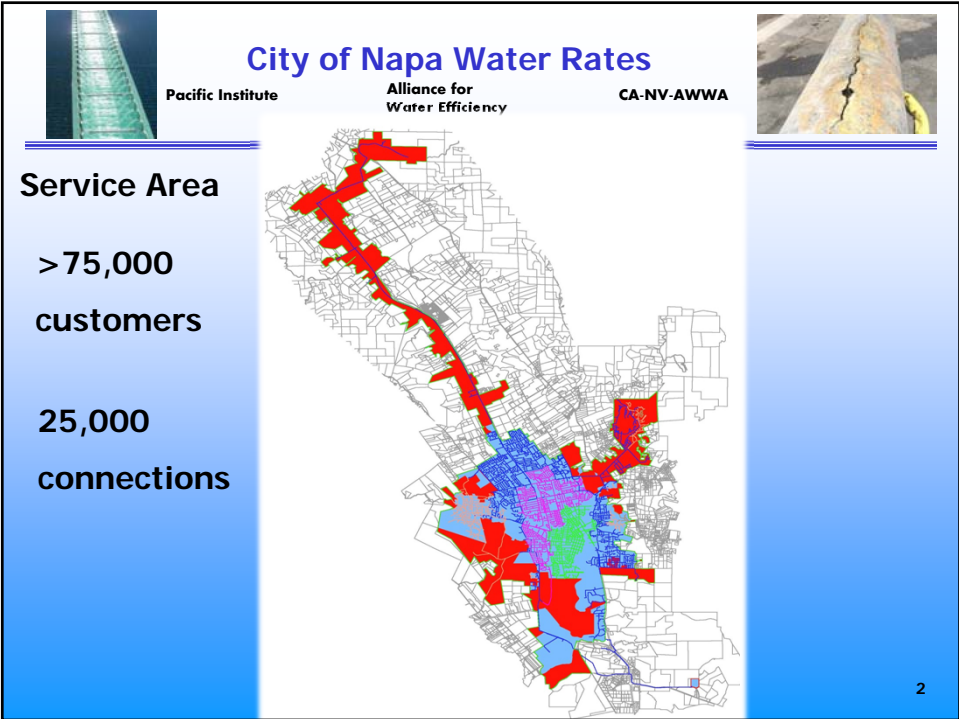


City of Napa
2011 Modification of Water Rates

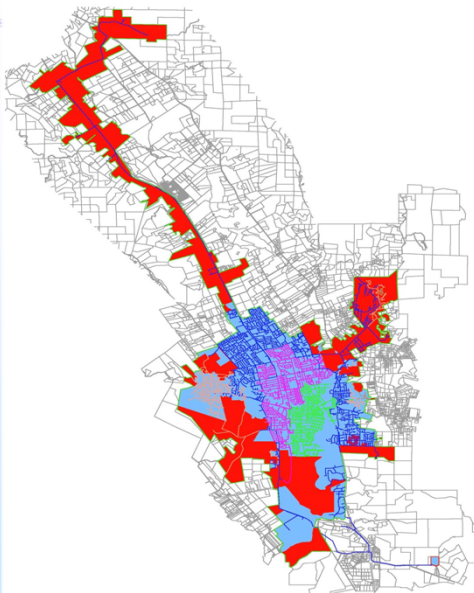
This slide features two photographs. The left photograph shows a large waterfall cascading over a concrete structure, with a white pipe visible in the foreground. The right photograph shows a close-up of a large, rusted metal pipe with a significant longitudinal crack. A yellow object is partially visible at the bottom right of the pipe.



City of Napa Water Rates


Pacific Institute Alliance for Water Efficiency CA-NV-AWWA

Service Area
> 75,000 customers
25,000 connections



2


This slide is a presentation slide for the City of Napa Water Rates. It includes a title, logos for Pacific Institute, Alliance for Water Efficiency, and CA-NV-AWWA, and a list of statistics: Service Area, > 75,000 customers, and 25,000 connections. A map of the service area is shown, with various regions highlighted in red, blue, green, and purple. A small inset image of a cracked pipe is visible in the top right corner. The number 2 is in the bottom right corner.



