



# Agenda Report

---

**Agenda of:** July 8, 2025

**Department:** Public Works

**Subject:** Revisions to Utility Service Policies

**Recommended Motion:** Move to approve the revision of Section 14.C(2) and the addition of new Section 14.C(4) to allow staff discretion in adjusting sewer billing due to anomalous usage.

**Current Policy Section 14.C(2):**

The Charge for wastewater services for residential customers is based on winter averaging. Winter averaging is based on actual water usage for October, November, December and January (reflected on the November, December, January, and February bills) with the highest usage month being discarded and the remaining three months being averaged to determine the usage upon which the wastewater rate is based.

**Proposed Revision (noted in red) Section 14.C(2):**

The Charge for wastewater services for residential customers is based on winter averaging. Winter averaging is based on actual water usage for October, November, December and January (reflected on the November, December, January, and February bills) with the **two** highest usage **months** being discarded and the remaining **two** months being averaged to determine the usage upon which the wastewater rate is based.

**Proposed Addition (noted in red) Section 14.C(4): Staff Discretion for Sewer Billing Adjustments Due to Anomalous Usage.**

**In cases where a residential customer experiences an isolated leak or other verifiable short-term anomaly that results in abnormally high water consumption during the winter averaging period, City staff shall have the discretion to adjust the customer's wastewater charge calculation.**

**Background:** At the June 10, 2025 City Council meeting, staff were tasked with exploring alternatives to the City's current winter averaging method for calculating residential sewer bills. This review was prompted by concerns that unusually dry weather during the most recent averaging period led to increased lawn irrigation, which in turn caused higher water usage and disproportionately elevated sewer charges for many residents.

Under **Ordinance No. 2024-003**, the City calculates residential sewer charges based on a customer's average water use from **November through February**. This approach assumes that most water used during these cooler months is for indoor purposes and therefore enters the sanitary sewer system.

However, when customers irrigate during this period, often due to dry weather, they may be billed for water that never reaches the sewer, resulting in potential billing inequities.

**Fiscal Impact:** Changes to the averaging methodology are not expected to affect overall revenue but will reallocate costs among customers. Individual bills may increase or decrease depending on usage patterns.

☐ **Budgeted**   ☐ **Requires Budget Amendment**

**Source of Funding:** Account Code:

**Attachments:**

City of Castroville Utility Service Policies (changes are noted on pages 12 & 13)

**Urgency (0-5 = Low Urgency to High Urgency):** 3

**Impact (0-5 = Low Impact to High Impact):** 3

**Submitted by:** John Gomez