



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING DIVISION: ADMINISTRATIVE SERVICES
CONTACT PERSON: TOM HUGHES/TAMARA BAPTISTA

AGENDA DATE: October 15, 2014

ITEM NO. **11**

SUBJECT: Untreated Water Rates for 2015

SUMMARY:

- The Untreated Water Rate is essentially a pass-through of the cost of imported water, supplemental water purchases, Bay-Delta related costs and an administrative fee.
- The proposed rate of \$130 acre-foot (AF), which includes a \$6 per AF Delta charge, represents an increase of approximately 18% compared to the current rate.
- The following table shows all of the proposed untreated water rates for calendar year 2015:

2015 Proposed Rates	AF
Proposed untreated water rate	\$130
Proposed temporary untreated water rate	\$509
Proposed non-scheduled untreated water rate	\$509
Proposed surplus untreated water	\$250
Delta charge	\$6

FUNDING:

The proposed rates determine the amount of revenue from untreated water sales as a part of operating the Water Enterprise (Fund 52), which equates to approximately \$650,000 if the projected demand of 5,000 AF is realized.

RECOMMENDED ACTION:

Adopt the attached resolution to approve, for 2015, an Untreated Water rate of \$130/AF, a Temporary Untreated Water rate of \$509/AF, a Non-Scheduled Untreated Water rate of \$509/AF, and a Surplus Untreated Water rate of \$240/AF.

ATTACHMENTS:

Background Memo
Untreated Water Calculation
Resolution
Untreated Water Rate History

M E M O R A N D U M

DATE: October 15, 2014
TO: Jill Duerig, General Manager
FROM: Tamara Baptista, Financial & Systems Services Manager
Tom Hughes, Assistant General Manager, Administrative Services

SUBJECT: Untreated Water Rate Schedules for 2015

SUMMARY:

The following table shows all of the proposed untreated water rates for calendar year 2015:

2015 Proposed Rates	AF
Proposed untreated water rate	\$130
Proposed temporary untreated water rate	\$509
Proposed non-scheduled untreated water rate	\$509
Proposed surplus untreated water	\$250
Delta charge	\$6

BACKGROUND/DISCUSSION:

Untreated – The Untreated Water Rate is based on the cost of imported water, supplemental water purchases, Bay-Delta related costs and an administrative fee. The administrative fee is actual staff time spent on administering the untreated water program, including the contracts. The labor is calculated based on the number of hours individual staff work on untreated water-related projects divided by the volume of water. The proposed rate of \$130 per AF, which includes a \$6 per AF Delta charge, represents an increase of approximately 18% compared to the current rate.

Temporary Untreated – The need for temporary services results from the inability of customers to obtain water in the outlying areas of the valley. The use of these services is limited. The temporary untreated water rate is based on the estimated cost of imported water and supplemental water purchases divided by the estimated customer deliveries minus the estimated available water from the Del Valle reservoir plus an administrative cost component based on actual staff costs. The proposed rate for temporary untreated water is \$509 per AF or \$1.56 per 1,000 gallons.

Non-Scheduled Untreated Water – Non-scheduled water is all untreated water deliveries exceeding scheduled deliveries by more than 10% in any year. It is based upon the temporary untreated water rate. The proposed rate for non-scheduled untreated water is \$509 per AF.

Surplus Untreated – Surplus untreated water deliveries are available only in years when the supplies exceed our customers' demands. Tentative surplus water delivery requests are submitted to Zone 7 by March 15 of each year; availability of surplus water is determined in April; and actual deliveries are announced in May. The rate fluctuates depending on the source of the surplus. However, in order to establish a rate, staff is recommending that the rate for 2014

be maintained at the Byron-Bethany Irrigation District water transfer cost, the cost of transporting water, and the Delta charge of \$6 per AF. The proposed rate is \$240 per AF.

RECOMMENDED ACTION:

Adopt the attached resolution to approve, for 2015, an Untreated Water rate of \$130/AF, a Temporary Untreated Water rate of \$509/AF, a Non-Scheduled Untreated Water rate of \$509/AF, and a Surplus Untreated Water rate of \$240/AF.

**Zone 7 Water Agency
Untreated Water Rate
Calculation for 2015**

1) Volume of Treated and Untreated Water to be Delivered to Contractors (in AF) 42,038

Water Costs	Dollar Amt	per AF
2. Yuba Dry Year Water Purchase Program	\$90,000	\$2
3. Cawelo Recovery	\$1,440,000	\$34
4. Semitropic Recovery	\$786,940	\$19
5. Del Valle Water Rights	\$3,000	\$0
6. Unit Fixed Cost (2+3+4+5) ÷ (1)	\$2,319,940	\$55
7. SWP Transportation Variable Unit Cost	\$2,375,816	\$57
8. Subtotal Unit Cost (6+7)	\$4,695,756	\$112
9. Zone 7 Administrative costs	\$530,097	\$13
10. Delta Charge	\$252,228	\$6
11. Total Unit Cost (8+9+10) rounded to nearest dollar)	\$5,478,080	\$130

**Zone Water Agency
Temporary Untreated Water Rate
Calculation for 2015**

1. Volume of Treated & Untreated Water estimated to be delivered to Contractors (A/F)	42,038
2. Amount Available from Del Valle Reservoir	0
3. Net Volume of Treated & Untreated Water estimated to be delivered (A/F)	42,038
<i>Estimated Expenses</i>	<i>Amount</i>
4. a) State Water Supply	\$15,775,506
b) Off-Aqueduct Power Facilities	\$141,320
c) Variable Transportation Water Charges	\$2,375,816
d) Cawelo Recovery	\$1,440,000
e) Semitropic Recovery	\$786,940
f) Yuba Dry Year Purchase Program	\$90,000
5. Total Expenses	\$20,609,582
6. Unit Cost per AF(5 ÷ 3)	\$490
7. Zone 7 Staff costs per AF	\$13
8. Delta Charge per AF	\$6
9. Total Unit Cost with Delta Charge (6+7+8) in \$ per AF	\$509
Or in \$ per 1,000 gallons	\$1.56

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Adoption of the Untreated Water Rates for 2015

BE IT RESOLVED by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District that the following rate schedule for Untreated Water, Temporary Untreated Water, Non-Scheduled Untreated, and Surplus Untreated Water Services, be adopted:

FIRST, for Untreated Water Service, a DELIVERY CHARGE of \$130 per acre-foot for all metered water delivered to each customer per month, which includes the Bay-Delta Charge.

SECOND, for Temporary Untreated Water Service, an initial service establishment charge of \$125.00 per turnout for each new direct connection to the Zone system or a system supplying the Zone system; and

A monthly service charge of \$21.00 per turnout; and

A charge of \$1.56 per 1000 gallons for temporary untreated water service, which includes the additional Bay-Delta charge, for all water delivered monthly based on total meter readings or as may be otherwise determined by Zone 7.

THIRD, for Non-Scheduled Untreated Service, a delivery charge of \$509 per acre-foot for all non-scheduled untreated water delivered to each customer which includes the Bay-Delta charge.

FOURTH, for Surplus Untreated Water Service, a delivery charge of \$240 per acre-foot for all surplus untreated water delivered to each customer which includes the Bay-Delta charge.

BE IT FURTHER RESOLVED that said rate schedule for Untreated Water Services, collectively, shall be effective on January 1, 2015, and shall end on the next effective date for such water rates as adopted by the Board.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 15, 2014.

By _____
President, Board of Directors

Untreated Water Rate History

