



TRANSITIONAL WATER SERVICE AGREEMENT WITH OLIVEWOOD MEMORIAL PARK

Resource Operations and Strategic Analytics
(ROSA)

Board of Public Utilities
May 13, 2019

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RATE PLAN IMPACT ON CUSTOMER

1. May 22, 2018: City Council adopts five-year water rate plan, effective July 1, 2018
2. City reclassified WA-7 – Special Metered Services customers to Schedule WA-11– Landscape Irrigation Metered Service
3. Cost of Service Study determined Schedule WA-7 was not collecting all costs for service under this rate
4. City Council directed cemeteries be offered transitional rate agreement

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HISTORICAL SIGNIFICANCE

1. Schedule WA-7 rate:
Purpose of irrigating City's public facilities
2. Historical cemeteries, like Olivewood, included with the intent of preserving the City's historical sites



Olivewood Memorial Park, 1925
Credit: Olivewood Memorial Park



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SYSTEM INVESTMENT IN ANTICIPATION OF RECYCLED WATER

1. Olivewood Memorial Park identified as a prospective recycled water customer and has invested in installing part of the necessary infrastructure to take recycled water from the City when available
2. At this time, City does not have sufficient infrastructure to deliver recycled water to Customer



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LARGE LANDSCAPE COMPONENT

Olivewood Memorial Park has substantial grass and ornamental landscape areas requiring watering



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SUBSTANTIAL WATER COST INCREASE

1. Olivewood Memorial would experience a substantial increase in water costs due to the revised Schedule WA-10
 - a) The prior Schedule WA-10 was \$0.80 per one hundred cubic feet (CCF)
 - b) The new Schedule WA-10 is \$1.57 per CCF
2. Solution: 10-Year Transitional Water Service Agreement
 - a) Transition from current charges to full cost-of-service non-potable charges in 10 years



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TRANSITIONAL RATE BREAKDOWN

10-Year Transitional Water Rate Agreement

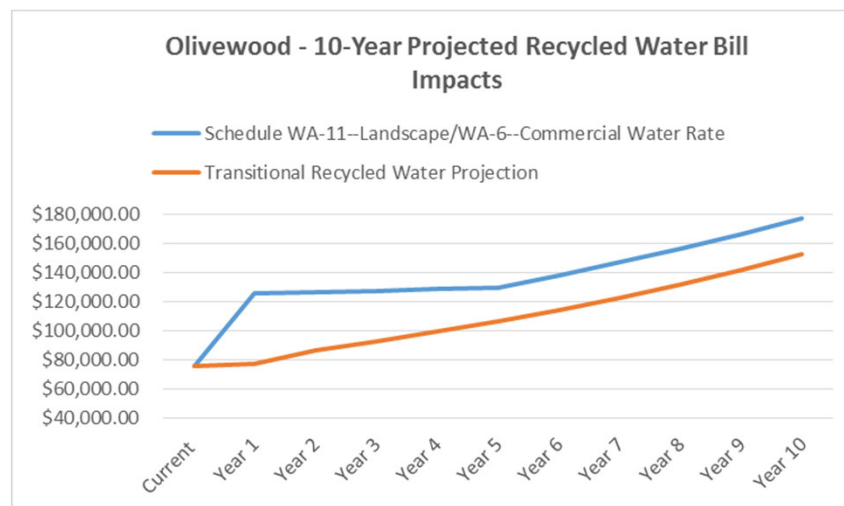
	Quantity Rate All Usage per CCF	Customer Charge 4"		Quantity Rate All Usage per CCF	Customer Charge 4"
Year 1	\$ 1.15	\$ 232.95	Year 6	\$ 1.61	\$ 407.86
Year 2	\$ 1.23	\$ 266.44	Year 7	\$ 1.73	\$ 434.37
Year 3	\$ 1.31	\$ 302.52	Year 8	\$ 1.86	\$ 462.60
Year 4	\$ 1.40	\$ 340.10	Year 9	\$ 2.00	\$ 492.67
Year 5	\$ 1.50	\$ 382.97	Year 10	\$ 2.15	\$ 524.69

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10-YEAR TRANSITIONAL RATE TIMELINE



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ADDITIONAL COLLABORATIVE EFFORTS

1. Comprehensive water audit to identify indoor and outdoor conservation and efficiency updates
2. Analyze and review potential rebate programs to help offset costs for any water and electric upgrades



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RECOMMENDATIONS

That the Board of Public Utilities recommend that the City Council:

1. Approve the Transitional Water Service Agreement with Olivewood Memorial Park providing a ten-year transition to the revised rate Schedule WA-10 Recycled Water Service through June 30, 2028; and
2. Authorize the City Manager, or his designee, to execute the Transitional Water Service Agreement with Olivewood Memorial Park, including making minor, non-substantive changes, to sign all documents and instruments necessary to complete the transaction, and to execute amendments.



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