

A decorative graphic on the left side of the slide features a blue water splash at the top with bubbles, transitioning into a wide rainbow that curves across the upper half of the image. The rainbow's colors are vibrant, with red, orange, yellow, green, and blue visible. The background of the slide is white, and the bottom portion features a dark blue gradient.

FRESNO STATE

California Water Institute

REGIONAL CONSOLIDATION



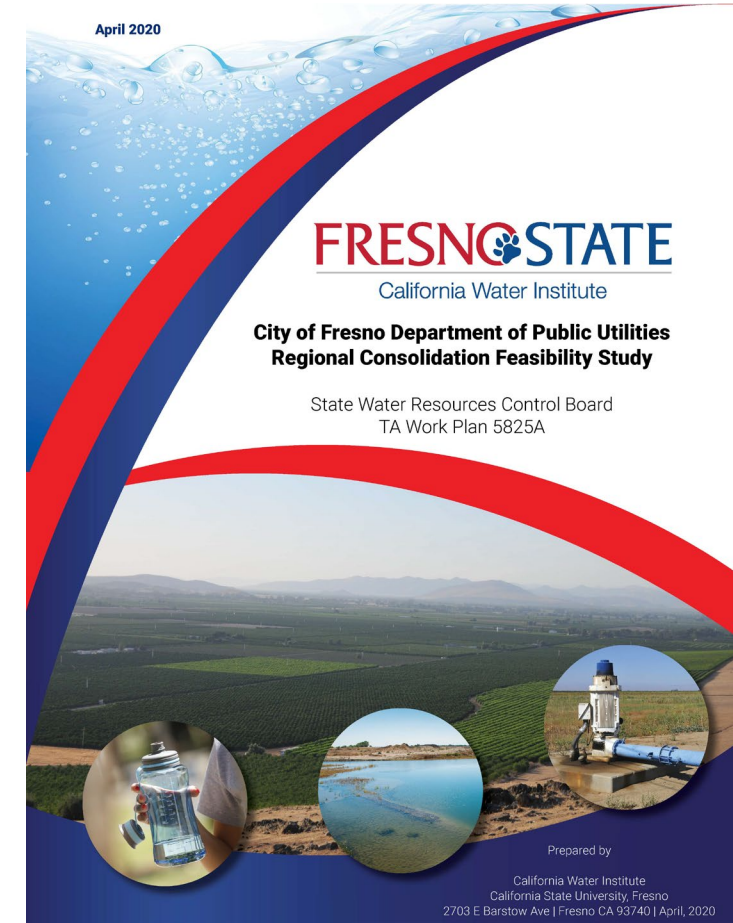
www.californiawater.org

Economies of Scale and the Monthly Water Bill

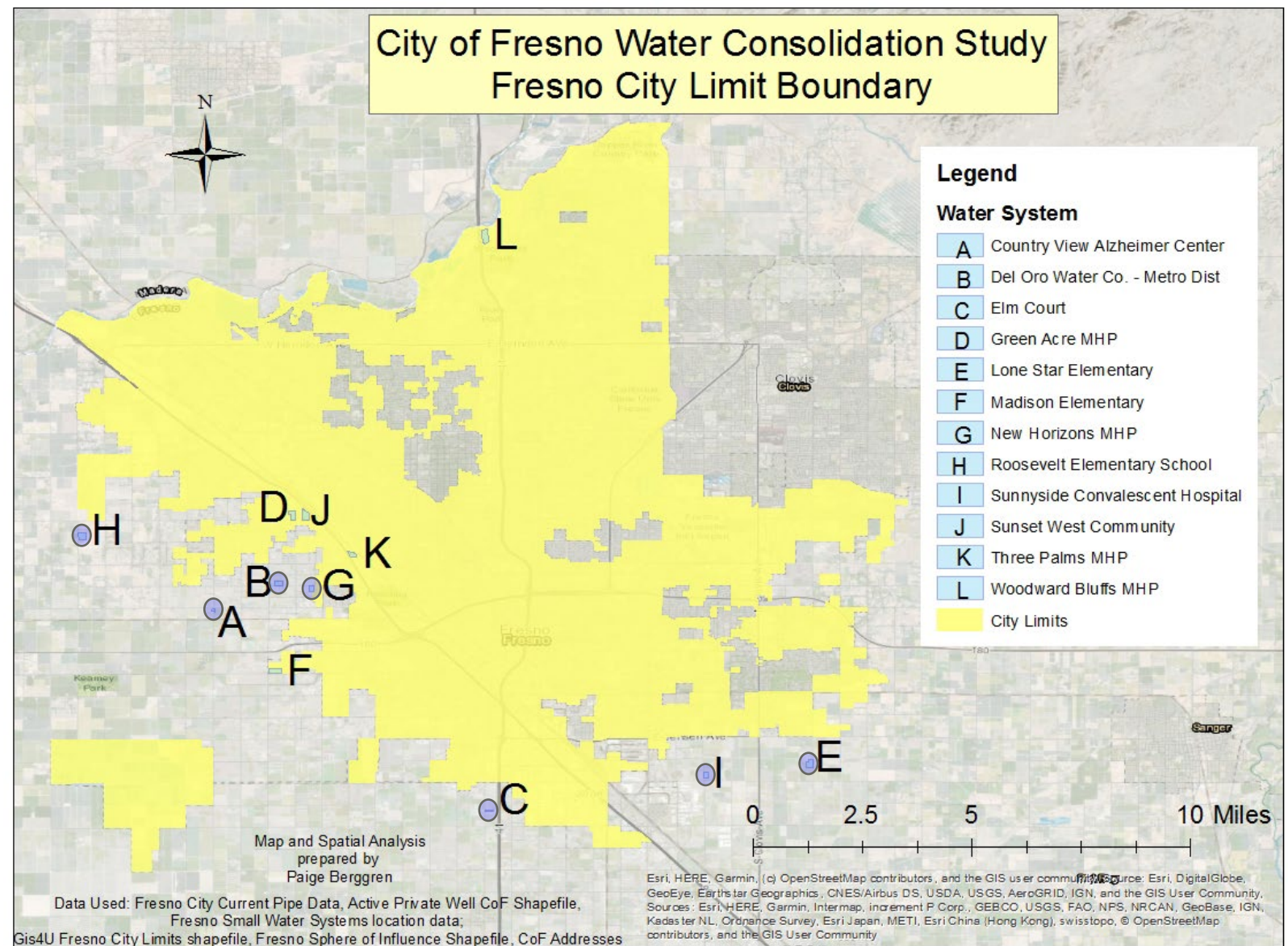
Monthly Water Bill Comparisons			
Water Bill Factors/Costs	Small Water System (29 connections)	City of Fresno (133,000 connections)	Cost Differential, %
Monthly Meter Charge	\$26.74	\$13.50	98.07%
Usage Charge, \$/HCF	\$2.27	\$1.74	30.23%
Total Water Bill @ 6 HCF	\$40.34	\$23.94	68.49%
Total Water Bill @ 12 HCF	\$53.93	\$34.38	56.87%
Total Water Bill @ 18 HCF	\$67.53	\$44.82	50.66%

Water System Consolidation Process

1. Conduct Feasibility Study (*technical, operational, and financial feasibility – Preliminary Go/No Go Decision*)
2. Negotiate Extra-Territorial Service Agreement (*City and Small System*)
3. Negotiate Incentives (*Water Board and City*)
4. Designate an Applicant to serve at Lead Agency for Consolidation
 - a. Small Water System
 - b. City of Fresno
5. Conduct Preliminary Engineering (Technical Assistance Grant)
6. Conduct Final Design, Service During Construction, Startup Testing, Project Closeout (Construction Grant)



System Name	Water Board Concern
Green Acres MHP	Single well vulnerability
New Horizons MHP	Single well vulnerability
Elm Court	Single well vulnerability
Woodward Bluffs MHP	Single well vulnerability
Three Palms MHP	MCL violation (1,2,3-TCP), single well vulnerability
Sunnyside Convalescent	Single well vulnerability
Sunset West MHP	Two wells, but single well vulnerability exists for system
Country View Alzheimer Center	Single well vulnerability
Madison Elementary	Single well vulnerability
Del Oro Metropolitan	MCL violation (Nitrate), single well vulnerability
Lone Star Elementary	Single well vulnerability
Roosevelt Elementary	Single well vulnerability



