

Santa Rosa Water

Agricultural Recycled Water Use Miscellaneous Fee Schedule

Public Hearing

Board of Public Utilities Meeting

October 3, 2019



OUR FUTURE IN EVERY DRÖP

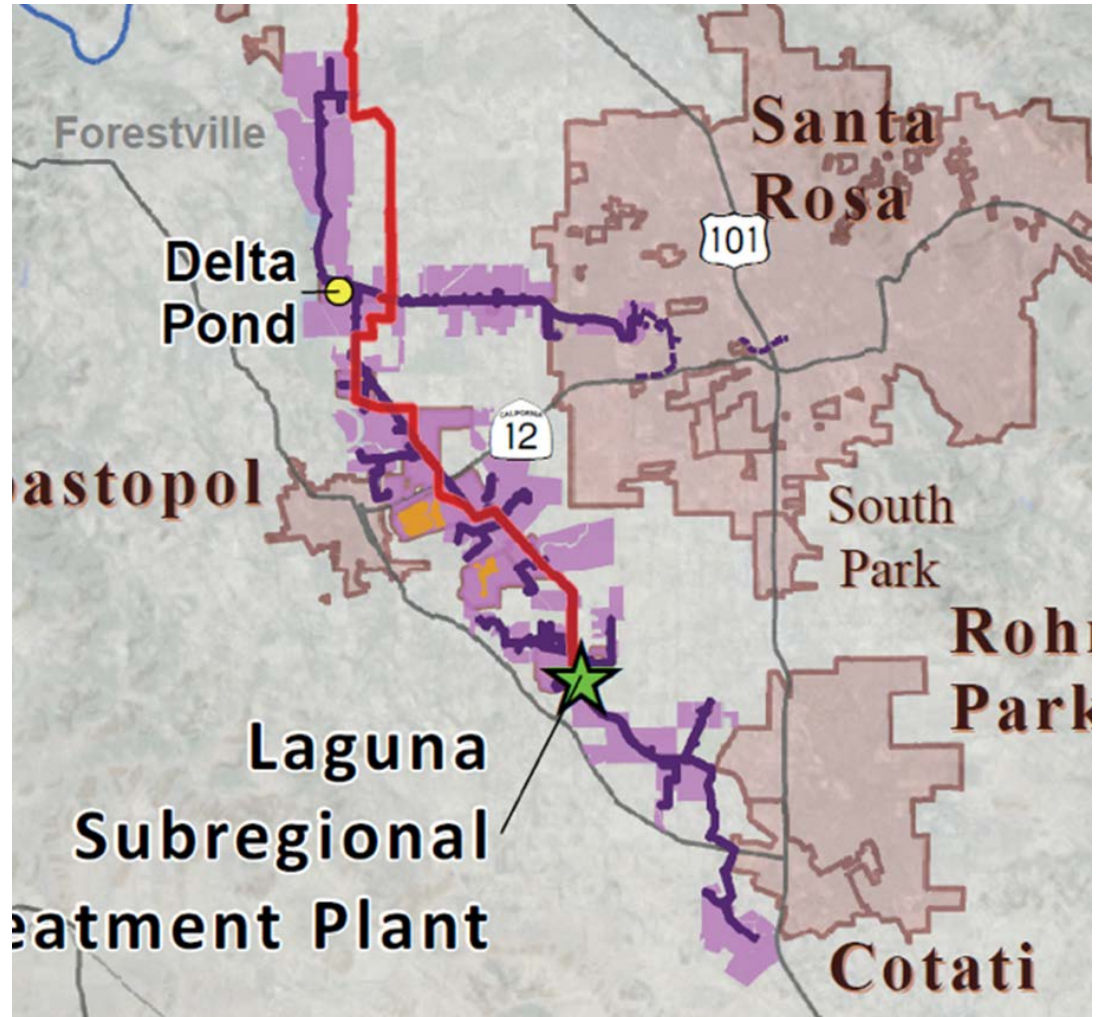
Agenda

- Goals
- Guiding Principles
- Communication
- Previously discussed fee options
- Agreement
- Proposed fee
- Recommendation



Goals

- Consistent agreement language
- Develop fee structure
- Strengthen relationships with ag recycled water users
- Communication
- Transparency



Guiding Principles

- Geysers system lacks redundancy
- Subregional operations need disposal flexibility
- Subregional system and growers benefit from flexibility and predictability
- Develop appropriate consistency
- Recycled water is a valuable resource
- Recycled water users are important to the City
- Phased implementation of fees a consideration to limit disruptions

Input from Ag User Group

- Users are long-term partners but don't always feel appreciated
- Regular communication important
 - Surprises and restrictions are disruptive
- Simple rate structure approach is preferred
- Reliable and predictable water availability is more important than total volume of supply
- Concern about rising costs
- Payment terms

Communication



- Ag User Group
 - 6 agricultural recycled water users
- Developed website – srcity.org/WaterSmartAg
- Written communications with all users
 - Electronic and hard copy
- Met with Executive Director of Farm Bureau
- Attended agriculture operations meeting
- Held evening meeting at Farm Bureau
- Posted public notices as well as hard copy mailed to users

Agricultural Water Reuse Pricing Options Discussed

Options

- Standard uniform rate for interruptible water supply
- 2-tier pricing
 - Inclining block
 - Declining block
- Fixed allocation pricing
- Temporary urgency disposal incentives
- Fixed base charges
- Non-standard rates
 - Off-season storage
 - Non-interruptible

Considerations

- Simplicity and understandability
- Administrative ease
- Fairness and equity
- Assist with meeting disposal objectives
- Improved flexibility and predictability for subregional operations
- Improved flexibility and predictability for users
- Minimize disruption of service for users

Interruptible Agreement

- Water and City Attorney's Office staff and Ag User Group
- Agreement beneficial to both
- Agreement consistent for all users
- 12 year term
- Fee schedule set by Board of Public Utilities
- Specific Addendums being developed
 - Irrigation equipment
 - Frost protection

Negotiation Concerns

- Maintenance of the system
 - City commits to all efforts within reasonable fiscal limits
- Term
 - Longer term agreements desired
- Mosquito abatement
 - Clearly identifying City responsibility
- Protections in case of future regulation for users

Fee Proposal

- 5 year schedule (price per acre foot)
 - Year 1 (2019 and 2020) - \$0
 - Year 2 (2021) - \$12.50
 - Year 3 (2022) - \$25.00
 - Year 4 (2023) - \$37.50
 - Year 5 (2024) - \$50.00
- All users to be charged based on adopted fee when user agreement is executed
- No charges when asked by City for temporary, urgent disposal needs
 - Ability to recover damages
- Pending approval today
 - Effective date – December 3, 2019

Fiscal Impact

- Decreased revenue
 - 2020 up to \$100K
 - 2021 up to \$50k
 - 2022 up to \$25k
- Revenue higher than projected
 - High strength waste
 - Petaluma not expected to open for another year
- 2024 total revenue up to \$300k
 - Based on 6,000 acre feet @ \$50 acre foot
 - Dependent on availability and demand

Recommendation

- It is recommended by the Agricultural Ad Hoc Subcommittee and Santa Rosa Water (SRW) that the Board, by resolution, adopt an agricultural recycled water use miscellaneous fee schedule.

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