City of Napa Water Rates

Pacific Institute Alliance for Water Efficiency CA-NV-AWWA

Water Rates Workshop– September 11, 2012




Approach for Cost Of Service Analysis

- What**
 - Revenue Requirements
 - Operating Costs
 - Capital Investments
 - Existing Assets
- Who**
 - Customer Classes
- How**
 - Cost Allocation Among Beneficiary Classes
- Why**
 - True Cost of Service and Fair Share

✓ Compliance with Proposition 218


3



City of Napa Water Rates

Pacific Institute Alliance for Water Efficiency CA-NV-AWWA

Water Rates Workshop– September 11, 2012



Setting Rates

- Revenue Requirements
 - Operating
 - Capital Investment in Infrastructure
- Forecast of Future Revenue

Total \$\$ =

Fixed =

Consumption (Units)


of Units


X

X


Cost (\$ per Unit)

\$\$/Unit






4



City of Napa Water Rates

Pacific Institute Alliance for Water Efficiency CA-NV-AWWA

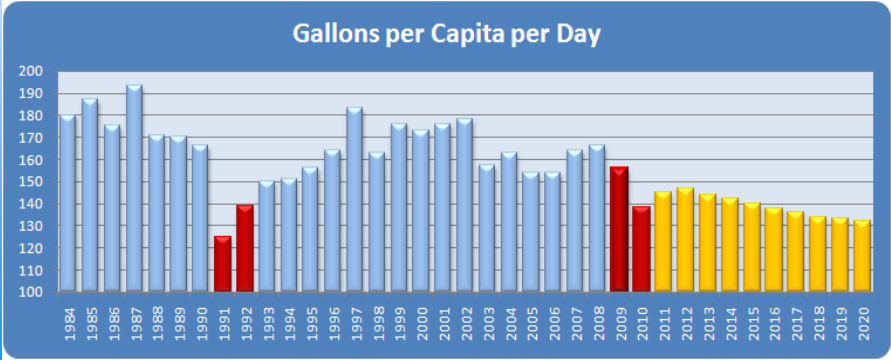
Water Rates Workshop– September 11, 2012




Cost Of Service Analysis

- Compliance with CUWCC BMPs and SBx7-7 conservation requirements
 - 165 gpcpd to 132 gpcpd

Gallons per Capita per Day




Year	Gallons per Capita per Day (gpcpd)
1984	180
1985	185
1986	175
1987	190
1988	170
1989	170
1990	165
1991	125
1992	140
1993	150
1994	150
1995	155
1996	165
1997	180
1998	165
1999	175
2000	170
2001	175
2002	175
2003	160
2004	165
2005	155
2006	155
2007	165
2008	165
2009	155
2010	140
2011	145
2012	145
2013	145
2014	140
2015	140
2016	135
2017	135
2018	135
2019	135
2020	135



City of Napa Water Rates

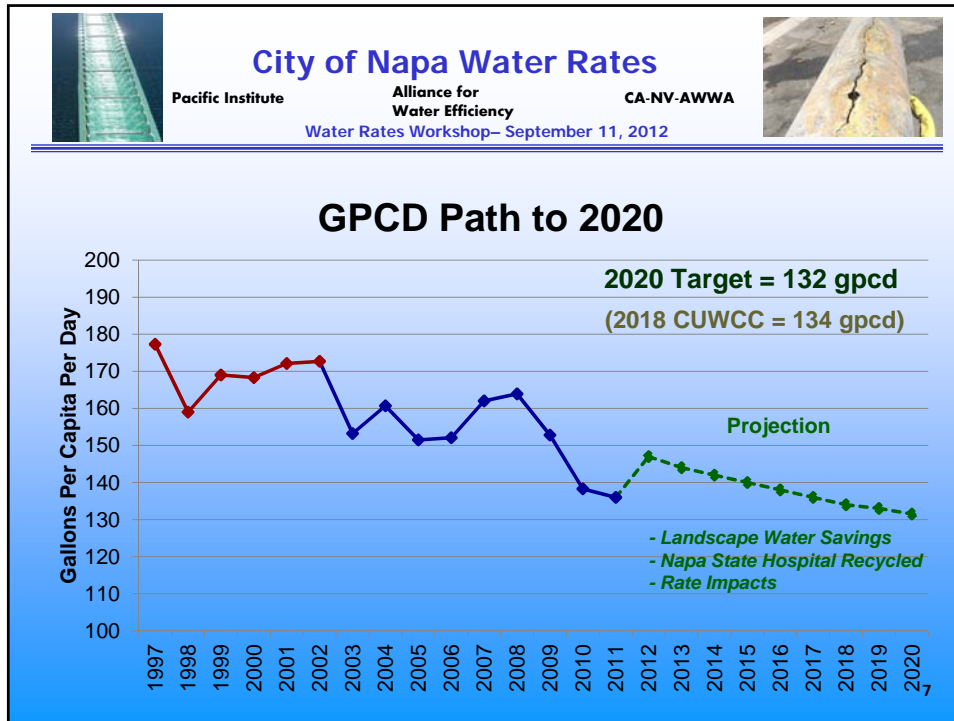
Pacific Institute Alliance for Water Efficiency CA-NV-AWWA

Water Rates Workshop– September 11, 2012



What will be achieved?

