



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

100 NORTH CANYONS PARKWAY, LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

ORIGINATING DIVISION: ADMINISTRATIVE SERVICES
CONTACT PERSON: Osborn Solitei

AGENDA DATE: October 18, 2017

ITEM NO: 12

SUBJECT: Untreated Water Rate Schedules for 2018

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 \$129 acre-foot (AF) is an increase from the current rate of \$113/AF.
- The following table shows all of the proposed untreated water rates for calendar year 2018:

2018 Proposed Rates	\$/AF
Proposed untreated water rate	\$129
Proposed temporary untreated water rate	\$837
Proposed non-scheduled untreated water rate	\$837
Proposed surplus untreated water	\$240

FUNDING:

The proposed rates determine the amount of revenue from untreated water sales as a part of operating the Water Enterprise (Fund 100), which equates to approximately \$709,500 if the projected demand of 5,500 AF is realized.

RECOMMENDED ACTION:

Adopt the attached resolution to approve, for 2018, an Untreated Water rate of \$129/AF, a Temporary Untreated Water rate of \$837/AF, a Non-Scheduled Untreated Water rate of \$837/AF, and a Surplus Untreated Water rate of \$240/AF.

ATTACHMENTS:

Background Memo
Proposed Untreated & Temporary Untreated Water Calculation Tables
Resolution
Attachment A - Untreated Water Rate History



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MEMORANDUM

DATE: October 18, 2017
TO: Jill Duerig, General Manager
FROM: Osborn Solitei, Treasurer/Assistant General Manager – Finance

SUBJECT: Untreated Water Rate Schedules for 2018

SUMMARY:

The following table shows all of the proposed untreated water rates for calendar year 2018:

2018 Proposed Rates	\$/AF
Proposed untreated water rate	\$129
Proposed temporary untreated water rate	\$837
Proposed non-scheduled untreated water rate	\$837
Proposed surplus untreated water	\$240

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. 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 \$129 per AF is an increase from the current rate of \$113 per AF. The increase is primarily based on water transfer costs.

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 fee based on actual staff costs and Bay-Delta related costs. The proposed rate for temporary untreated water is \$837 per AF or \$2.57 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 \$837 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. The surplus untreated water rate is based on the estimated unit costs of Byron Bethany Irrigation District water, the Department of Water Resources water and Bay-Delta related costs. The proposed rate is \$240 per AF.

RECOMMENDED ACTION:

Adopt the attached resolution to approve, for 2018, an Untreated Water rate of \$129/AF, a Temporary Untreated Water rate of \$837/AF, a Non-Scheduled Untreated Water rate of \$837/AF, and a Surplus Untreated Water rate of \$240/AF.

Zone 7 Water Agency Proposed Untreated Water Rate Calculation for 2018		
(A) Volume of Treated and Untreated Water to be Delivered to Contractors (in AF)		37,167
Water Costs	Dollar Amt.	per AF
1. Water Transfer Costs	\$1,228,000	\$33.04
2. Yuba/Dry Year Water Purchase Program (200 AF x \$50)	\$10,000	\$0.27
3. Multi-Year Pool Water Purchase Program (0 AF)	\$0	\$0.00
4. Cawelo (0 AF)	\$0	\$0.00
5. Semitropic (5,000 AF X 200)	\$1,000,000	\$26.91
6. Del Valle Water Rights	\$3,000	\$0.08
7. Unit Fixed Cost (1+2+3+4+5+6) ÷ (A)	\$2,241,000	\$60.30
8. SWP Transportation Variable Unit Cost	\$2,079,122	\$55.94
9. Subtotal Unit Cost (7+8)	\$4,320,122	\$116.24
10. Zone 7 Administrative costs	\$267,972	\$7.21
11. Bay-Delta Related Costs	\$209,056	\$5.62
12. Total Unit Cost (9+10+11) rounded to nearest dollar)	\$4,797,150	\$129

Zone Water Agency Proposed Temporary Untreated Water Rate Calculation for 2018	
1. Volume of Treated & Untreated Water estimated to be delivered to Contractors (AF)	37,167
Estimated Expenses	Amount
2. a) State Water Supply	\$26,276,328
b) Off-Aqueduct Power Facilities	\$23,083
c) Variable Transportation Water Charges	\$2,079,122
d) Cawelo	\$0
e) Semitropic	\$1,000,000
f) Water Transfer Costs	\$1,228,000
g) Yuba Dry Year Purchase Program	\$10,000
3. Total Expenses	\$30,616,533
4. Unit Cost per AF (Total Expenses/Estimated Deliveries)	\$823.76
5. Zone 7 Staff costs per AF	\$7.21
6. Bay-Delta Related Costs per AF	\$5.62
7. Total Unit Cost (4+5+6) in \$ per AF Or in \$ per 1,000 gallons	\$837 \$2.57

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 2018

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 \$129 per acre-foot for all metered water delivered to each customer per month.

SECOND, for Temporary Untreated Water Service, an initial service establishment charge of \$125 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 per turnout; and

A charge of \$837 per AF or \$2.57 per 1000 gallons for temporary untreated water service 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 \$837 per acre-foot for all non-scheduled untreated water delivered to each customer.

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

BE IT FURTHER RESOLVED that said rate schedule for Untreated Water Services, collectively, shall be effective on January 1, 2018, 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 18, 2017.

By _____
President, Board of Directors

ATTACHMENT A – UNTREATED WATER RATE REVENUE HISTORY

