change was made to ensure that the 50% price incen-

tive would be sustainable over the long-term. Most businesses still have the potential to lower their bills through additional recycling. Contact MarBorg 805-963-1852 or City Trash and Recycling 805-564-5631 to explore ways to lower your bill by recycling more.

- **Frequency Surcharge on Carts/Cans:** Customers with frequent collection (more than once per week) will pay more than those with once per week collection. Customers can call MarBorg to add or increase the size of containers in order to reduce collection frequencies and pay less.
- **Dumpster Credit:** Under the new rates, customers who own their dumpsters will no longer receive a credit.

Rate Impact to Business Customers

Approximately 30% of Business customers will see a decrease; 50% will see increases of 0-25%; and, 20% will see increases above 25%. Business customers with frequent cart/can collection (of any material) and high levels of recycling or foodscraps will see an increase to their monthly bills. Customers that recycle more will still pay less than customers who recycle less. Contact MarBorg at 805-963-1852 or City Trash and Recycling at 805-564-5631 for specific information on how your business will fare under the new rates or for ways to lower your bill by recycling more.

Sample Bill Changes for All Customer Classes

A sample of various service levels for each customer class is provided below. For more information on how the new rates will affect your bill, please call City Trash and Recycling at 805-564-5631. For more information on how to control your collection costs through greater recycling, See www.SBrecycles.org or contact MarBorg at 805-963-1852.

Single Family Residential	Current Cost	Proposed Cost	Change
Trash, 65 gal cart, Recycling 65 gal cart, Greenwaste, 65 gal cart	\$37.01	\$34.74	-6%

Multi-Family Residential	Current Cost	Proposed Cost	Change
MINIMUM SERVICE Trash, 65 gal cart, Recycling 95 gal cart, Greenwaste, 95 gal cart	\$35.99	\$31.54	-12%
CART/CAN SERVICE Trash, five 95 gal carts, Recycling, five 95 gal carts, Greenwaste, 95 gal cart	\$177.68	\$220.80	24%
DUMPSTER SERVICE Trash, 4yd dumpster, Recycling 2yd dumpster	\$367.09	\$368.76	0.5%
FREQUENT DUMPSTER SERVICE Trash, 4yd dumpster 3x/wk, Recycling 4yd dumpster 1x/wk	\$894.55	\$1,091.54	22%

Business	Current Cost	Proposed Cost	Change
MINIMUM SERVICE Trash, 35 gal cart, Recycling 95 gal cart	\$21.27	\$28.08	32%
CART/CAN SERVICE Trash, three 95 gal carts 2x/wk, Recycling, three 95 gal carts 2x/wk	\$412.46	\$353.90	-14%
DUMPSTER SERVICE Trash, 4yd dumpster 2x/wk, Recycling, 4yd dumpster 2x/wk	\$825.03	\$991.39	20%

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.

TO SEE ALL PROPOSED RECYCLING & TRASH RATES GO TO: WWW.SBRECYCLES.ORG OR CALL 805-564-5631