

Rates and Charges that Apply to Your Water Bill

Your water bill consists of a fixed water service charge and variable consumption charges based on the amount of water consumed in a bi-monthly billing period. The following is a brief description of the proposed components of a City water bill effective October 15, 2015.

Fixed Meter Charge

All customers are billed a fixed meter charge based on the size of the water meter. This charge appears on your bi-monthly billing statement as the “fixed meter charge”. This charge covers a portion of the operations and systems maintenance costs and is constant regardless of how much water is used.

This charge is proposed to increase on January 1 each year beginning on January 1, 2016 per the increase in the Consumer Price Index (see Annual Consumer Price Index (CPI) Rate Adjustments below). Customers will be notified on their prior billing statement of the new rates scheduled to go into effect the next January, beginning January 1, 2016 through January 1, 2020. The following table shows the current water fixed meter charge.

Current Fixed Meter Charge	
Meter Size	Charge
5/8 " displacement	\$17.62
3/4 " displacement	\$26.41
1 " displacement	\$44.04
1.5 " displacement	\$88.07
1.5 " turbo	\$88.07
2 " displacement	\$140.91
2 " turbo	140.91
3 " turbo	\$308.27
4 " turbo	\$880.78
6 " turbo	\$1,761.55
8 " turbo	\$3,088.72
10 " turbo	\$4,844.27

[1] Present rates effective January 1, 2015.

As noted, the fixed meter charges will remain the same until the first CPI adjustment on January 1, 2016.

Consumption Charges

The tables below provide the proposed consumption charges, if adopted, per 100 cubic feet (CCF), or per 748 gallons, of water consumed by type of water customer effective October 15, 2015. The present rates reflect the consumption charges effective January 1, 2015.

Proposed Consumption Rates For Single Family Accounts. Effective October 15, 2015						
Tier*	Zone 7 Water	Distribution Costs	Recycled Water	Capacity Expansion	Proposed Rate	Present Rate
0 - 20 CCF	\$2.4000	\$0.0000	\$0.0000	\$0.0000	\$2.4000	\$2.1000
21 - 40 CCF	\$2.4000	0.2581	0.1000	0.0000	2.7581	2.3581
41 - 60 CCF	\$2.4000	0.4825	0.1000	0.0000	2.9825	2.6825
Over 60 CCF	\$2.4000	1.1220	0.1000	0.1300	3.7520	3.4520
* CCF equals 100 cubic feet of water; or 748 gallons *						

Proposed Consumption Rates For Commercial Business & Multi-Family Accounts. Effective October 15, 2015					
Customer Class	Zone 7 Water	Distribution Costs	Recycled Water	Proposed Rate	Present Rate
Commercial & Multifamily	\$2.4000	\$0.2693	\$0.1000	\$2.7693	\$2.4693

Proposed Consumption Rates For Irrigation Accounts. Effective October 15, 2015					
Customer Class	Zone 7 Water	Distribution Costs	Recycled Water	Proposed Rate	Present Rate
Irrigation	\$2.4000	\$0.4152	\$0.1000	\$2.9152	\$2.6152

Zone 7 Water Rate

Zone 7 is Pleasanton’s potable water wholesaler and provides the majority of the water supply to the City’s customers. The remaining supply comes from groundwater wells owned and operated by the City. The Zone 7 Board of Directors establishes the charge for water each year effective January 1. The City’s Zone 7 water rate is designed to fully recover the cost of the water purchased from Zone 7.

The Zone 7 water rate is provided to the City and is a direct pass through to the City’s customers. The setting of this rate is not within the control of the City of Pleasanton and is subject to change each January 1. The City will notify customers prior to the change in the rate on the City’s bill when noticed by Zone 7 of a rate change. The total cost of Zone 7 purchased water to the City of \$2.40 is based on the current rate charged by Zone 7 (effective January 1, 2015) plus the cost of water losses on the system and total purchases from Zone 7.

Distribution Costs by Customer Type

Most water delivery fees (Distribution Costs) vary, depending upon the peaks in customer demand for water service. These costs fund such items as facility repair and maintenance; daily inspections of water facilities to ensure the health and safety of the water supply; replacement of aging infrastructure and water meters; utility billing; and water conservation and education efforts. These costs are allocated to different customer classes based on the peak demand on the City’s water system. The Distribution Costs are also proposed to increase January 1 each year commencing on January 1, 2016 by the increase in the Consumer Price Index (see Annual Consumer Price Index (CPI) Rate Adjustments below).

Capacity Expansion

The City constructed several water related projects in the Vineyard Avenue Corridor Specific Plan area to accommodate an increased demand in water volume by large residential customers. Most of these costs will be repaid through fees paid by new housing development in the area. Since the expansion was also related to the high water consumption of existing residential water customers, it was determined that an additional \$.13 per CCF would be included in the fourth tier water rate (single family residential customers only) to cover the expansion cost for the Vineyard Corridor Improvements.

Recycled Water

The City is in the process of developing a recycled water program for commercial irrigation in the area between the Dublin San Ramon Services District plant located on Johnson Drive and the northeast area of Pleasanton. Recycled water benefits all water users by freeing up potable water capacity for domestic water usage. Therefore, the water rates for all customers (except the 1st tier rates for residential customer which is primarily indoor use) include \$.10 per CCF for the development of this program.

