

Santa Rosa Water

Agriculture Recycled Water Rate Update

December 6, 2018



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Agenda

- Key Pricing Considerations
- Agricultural Working Group discussions
 - Historical reuse
 - Pricing approaches
- Working group input
- Desired outcomes
- Proposed rate structure
- Continuing process

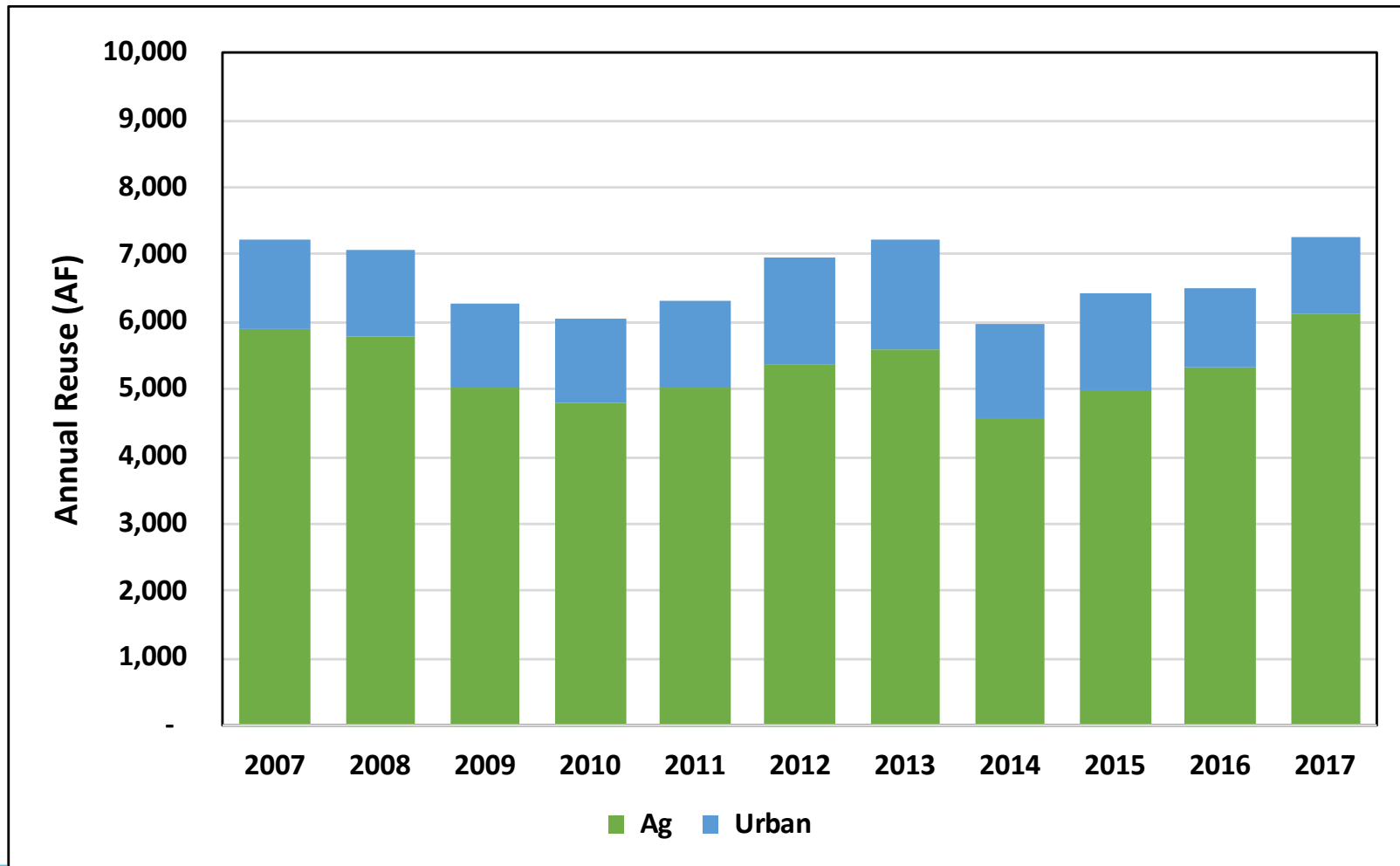
Key Pricing Considerations

- City needs to maintain disposal capacity through agricultural reuse
- Certainty/predictability has value
- Current pricing and terms are inconsistent
- User input for sustainability is vital
- Implementation of new pricing to provide time for planning

