



NOTICE OF PUBLIC HEARING: PROPOSED CHANGES TO CITY OF SANTA BARBARA WATER RATES

Date: Tuesday, June 25, 2024, 2:00 p.m.

Place: City of Santa Barbara Council Chambers, City Hall, 735 Anacapa Street, Santa Barbara
Meeting details will be posted no less than 72 hours prior to the start of the Public Hearing on the City Council meeting agenda located at SantaBarbaraCA.gov/CAP

PROPOSED WATER RATES FOR: FISCAL YEARS 2025, 2026, 2027, AND 2028

You are receiving this notice because our records indicate that you are a City of Santa Barbara utility customer. If you are not a City water customer, please disregard this Notice.

This Notice describes proposed changes to water rates and explains how you can participate in the public process. The City’s water rate structure is based on a comprehensive rate study that uses a rate model to evaluate the cost of water service, as required by Article XIII D, Section 6 of the California constitution.

Why are water rates changing?

The proposed water rates will ensure that the City continues to provide safe and reliable water service by funding the ongoing cost of operating and maintaining the City’s water system, including investing in capital infrastructure, meeting water quality standards, servicing debt obligations, and funding reserves.

What goes into a water bill?

Most water bills are made up of two key components: (1) a volumetric charge based on water usage, and (2) a fixed monthly service charge based on meter size. The City’s rate structure limits the amount of revenue recovered from fixed charges, resulting in customers having more control over the total cost of their water bill by reducing water usage. Please refer to the second page of this notice for detailed information on proposed volumetric and fixed monthly charges.

How will the proposed changes impact my water bill?

Customers are encouraged to use the online water rate calculator at SantaBarbaraCA.gov/RateCalculator to see how the new rates could impact their bill. The table below shows sample water bills for single family homes based on various levels of usage and a 5/8” meter for Fiscal Years (FY) 2025 - 2028.

Usage Level	Monthly Usage (HCF)	Current Bill	Proposed FY25 Bill	Proposed FY26 Bill	Proposed FY27 Bill	Proposed FY28 Bill
Low	4	\$53.00	\$58.17	\$64.25	\$70.69	\$77.77
Moderate	10	\$144.14	\$150.03	\$165.77	\$182.35	\$200.59
High	20	\$349.44	\$381.49	\$421.53	\$463.69	\$510.05

The average single family home uses 8 HCF per month and would see their water bill increase from \$113.76 to \$119.41 for FY25, reflecting a difference of \$5.65 (or an increase of approximately 5%).

When do the new rates take effect? City Council will consider adopting water rates on July 2, 2024. The new rates will be effective July 2, 2024.

How do I stay informed?

- **Watch** City Council meetings online at SantaBarbaraCA.gov/CityTV or tune in to City TV Channel 18.
- **Explore** updated information on water rate changes at SantaBarbaraCA.gov/RateChanges.
- **Contact** City staff at (805) 564-5387.
- **Attend** City Council meetings in person or electronically; visit SantaBarbaraCA.gov/CAP for meeting details.

Please note, the rates included in this Notice are the highest possible rates that could go into effect July 2, 2024.

CHECK OUT THE WATER RATE CALCULATOR AT:
WWW.SANTABARBARACA.GOV/RATECALCULATOR

TABLE 1—PROPOSED MAXIMUM VOLUMETRIC CHARGES
 All rates are in \$/HCF. (1 HCF [Hundred Cubic Feet] = 748 gallons)

