

Water Supply Requirements, Excess Water Use Surcharges, and Pre-1984 Nonresidential Water Allotments

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Water Supply Requirements (WSR) Methodology

Jen Dial, Water Resources Manager

WSR Fee and Surcharge Overview

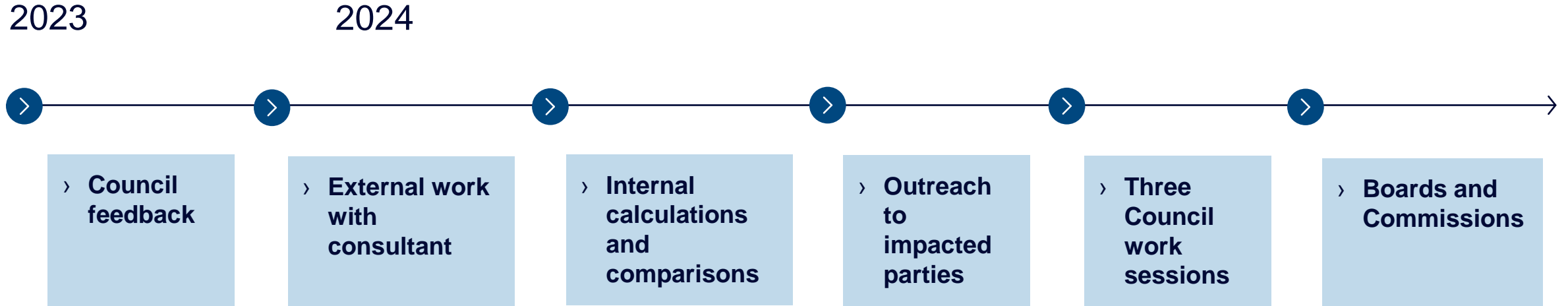


- During development or redevelopment, a customer pays a one-time WSR fee for the water the project needs
- Based on the property's anticipated water use
- Offsets the impacts to the City's water supply system
- Once the WSR is paid, Utilities assigns the account an allotment (or water budget)
- If the customer uses more water than the allotment allows, they pay an Excess Water Use surcharge

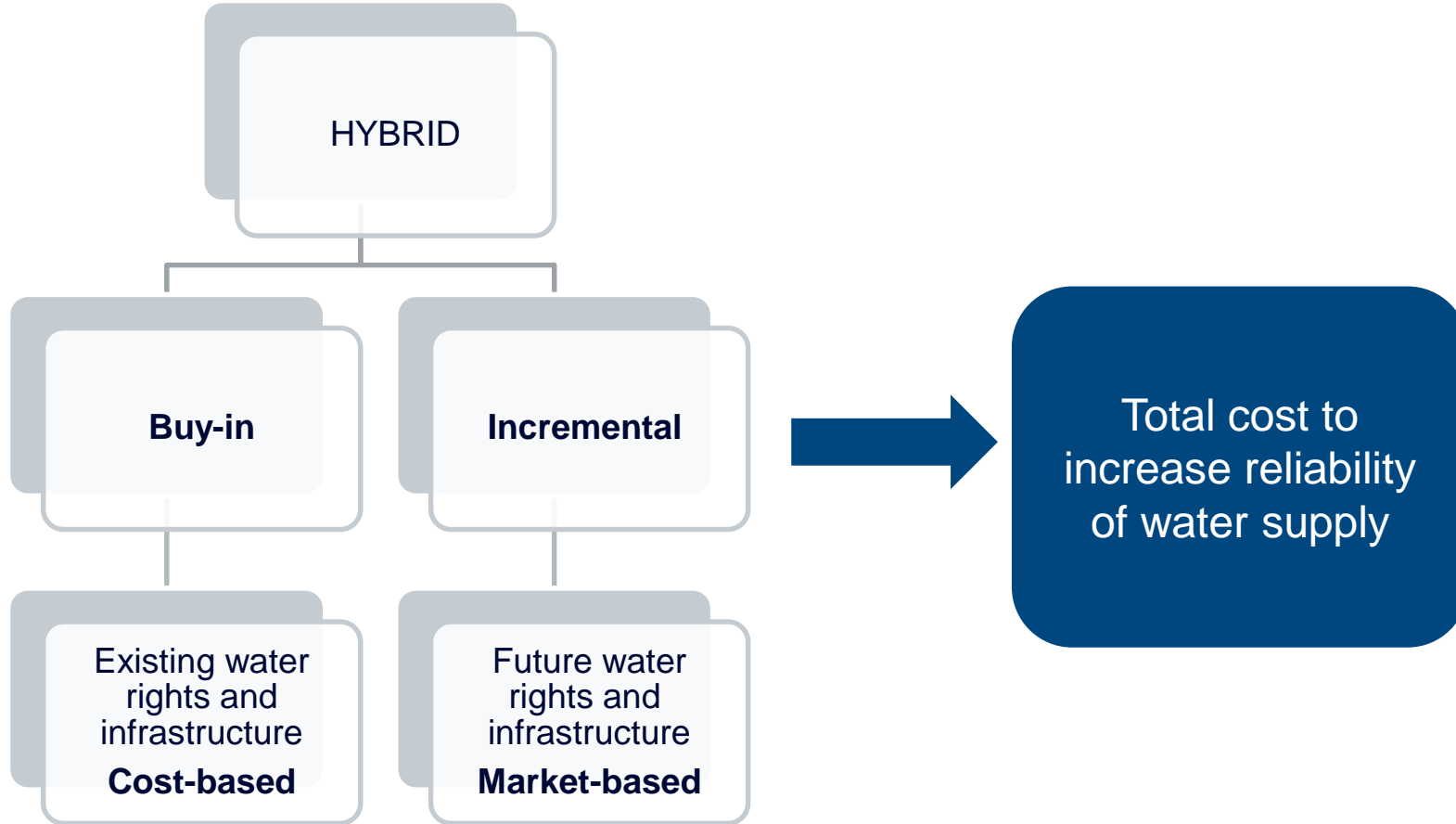
Current WSR fee: \$68,200 per acre-foot of water

Current surcharge: \$16.67 for every 1,000 gallons

Process to Determine the New WSR Methodology



Proposed WSR Methodology Overview



- Hybrid, cost-based method with 30% contingency and 20% safety factor:
 - 2025: \$63,800 per acre-foot
- WSR amount directly ties to surcharge for allotment customers:
 - 2025: \$15.59 per 1,000 gallons
- Staff anticipates maintaining the methodology over time and adjusting along with other Utilities fees (typically annually)





Assigning Water Allotments to Remaining Nonresidential Customers

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- Allotments are like a budget
 - If a customer exceeds their “budget”, they are charged a surcharge
- Nonresidential allotments started in 1984
- About 1,000 accounts do not currently have an allotment
- Recommending to assign allotments to administer water fairly across the community

Staff will assign allotments based on **the greater value** between tap credit or a five-year average.



Tap Credit

Assigns a volume based on meter size determined by the 1989 tap credit value.

Average Historical Use

Assigns a volume based on average five-year historical water use per tap.

Recommended allotment assignments have been chosen to minimize customer impact and would include:

- A one-year grace period where surcharges would not be assessed.
- One-on-one customer engagement over the coming months.
- Conservation education and project support as appropriate.





Questions?

Jen Dial, Water Resources Manager