

**CITY OF DINUBA
UTILITY COST ALLOCATION POLICY**

Whereas, the Dinuba City Charter requires that rates be reviewed annually and set to appropriately cover the cost of services, and

Whereas, the Municipal Code of the City of Dinuba requires that water and sewer rates be set annually by resolution, and

Whereas, the current City Council policy is to set water and sewer service rates at a level to equitably distribute the costs of these services to City water and sewer users,

Now, therefore, the City Council has directed that water and sewer rates be established for each and every residential, commercial, industrial, and institutional unit.

UTILITY COST ALLOCATION PROCEDURES

1. The established billing methodology defines a “unit” as EVERY residential, business, and industrial entity.
2. A “unit” might have only one water meter, or it might have several. More than one unit might share a single water meter.
3. In the City of Dinuba, the following are defined as “units”:
 - a. Residential – every residential dwelling
 - i. Example: A single family residence is one unit.
 - ii. Example: A multi-family structure such as an apartment complex is several units, depending on the number of apartments.
 - b. Commercial / Business – every business entity. Business entities have a business license and generally pay rent or own the building they do business from
 - i. Example: North Alta Shopping Center is one building but contains eleven business entities as rent-paying tenants.
 - ii. Example: The Dinuba Sentinel is one business entity that owns the building it conducts business in.
 - c. Industrial – There are currently five industrial units
 - i. Examples: Odwalla, Ruiz Food Products, Amber Foods, Patterson Dental, and Best Buy.
4. Current Rate Structure:
 - a. Water
 - i. All customers are charged equally based on usage. Usage consists of two parts, a minimum charge as a “ready-to-serve” rate and an additional charge for excess usage above the minimum.
 - ii. The “ready-to-serve” base rate includes 12 Ccf (hundred cubic feet) of water per month.
 - iii. Additional usage greater than 12 Ccf is charged per Ccf..

- iv. If a building contains more than one business unit but only has one water meter, then each business unit is charged the “ready-to-serve” base rate. Any excess consumption is charged to the responsible party, generally the owner of the building, who has the option to distribute the additional cost to all the business units.
 1. Owners of newly constructed business buildings or those who have remodeled to change the number of business units within have the option to re-plumb their facility so that more meters can be installed to separate the charges or have the accounts billed on individual bills. An example of a letter that should be given to these customers is Attachment A.
- b. Sewer
 - i. Residential – All residences are charged a “ready-to-serve” rate per month.
 - ii. Commercial – Businesses are charged a “ready-to-serve” base rate plus a tiered charge based on the amount of water consumed.
 1. Businesses may have more than one water meter, i.e., one for the building and one for irrigation. In these cases, only the water that is used that will eventually impact the sanitary sewer system is included in the sewer charges, and not the irrigation water or water that will run off into a ponding basin.
 2. If a building contains more than one business unit, then each business unit is charged at the “ready-to-serve” base rate, and any excess consumption for the entire building is added to the total bill. It is up to the responsible party, generally the owner of the building, to allocate the additional charges.
 - iii. Industrial – Industrial customers are assessed sewer charges via a tiered rate based on flow, BOD (Biochemical Oxygen Demand), SS (Suspended Solids), and FOG (Fats, Oils, and Grease).
- c. If a change needs to be made to a billing address (such as when a business unit is added without adding an extra meter or the owner requests a reduction in the number of units), then the Code Enforcement Officer will inspect the building and advise the Billing Supervisor as to appropriate action. Unless the owner has requested the change, the owner of record shall be notified in advance in writing before the billing is changed. See Attachment B for an example of this notification. The City will make the changes prospectively, and will not attempt to recover lost revenues retrospectively.
- d. If a building is being charged for a certain number of residential or business units and one or more of these residential or business units is vacated, then the City will continue to bill as if all units are occupied. The only exception will be when the owner’s intent is for one or more of the units to never be occupied again (See paragraph c. above.)

The above policy was reaffirmed by the Dinuba City Council at their regular session on Tuesday, April 12, 2005.

Date

Customer Name and Address

Dear

After a review of the utility account at _____, it was noted that the current billing at that location is not consistent with City policy.

According to the City's policy, each residence and each business within the City is considered as a "business or residential unit" for purposes of utility billing. It has been noted that there are _____ separate businesses within your building, and, according to this policy, each one is to be charged for utility services.

Effective with the billing that you will receive on _____ 1, 2005, your water, sewer, and disposal charges will reflect a combined "ready-to-serve" rate for the total number of businesses within your building. Excess usage will be charged above the total combined minimum.

Because this was just brought to our attention, the City will make the changes to the billing for the above date and will not attempt to charge you retrospectively for charges which should have been paid when the changes were first made to the building.

Attached is the City's Utility Cost Allocation Policy for your reference and if you have any questions, please feel free to contact me at (559) 591-5900.

Sincerely,

Attachment

Cc: Development Services Department

New Business & Builder

(FOR NEW CONSTRUCTION OR REMODELS)

This is to inform you of the City of Dinuba Utility Cost Allocation Policy. According to the City's policy, each residence and each business within the City is considered a "business or residential unit" for purposes of utility billing. Each "business or residential unit" shall be charged for utility services. In most cases, there is only one residence or business per building. However, in the case of an apartment complex or some buildings, there might be any number of residences or businesses within a single building.

If the business building / apartment complex that you are building or remodeling is expected to contain more than one business or apartment, then you have the following options:

1. Install separate water meters for each business or residence, in which case each business or residence will receive individual monthly utility bills.
Or
2. Install one water meter for the building. Each business within the building would receive a separate monthly utility bill that would be divided equally among the other businesses within the building.
Or
Receive one utility bill for the entire building / complex. The minimum charge for each utility will be the "ready-to-serve" rate multiplied times the number of business or residential units in the building/complex.

If you have any questions concerning utility billing, please feel free to contact the Billing Supervisor at City Hall at (559) 591-5900.

ACKNOWLEDGEMENT

Please sign your name to acknowledge that you have received a copy of this memorandum.

Name

Date

City Use Only: Public Works

Initial: _____ Date: _____

Utility Billing Services

Initial: _____ Date: _____