

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

RESOLUTION NO 18-74

INTRODUCED BY DIRECTOR STEVENS
SECONDED BY DIRECTOR QUIGLEY

Adoption of the Treated Water Service Rates for Calendar Years 2019, 2020, 2021, 2022

WHEREAS the Agency engaged an independent water rate consultant, Raftelis, to prepare a Cost of Service Study to identify the cost of providing wholesale treated water service and the study recommends a four-year rate schedule.

WHEREAS the study recommends gradually increasing fixed charge revenue recovery from 35% in calendar year (CY) 2018 to 45% by CY 2022.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District to adopt the following treated water rate schedules for Calendar Years 2019, 2020, 2021, and 2022.

FIRST, a volume-based water delivery charge, per the table below for all metered water delivered to each customer per month per 100 cubic feet (CCF) for CY 2019, CY 2020, CY 2021 and CY 2022.

Calendar Year	2019	2020	2021	2022
Volume-based Rate per CCF	\$2.01	\$2.10	\$2.06	\$2.15

SECOND, gradually increasing fixed charge revenue recovery from 35% in CY 2018 to 45% by CY 2022 per the table below.

	CY 2019	CY 2020	CY 2021	CY 2022
Fixed Revenue Recovery	37.5%	40%	42.5%	45%

THIRD, a fixed charge of \$18,834,149 for Retailers and \$528,949 for Direct Customers for CY 2019 per the tables below. Actual Fixed Charge monthly billing will be 1/12 of the annual amount.

Fixed Charge per Retailer	CY 2019
City of Pleasanton	\$5,971,854
Dublin San Ramon Services District	\$5,811,601
California Water Service Company	\$3,672,251
City of Livermore	\$3,378,443
Total Retailer Fixed Charge	\$18,834,149

Fixed Charge per Direct Customer	CY 2019
Lawrence Livermore Lab	\$465,889
Veterans Hospital	\$41,034
Wente Brothers	\$11,184
East Bay Regional Park District	\$9,116
L.A.R.P.D.	\$1,704
State of California DWR	\$22
Total Direct Customer Fixed Charge	\$528,949

FOURTH, fixed charges per the table below for CY 2020, CY 2021 and CY 2022. The Total Fixed Charges for these years shall not be changed without Board approval, however the actual allocation among Retailers and Direct Customers may change based on updated two-year rolling average of proportional use. Actual Fixed Charge monthly billing will be 1/12 of the annual amount.

Calendar Year	2020	2021	2022
Total Retailer Fixed Charges	\$21,060,643	\$25,357,284	\$28,323,642
Total Direct Customer Fixed Charge	\$437,276	\$359,421	\$389,819
Total Fixed Charges	\$21,497,919	\$25,716,705	\$28,713,461

FIFTH, authorize the General Manager to the reallocate CY 2020, CY 2021 and CY 2022 Fixed Charge per Retailer and Direct Customer based on updated two-year rolling average of proportional use, to be determined at the end of FY 2018-19 for the CY 2020 charges, FY 2019-20 for the CY 2021 charges and FY 2020-21 for the FY 2022 charges.

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 Recharge, Temporary Treated Water and In-Lieu services be adopted:

FIRST, for Recharge services a recharge fee per the table below for CY 2019, CY 2020, CY 2021 and CY 2022, which is the unit cost of replenishment water to achieve full cost of recovery when it is necessary to replenish the main groundwater basin when water is pumped in excess of a retailers Groundwater Pumping Quota or Independent Quota.

Calendar Year	2019	2020	2021	2022
Recharge Fee per AF	\$1,380	\$1,455	\$1,468	\$1,471

SECOND, the Temporary Treated Water service rate is equivalent to the treated water volume-based charge plus the weighted fixed charge per CCF. The rates for CY 2019, CY 2020, CY 2021 and CY 2022 are per the table below:

Calendar Year	2019	2020	2021	2022
Temporary Treated Water per AF	\$1,451	\$1,538	\$1,625	\$1,725

THIRD, for Temporary Treated Water service an initial service establishment charge \$162 per turnout for CY 2019, \$167 for CY 2020, \$172 for CY 2021 and \$177 for CY 2022 for each new direct connection to the Zone system; and

A monthly meter service charge of \$21.00 per turnout for CY 2019, CY 2020, CY 2021 and CY 2022; and

FOURTH, for In-Lieu water services, a water rate of \$103 for CY 2019, CY 2020, CY 2021 and CY 2022, authorize the General Manager of Zone 7 of Alameda County Flood Control and Water Conservation District to offer to any treated water contractor who takes delivery of treated water from Zone 7 in lieu of pumping groundwater per their Groundwater Pumping Quota should appropriate circumstances be identified; and Zone 7 may offer this rate to its treated water contractors who have a Groundwater Pumping Quota (GPQ) (including well pumping capacity) if sufficient surface water is available and if it is deemed financially and operationally prudent; and, In-Lieu quantities will be limited to each contractor's GPQ plus any accumulated carry-over.

BE IT FURTHER RESOLVED that said water rate schedules for all treated water service as adopted herein shall be effective on January 1, 2019 and shall end on the next effective date for such water rates as adopted by the Board.

BE IT FURTHER RESOLVED that the Board will revisit the rate schedule for calendar years 2021 and 2022, through a public process, with any changed rates adopted by November 2020.

BE IT FURTHER RESOLVED that the General Manager of Zone 7 of the Alameda County Flood Control and Water Conservation District is hereby authorized to continue to enter into, renew, modify and otherwise administer all Temporary Treated Water service agreements in accordance with said rate schedules adopted herein and as may be modified from time to time.

ADOPTED BY THE FOLLOWING VOTE:

AYES: DIRECTORS GAMBS, QUIGLEY, PALMER, STEVENS

NOES: DIRECTORS SANWONG, RAMIREZ HOLMES, FIGUERS

ABSENT: NONE

ABSTAIN: NONE

I certify that the foregoing is a correct copy of a resolution adopted by the Board of Directors of Zone 7 of Alameda County Flood Control and Water Conservation District on October 17, 2018.

By


President, Board of Directors