Technical, Financial and Managerial Considerations

1. Proposition 218 limitations
 - a. No subsidy by large water system for small water systems
 - b. Requires payment of all fees and charges
 - c. Requires funding instrument (cash flow) for planning, permitting, design, and construction
2. Water system capacity available to accommodate new connections to system
 - a. Sustainable Groundwater Management Act (groundwater balance)
 - a. System water demands (metered versus estimated)
 - b. Water supply availability
 - b. Infrastructure capacity to meeting demands under all conditions
3. Water system consolidation approach
 - a. Consolidation complies with City standards
 - b. All water use must be metered
 - c. Direct-Connections versus Looped-Connections
 - d. Full consolidation versus partial consolidation

\$21.4million

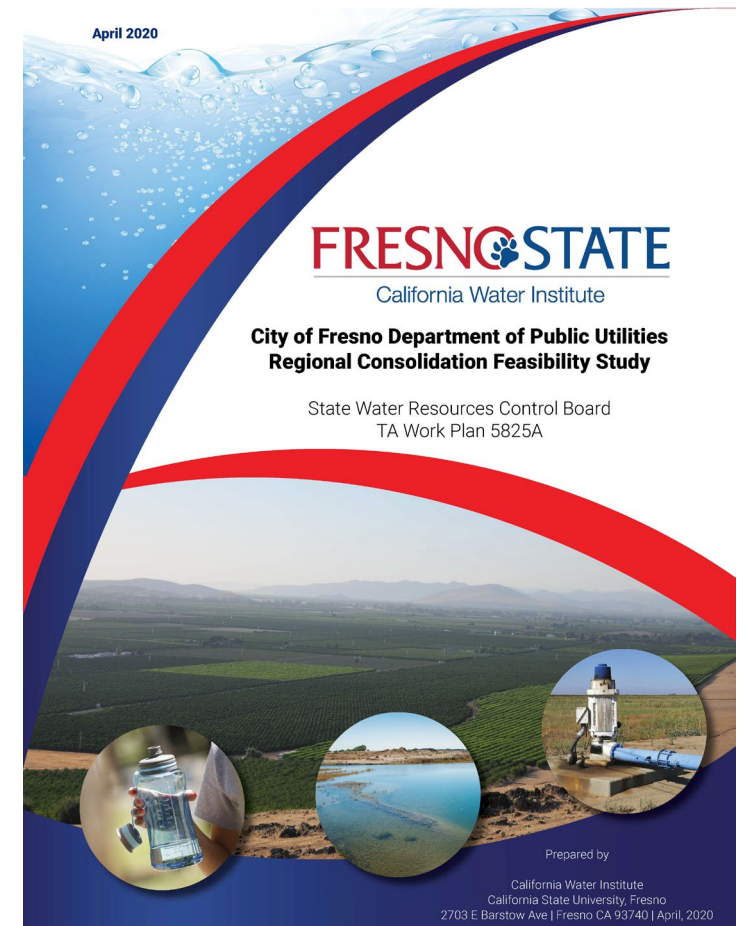
System Name	System No.	Funding Available \$30k per Connection	Looped-Connect Capital Costs	Total Annual Demand (Gal)	Water Supply Development Fee	Water Capacity Fee	Total Annual Water Charges
Del Oro Water Co - Metropolitan District	CA1000057	\$872,727	\$2,136,575	4,004,322	\$122,888	\$268,836	\$17,790
Madison Elementary School	CA1000105	\$8,181,818	\$2,114,463	7,992,925	\$0	\$268,836	\$27,084
Lone Star School	CA1000190	\$3,963,636	\$2,262,906	7,992,925	\$245,294	\$268,836	\$27,084
Roosevelt Elementary School	CA1000208	\$3,363,636	\$3,730,850	7,992,925	\$245,294	\$268,836	\$27,084
Green Acres Mobile Home Estate	CA1000229	\$3,360,000	\$0	15,600,000	\$0	\$403,254	\$49,704
New Horizons Mobile Home Park	CA1000259	\$2,310,000	\$1,355,750	6,272,632	\$192,500	\$268,836	\$23,075
Elm Court	CA1000277	\$360,000	\$1,718,250	977,553	\$0	\$56,008	\$4,102
Woodward Bluffs Mobile Home Park	CA1000298	\$5,160,000	\$0	17,389,000	\$0	\$403,254	\$53,872
Three Palms Mobile Home Park	CA1000299	\$3,150,000	\$0	8,553,589	\$0	\$268,836	\$28,390
Sunnyside Convalescent Hospital	CA1000366	\$1,736,364	\$2,015,500	4,714,965	\$144,697	\$268,836	\$19,446
Sunset West Community Mobile Home Park	CA1000378	\$4,770,000	\$0	12,952,577	\$0	\$403,254	\$43,536
Country View Alzheimer Center	CA1000430	\$1,136,364	\$1,586,481	2,940,000	\$90,225	\$268,836	\$15,310
TOTAL		\$38,364,545	\$16,920,775	97,383,413	\$1,040,898	\$3,416,458	\$336,477