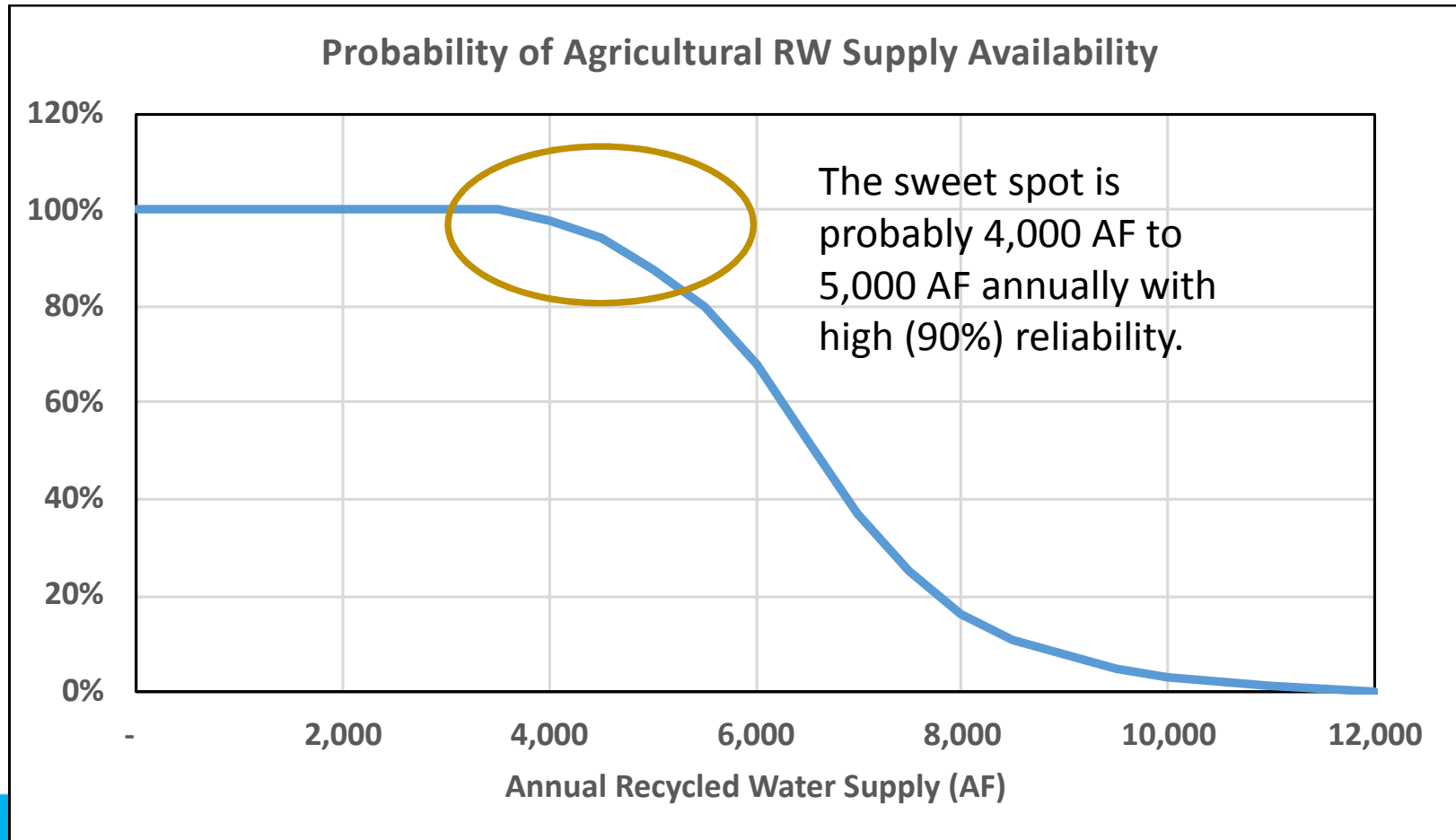
Agricultural User Group

- Developed to solicit input, to provide a forum for understanding the needs of the City and users, and to disseminate information to all agricultural users
 - 6 agricultural recycled water users
 - Water staff
 - Reed Group

Historical Ag & Urban Reuse



Certainty vs. Availability of Agricultural Recycled Water Supply



Agricultural Water Reuse Pricing Options

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
 - Frost protection
 - 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
- Recognition of market for water

Input from Ag User Group

- Agricultural users have been long-term partners with the City, but don't always feel appreciated
- Regular communication regarding the availability of water during the irrigation season is important
 - Surprises and restrictions are disruptive
- A simple rate structure/approach is preferred
- Reliable water availability is more important than total volume of supply
- Agricultural users are concerned about rising costs
 - Its easier to pay for water at the end of the irrigation season than during it
- At times, water quality is a concern
- Pumps and meters would be costly/burdensome for users to maintain

Desired Outcomes

- Concurrence on a rate structure(s)
- Development of a rate schedule(s)
- Consistent language in all agricultural interruptible water service contracts
- Adopted policy on agricultural recycled water pricing
- Coordinated implementation of land lease and agricultural user agreements

Proposed Rate Structure

- Uniform
- Phased Implementation
- Temporary Urgency Disposal Considerations

Standard Uniform Rate for Interruptible Water Supply

- Simple to understand and administer
- Proposed phased implementation
 - 2020 \$25.00/AF
 - 2021 \$37.50/AF
 - 2022 \$50.00/AF



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Temporary Urgency Disposal Incentives

- Director declares temporary urgency disposal need
- Agricultural water rate is \$0/AF for declared urgency period

Continuing Process

- Standard agreement language
- Improve communications
- Allocation refinement
- Frost protection
 - Discussions on fee
- Onsite equipment
 - City to retain maintenance of meters and pumps

Next Steps

- Agreement development
- Ag User Meetings
- BPU Ad Hoc Meetings
- Presentation of recommendations to BPU
 - Rate schedule
 - Agreements

Discussion / Comments



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