Senior and Low Income Discounts

The City is proposing to reduce the current 20% discount on water rates for single family residents who qualify as a “senior” (age 65 or older) to 15%, and continue to provide a 30% discount for residents who qualify as a low income family (those who qualify for PG&E, PacBell, or cable television discounts through either the California Department of Economic Opportunity or the Social Security Administration). Residents cannot apply for both discounts.

In order to mitigate the impact of these discounts on the City’s General Fund, and to encourage conservation and meet the spirit of the discounts (which is to assist those on a limited fixed income) the proposed rates will limit both programs to a discount only if the water customer’s bi-monthly water consumption is less than or equal to 40 CCF.

Annual Consumer Price Index (CPI) Rate Adjustments

The Fixed Meter Charge and the Distribution Costs are proposed to include an annual rate adjustment based upon the change in CPI each year. It is proposed that the City Manager be authorized and directed to increase these rates and charges based upon the percentage change reflected in the Annual Consumer Price Index (CPI) – All Urban Consumers for the San Francisco-Oakland-San Jose area available as of September 30. The rates will be recalculated in October of each year and will be effective on the following January 1 commencing on January 1, 2016. Customers will be notified on the billing they receive prior to January 1.

Customer Impacts

Each customer will be impacted differently under this rate proposal, depending on overall usage and customer type. The following tables present the existing and the proposed rate impacts on typical customers in each classification based on the proposed rates for October 15, 2015.

Single Family Residential Bill Impacts (Bi-Monthly)		
Water Rates & Charges	Present Rates	Proposed Rates
Low Use (20 CCF)		
Meter Charge	\$17.62	\$17.62
Water Charge	42.00	48.00
Total	\$59.62	\$65.62
Bi-Monthly Increase		\$6.00
Monthly Increase		\$3.00
Moderate Use (40 CCF)		
Meter Charge	\$17.62	\$17.62
Water Charge	89.16	103.16
Total	\$106.78	\$120.78
Bi-monthly Increase		\$14.00
Monthly Increase		\$7.00
High Use (60 CCF)		
Meter Charge	\$17.62	\$17.62
Water Charge	142.81	162.81
Total	\$160.43	\$180.43
Bi-monthly Increase		\$20.00
Monthly Increase		\$10.00

Commercial & Multi-Family Bill Impacts (Bi-Monthly)		
Water Rates & Charges	Present Rates	Proposed Rates
Low Use (30 CCF)		
Meter Charge	\$88.07	\$88.07
Water Charge	74.08	83.08
Total	\$162.15	\$171.15
Bi-Monthly Increase		\$9.00
Monthly Increase		\$4.50
Moderate Use (90 CCF)		
Meter Charge	\$88.07	\$88.07
Water Charge	222.24	249.24
Total	\$310.31	\$337.31
Bi-monthly Increase		\$27.00
Monthly Increase		\$13.50
High Use (180 CCF)		
Meter Charge	\$88.07	\$88.07
Water Charge	444.47	498.47
Total	\$532.54	\$586.54
Bi-monthly Increase		\$54.00
Monthly Increase		\$27.00

Potable Water Drought Rates

As part of the recent water rate study, drought rates were developed. The goal of drought rates is to maintain sufficient revenues for the utility to operate while a decline in consumption occurs due to drought conditions and mandated conservation. Although the drought rates are available once the Council has adopted them, they are not implemented until the Council directs City staff to implement the drought rates. This means that rates are

Proposed Drought Rates				
	Stage 1	Stage 2	Stage 3	Stage 4
Single Family				
0-20 CCF	\$0.1619	\$0.5689	\$1.2266	\$2.5611
21-40 CCF	0.1619	0.5689	1.2266	2.5611
41-60 CCF	0.1619	0.5689	1.2266	2.5611
60+ CCF	0.1619	0.5689	1.2266	2.5611
Commercial/Multi-Family				
Irrigation	\$0.1385	\$0.5400	\$1.1631	\$2.5145
	\$0.1458	\$0.5655	\$1.2244	\$2.6470

Drought rates are an additional component to the existing potable consumption rates

Rates for Recycled Water Service

The City purchases and delivers recycled water to customers in various areas within its service area. The recycled water system is being expanded to provide irrigation service to additional areas within the City. Based on the development of the costs associated with providing recycled water service, purchases from Dublin



Irrigation Bill Impacts (Bi-Monthly)		
Water Rates & Charges	Present Rates	Proposed Rates
Low Use (150 CCF)		
Meter Charge	\$140.91	\$140.91
Water Charge	392.28	437.28
Total	\$533.19	\$578.19
Bi-Monthly Increase		\$45.00
Monthly Increase		\$22.50
Moderate Use (300 CCF)		
Meter Charge	\$140.91	\$140.91
Water Charge	784.56	874.56
Total	\$925.47	\$1,015.47
Bi-monthly Increase		\$90.00
Monthly Increase		\$45.00
High Use (600 CCF)		
Meter Charge	\$140.91	\$140.91
Water Charge	1,569.12	1,749.12
Total	\$1,710.03	\$1,890.03
Bi-monthly Increase		\$180.00
Monthly Increase		\$90.00

not automatically increased as a result of going into Stage 1 of the City’s Water Conservation Plan (Municipal Code Chapter 9.30), or increasing a drought stage, but when the Council determines they are necessary to maintain system revenues due to drought induced consumption declines. Below are the proposed drought rates showing the additional rate component for each customer class.

San Ramon Services District and the City of Livermore, and delivering water through its distribution system, rates have been proposed effective October 15, 2015. The City charges customers a consumption charge only for recycled water. Provided below is a summary of the present and proposed recycled water rates.