Customer Class	Tiers	Current	Proposed			
			FY25	FY26	FY27	FY28
Single Family Residential	First 4 HCF	\$5.10	\$5.49	\$6.06	\$6.67	\$7.34
	Next 12 HCF	\$15.19	\$15.31	\$16.92	\$18.61	\$20.47
	All other HCF	\$28.54	\$34.90	\$38.56	\$42.42	\$46.66
Multi-Family Residential	First 4 HCF (per dwelling unit)	\$5.10	\$5.49	\$6.06	\$6.67	\$7.34
	Next 4 HCF (per dwelling unit)	\$15.19	\$15.31	\$16.92	\$18.61	\$20.47
	All other HCF	\$28.54	\$34.90	\$38.56	\$42.42	\$46.66
Commercial/Industrial	100% of base allotment	\$7.77	\$8.19	\$9.05	\$9.96	\$10.96
	All other HCF	\$28.45	\$37.82	\$41.80	\$45.98	\$50.58
Irrigation – Residential & Commercial	100% of monthly water budget*	\$15.19	\$15.31	\$16.92	\$18.61	\$20.47
	All other HCF	\$28.54	\$34.90	\$38.56	\$42.42	\$46.66
Irrigation – Recreation/Parks/Schools	100% of monthly water budget*	\$5.98	\$7.26	\$8.02	\$8.82	\$9.70
	All other HCF	\$28.54	\$34.90	\$38.56	\$42.42	\$46.66
Irrigation – Agriculture	100% of monthly water budget*	\$3.98	\$5.13	\$5.67	\$6.24	\$6.86
	All other HCF	\$28.54	\$34.90	\$38.56	\$42.42	\$46.66
Recycled Water	All HCF	\$4.99	\$6.10	\$6.74	\$7.41	\$8.15

*What is a Monthly Water Budget? The Monthly Water Budget for irrigation accounts is a calculation of Tier 1 allotment based on the property's irrigated landscape area and the monthly watering needs of plants.

TABLE 2—PROPOSED MAXIMUM FIXED MONTHLY SERVICE CHARGES

	5/8"	3/4"	1"	1 ½"	2"	3"	4"	6"	8"	10"
Current	\$32.60	\$47.73	\$77.97	\$153.59	\$244.33	\$531.67	\$955.12	\$1,968.37	\$3,631.93	\$5,749.18
Proposed	FY25	\$36.21	\$52.50	\$85.09	\$166.55	\$264.30	\$573.86	\$1,030.06	\$2,121.66	\$3,913.84
	FY26	\$40.01	\$58.01	\$94.02	\$184.04	\$292.05	\$634.12	\$1,138.22	\$2,344.43	\$4,324.79
	FY27	\$44.01	\$63.81	\$103.42	\$202.44	\$321.26	\$697.53	\$1,252.04	\$2,578.87	\$4,757.27
	FY28	\$48.41	\$70.19	\$113.76	\$222.68	\$353.39	\$767.28	\$1,377.24	\$2,836.76	\$5,233.00

Note: Multi-family auxiliary master meters that serve submeters owned by the City are subject to a monthly operations and maintenance fee not to exceed \$123 per month in FY25, escalated annually by the Engineering News-Record Construction Cost Index.

TABLE 3—PROPOSED MAXIMUM FIXED MONTHLY PRIVATE FIRE SERVICE CHARGES (IF REQUIRED)

	1"	1 ½"	2"	4"	6"	8"	10"	12"
Current	\$3.33	\$5.18	\$8.37	\$39.58	\$110.47	\$232.76	\$416.70	\$671.63
Proposed	FY25	\$4.67	\$6.67	\$10.12	\$43.86	\$120.51	\$252.72	\$451.58
	FY26	\$5.16	\$7.37	\$11.18	\$48.47	\$133.16	\$279.26	\$499.00
	FY27	\$5.68	\$8.11	\$12.30	\$53.32	\$146.48	\$307.19	\$548.90
	FY28	\$6.25	\$8.92	\$13.53	\$58.65	\$161.13	\$337.91	\$603.79

How do I protest? If you wish to submit a written protest of any of the above increases, your protest must be received by the City Clerk of the City of Santa Barbara at 735 Anacapa Street, Santa Barbara, CA, 93101, prior to the close of the public hearing on June 25, 2024. **Protests must include your name, service address, and whether you are protesting the amount of the fee increase, the basis for calculation of the fee, or both.** Written protests may be mailed to or delivered in-person at the address above, or deposited in the bill payment drop box slot located on the exterior of the City Hall building on the De La Guerra Plaza side. Only written protests received before the close of the public hearing on June 25, 2024, will be counted. During the hearing, City Council will consider all protests and public testimony. Protests are public records. One written protest per parcel or service address will be tabulated. If you later challenge the rates in court, you may be limited to the grounds stated in your protest. If you challenge the City's rate setting action in court, you may be limited to the issues and grounds raised in a written protest or in public testimony at the public hearing. There is a 120-day statute of limitation for challenging any new, increased, or extended fee or charge (California Government Code Section 53759).