

WASTEWATER BILLING IN SANTA ROSA

SUMMARY

A complainant found that the winter water billing periods used by the Santa Rosa Utilities Department were usually longer than 30-day months. The citizen asked the Grand Jury to investigate whether the Utilities Department was doing this on purpose to ensure higher wastewater rates. The Grand Jury explored the way the Utilities Department sets the monthly cost of wastewater. We did not investigate the methods for setting water rates, water conservation, or lowering personal bills.

The Grand Jury learned that while water coming into a home is metered, the discharge through sewers is not. The Santa Rosa Utilities Department averages indoor water usage during three mid-winter billing periods to estimate wastewater amounts. This is called the sewer cap. Basing sewer rates on winter water usage assumes that all water delivered to homes during the wettest months of the year will be discharged as wastewater through the sewers, not used for outdoor irrigation which goes into the ground.



A random sampling of actual bills over a span of several years confirmed the complainant's finding. Some winter billing periods were as long as 35 days. Billing for other months of the year seldom exceeded the actual length of the month.

The Grand Jury explored the methodology of wastewater billing in Santa Rosa as well as the billing process in other water districts around the Bay Area. The Grand Jury also conducted on-line research and interviewed personnel in the Santa Rosa Utilities Department and the Santa Rosa Finance Department.

Certain factors explain the longer winter month billing periods. Two of the three current meter-reading methods require the physical presence of a meter reader at each meter. Numerous holidays and mandated furloughs during the winter months result in fewer work days to accomplish the tasks. Consequently, these billing periods tend to be longer than the average 30-day month. While it is the goal of the Santa Rosa Utilities Department to set the sewer cap accurately, based only on discharged water during three billing periods in the winter, it is not currently the goal to make each billing period exactly 30 days. In the future, with the necessary technology, all meters could be read in one day and monthly billing periods could be consistent.

The Grand Jury found that the City of Santa Rosa Utilities Department has a transparent billing process. Water usage is individually billed to each home. Santa Rosa weather is taken into account. The Santa Rosa Utilities Department sets the sewer cap during periods when all home water use is discharged through the sewers. Longer winter billing periods can, in certain circumstances, increase the sewer cap.

APPROACH

To carry out our investigation, the Grand Jury did the following:

- Studied the complaint in detail
- Interviewed the complainant
- Studied a variety of Santa Rosa home water bills over several years
- Interviewed staff of the City of Santa Rosa Utilities Department
- Interviewed staff of the City of Santa Rosa Finance Department
- Studied Santa Rosa Ordinance 3931, setting single family water rates
- Researched wastewater charges in other North Bay and Bay Area cities
- Conducted follow-up fact-checking by phone with the Utilities Department

DISCUSSION

A citizen expressed concern that his winter wastewater billing periods, on which his sewer cap is based, were up to 35 days long. This apparent distortion led him to wonder if the Santa Rosa Utilities Department was manipulating the billing periods to maximize rates. Both the complainant and the Grand Jury understand that every water or sanitation district has staffing and infrastructure costs that require a realistic and reliable flow of steady income.

In a typical rainy winter, the Utilities Department sets the sewer cap by averaging water meter readings over three billing periods, any time from mid-November to the third week of March. Winter rains commonly eliminate the need for irrigation during those months and water used indoors is discharged through the sewers.

Meter reading in Santa Rosa is organized in eight geographical areas of 15 to 20 routes each. In all, 128 routes cover the entire city each month and all meters are read 12 times per year. The billing periods range from 28 to 35 days in length. It is rare for readings to recur in exact 30-day periods.

Meter reading in rainy winter months takes longer because of the number of holidays and furlough days that fall in that period: two days for Thanksgiving, Christmas Day (plus a week of furlough in 2010), New Year's Day, Martin Luther King Day, and Presidents' Day. For the past two and a half years, staff have also been required to take furloughs on alternate Fridays. As a result, the winter meter readings generally take longer than 30 days. These longer periods can increase the sewer cap, and thus the costs, depending on the timing of the meter reading and the water usage of the consumer.

To set the sewer cap, the Santa Rosa Utilities Department focuses on choosing months with little need for irrigation, not on whether meters can be read within 30 days. In unusually dry years, a single wet month may be used as the basis for setting the cap, or data from a previous year may be used if the dry weather persists through most of a winter. For example, to offset the need for irrigation during the current dry winter (2011-2012), the calculation of next year's sewer cap will be based on a home's water usage from either this winter or last winter, whichever is lower.

Most of the Bay Area districts the Grand Jury contacted set wastewater charges by methods that are less tuned to individual usage than the Santa Rosa Utilities Department. Charges are sometimes based on an average overall water

usage in a district. Furthermore, water billing in many Bay Area districts is restricted to water consumption. The cost of wastewater is simply added to the property tax. Another difference the Grand Jury noted is that some North Bay districts round up when usage gets halfway to their next unit of measurement. The Santa Rosa Utilities Department sets the cap by rounding winter water usage down each month to the nearest 1000 gallons below actual meter readings.

Other Bay Area water districts confirmed that there are two main standards for calculating wastewater usage: either in thousands of gallons or in hundreds of cubic feet. The Santa Rosa Utilities Department uses thousands of gallons and would like eventually to bill each home to the exact gallon. That will necessitate an expensive upgrading of computers and meter reading equipment. Reading meters to the gallon is the goal; however, it is currently budget restricted.

The method by which the Santa Rosa Utilities Department bills for both water consumption and discharge is clear. Each home receives detailed information on current usage plus graphs of usage over the previous year. The explicit goal is to provide users with information that makes individual water management possible. The sewer cap is also a true cap, not a flat charge as in some districts. The less water used, the less a user pays until the cap is reached and a higher water billing rate is triggered. This system encourages water conservation.

The cost of water in Santa Rosa is affected by the Rodgers earthquake fault that runs through the city. The Utilities Department gives maintenance of the water lines high priority and has an aggressive replacement policy, taking all reasonable steps to prepare for uninterrupted water delivery in emergencies.

The Grand Jury found that the method the Santa Rosa Utilities Department uses to set the sewer cap is not intentionally skewed to produce increased revenue, or an attempt to deceive the public. The cap is calibrated to individual home usage, allowing consumers to pay only for the wastewater they discharge.

FINDINGS

F1. There are reasonable explanations for the Santa Rosa Utilities Department's longer winter billing periods which, in certain circumstances, may increase costs to the consumer throughout the year.

F2. The Santa Rosa Utilities Department makes a conscientious effort to bill users accurately for wastewater by taking unusual weather patterns and individual usage into account.

F3. The Santa Rosa Utilities Department is transparent in its method of setting the sewer cap.

RECOMMENDATIONS

None.

DISCLAIMER

This report was issued by the Grand Jury with the exception of one member of the jury who recused him/herself. This juror was excluded from all parts of the investigation, including interviews, deliberations, and the writing and acceptance of the report.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury.