

Dear Council Members and City Staff

Please justify the current tiered pricing system where Tier 3 water is 40% more than Tier 1 water.

From the Rohnert Park Water Study, I located this important paragraph, "With regard to tiered water rates, in April 2015, the Fourth District Court of Appeal decided the Capistrano Taxpayer Association v. City of San Juan Capistrano case (SJC decision) that public agencies have authority to design tiered water rate structures, but that the tiers must be based on calculating the cost of providing water at various levels of usage. The SJC decision is one of several court cases addressing water and wastewater rates since voters approved Proposition 218 in 1996"

See: https://cdnsm5-hosted.civiclive.com/UserFiles/Servers/Server_3037789/File/Services/Utility%20Billing/Water/Rohnert%20Park%20Water%20Rate%20Study%20Report%20Final%202011.30.21.pdf

Sebastopol does not buy water. Therefore the cost for water is in O&M and infrastructure. How does it cost 40% more if ALL water goes through the same pipes, the same well, the same filtration system, the same testing equipment?

What is the cost to deliver 1kgal of water and why is it 40% more if you deliver 17 kgals? Does the cost increase exponentially? Does it increase by 5% for each Kgal after 7Kgals?

This does not make sense. Typically, once infrastructure and systems are in place, the cost to deliver a product is relatively similar whether it is one or one hundred.

Once again, Sebastopol is not buying water which means that the core product, the water, is free.

In regard to the tiered structure, Raftelis states: "This type of structure promotes affordability of service for lower to average use residential customers while including a conservation price signal between the tiers. It also ensures fairness in rates between those that impose higher peak demands on the water system and those who do not."

What are the factors that increase costs during "peak" demands? If it is electricity, then water should be priced on when the electricity charges to the system are higher. From Raftelis' statement, there seems to be zero financial justification for the rate structure as it is presented.

There needs to be a more specific breakdown of costs for water delivery to justify the current proposed rate tiers.

Thank you,

Kate Haug