Water System Consolidation Funding (Start with the budget)

1. The **eligible funding** and **incentive funding** available for water system consolidations is defined annually in the Water Board's Intended Use Plan (IUP).
2. The Water Board's IUP for Fiscal Year **2019-2020** indicates the following for **eligible funding**:
 - a. The construction project financing limitation for a public water system extending water service to a small disadvantaged community is \$30,000 per connection.
 - b. The Deputy Director of the Division of Financial Assistance may approve construction funding up to \$45,000 per connection for good cause.
 - c. Consolidation projects that provide regional benefit are eligible for no more than \$60,000 in grant and/or principal forgiveness per service connection per participating SCWS serving a small DAC/small SDAC, or NTNC serving a small DAC or small SDAC.
3. The Water Board's IUP for Fiscal Year **2019-2020** indicates the following for **incentive funding**:
 - a. Eligible principal forgiveness/grant funding to increase a receiving PWS's water supply capacity if the PWS does not have sufficient capacity to serve the additional customers of the subsumed PWS.
 - b. Up to \$10 million in zero percent (0 percent), interest rate financing for a construction project that solely benefits a receiving PWS (Incentive Project) when the PWS fully consolidates one or more small water systems.

Outreach

- California Water Institute outreach and education effort



City of Fresno as the Water System Administrator

1. The Water Board may provide funding for consolidation projects on an eligible-reimbursable-cost basis, and reimbursable costs may include City staff time.
2. The City expressed concern about using ratepayer funds, for the benefit of non-ratepayers, to cash flow the work required to complete the consolidations.
3. An alternative is for the Water Board to designate the City to serve as the **Administrator** for the small water systems to implement the consolidation projects. Under this approach:
 - a. The existing water system operator will remain responsible for the day-to-day operation and regulatory compliance for the small water system.
 - b. The City will be responsible to complete the planning, permitting, design, and construction of the consolidation project. Using this approach, the City will rely on State funding directly, and not ratepayer funds, to perform all the services required for the consolidation project.
 - c. Upon completion of the consolidation project, the Water Board will dissolve the small water system, and the water system customers will be absorbed into the City's water system.

Consolidating Implementation Plan

1. The Water Board, City of Fresno, and small water system will negotiate the formal conditions of service in the form of an Extra-Territorial Water Service Extension Agreement.
2. The Water Board and City of Fresno will negotiate an Incentive Package to support City's implementation of the water system consolidations.
3. The Water Board and the City of Fresno will mutually-agree on a funding plan for the consolidation projects that does not require the City to use ratepayer reserve funds to cash flow the work required to accomplish the consolidations.
4. The Water Board will designate an Applicant to serve as the lead agency to implement the consolidation. The City of Fresno may serve as the Applicant in the role of Administrator.
5. The Water Board will work with the Applicant to:
 - a. Determine if the consolidation projects can be qualified for CEQA exemptions.
 - b. Prepare and submit Planning Grant Applications and Construction Grant Applications as necessary to fund the planning, permitting, design, construction, and commissioning of water system consolidations.

Our feasibility work showed that packaging multiple systems together changes both the math and the momentum. Let's test that with three perspectives: the City, the State, and Self-Help Enterprise.

- **Three Palms Mobile Home Park**

Group 1

- **Del Oro – Metropolitan District**
- **New Horizons MHP**

Group 2

- **Orange/Central Avenues (private wells)**
- **Elm Court**
- **Lone Star School**

Group 3

- **Britten Avenue (private wells)**
- **Madison Elementary School**
- **Roosevelt Elementary School**

Group 4

- **Woodward Bluffs MHP**
- **Green Acres Mobile Home Estates**