- Inclining Tier Rates to raise awareness of conservation and move towards compliance with 20% by 2020 Regulation SBx7-7
- Inclining Tier Rates charge the cost of service reflecting higher operating costs during peak demands of the summer
- Inclining Tiered Rates will raise awareness about discretionary water use




City of Napa Water Rates
 Pacific Institute Alliance for Water Efficiency CA-NV-AWWA
 Water Rates Workshop- September 11, 2012

Cost Of Service Analysis – Revenue Requirements

Year	1	2	3	4	5
Additional Revenue Required	8%	8%	8%	4%	4%

<u>Major Revenue Sources</u>	<u>No. of Accounts</u>
Single Family Residential	20,900
Multi Family Residential	1,400
Commercial	1,400
Irrigation	300
Interruptible Agricultural Services	19
Pumped Zones	2,200
Fire Services	550
City of St Helena	1
State Hospital	1


8



City of Napa Water Rates

Pacific Institute Alliance for Water Efficiency CA-NV-AWWA

Water Rates Workshop– September 11, 2012



Rate Modification


- Structural Change and Increase

Existing since 1997: **Single Quantity charge**
No fixed element

Modification:

- Fixed quantity charge
- \$13.25(includes 3 units)**
- Tiers for SFR


9



City of Napa Water Rates

Pacific Institute Alliance for Water Efficiency CA-NV-AWWA

Water Rates Workshop– September 11, 2012




What will be achieved?

- Tier Rates for single family residential customers 85% of accounts

Water Consumption: 1 Unit = 1,000 gallons


Tiered Rate Account Detail				
Tier	Unit Range	Rate Per Unit	Current Units	Current Charge
Fixed Service Charge	Includes 0-3 Units		3	\$ 13.25
Tier 2	4-20	\$ 4.42	17	\$ 75.14
Tier 3	21-40	\$ 4.58	20	\$ 91.60
Tier 4	41-75	\$ 5.80	5	\$ 29.00
Tier 5	Over 75	\$ 7.70	0	\$ 0.00
Tiered Water Totals			45	\$ 208.99



City of Napa Water Rates


Pacific Institute Alliance for Water Efficiency CA-NV-AWWA

Water Rates Workshop– September 11, 2012



Benefits of Reduced Consumption

- **Short Term Impacts**
 - Operating costs do not decrease
 - Infrastructure must be maintained
- **Long Term Benefits**
 - Reduced Capital Investment in Infrastructure
 - no or reduced additional supply
 - no or reduced additional storage



11



City of Napa Water Rates

Pacific Institute Alliance for Water Efficiency CA-NV-AWWA

Water Rates Workshop– September 11, 2012



How can customers control their costs?

- Free Water-Wise Home and Business Surveys
- Free Water-Wise Landscaping Workshops, Web Site
- “Cash For Grass” Turf Replacement Rebate
- High-Efficiency Clothes Washer Rebate
- Free Replacement of pre-1992 Toilets w/WaterSense
- Free Water-Saving Devices












www.cityofnapa.org/water

12





City of Napa Water Rates
Pacific Institute Alliance for Water Efficiency CA-NV-AWWA
Water Rates Workshop– September 11, 2012

Compliance

- 1. Stage II Disinfection Byproduct Rule (DBPR-II)**
 - October 2012
 - Effects: Capital Improvements to distribution and treatment
- 2. SBx7-7 Reduce baseline of 165 gpcpd**
 - 2015 - reduce per capita consumption by 15% (148 gpcpd)
 - 2020 - reduce per capita consumption by 20% (132 gpcpd)
 - Effects: Limits Sales and Revenue
 No change to level of service or fireflow requirements

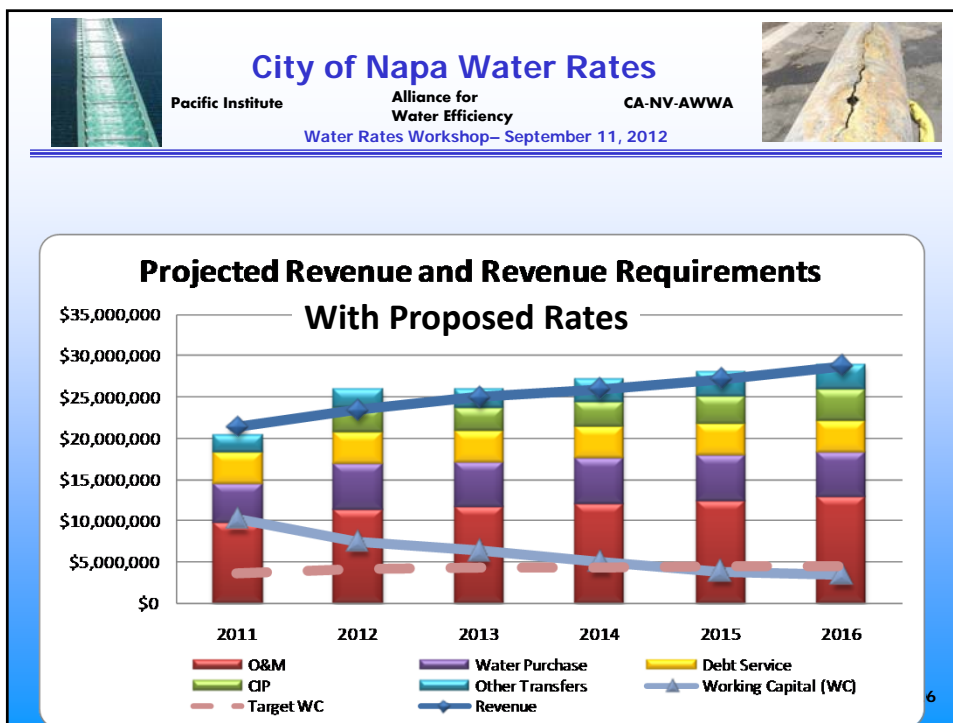
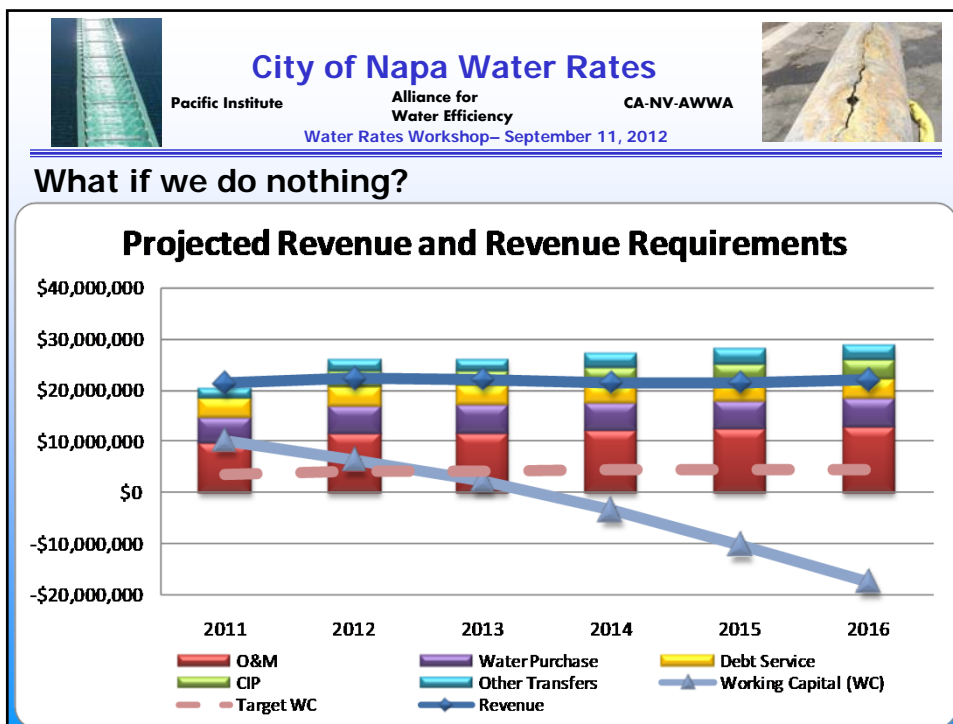
13

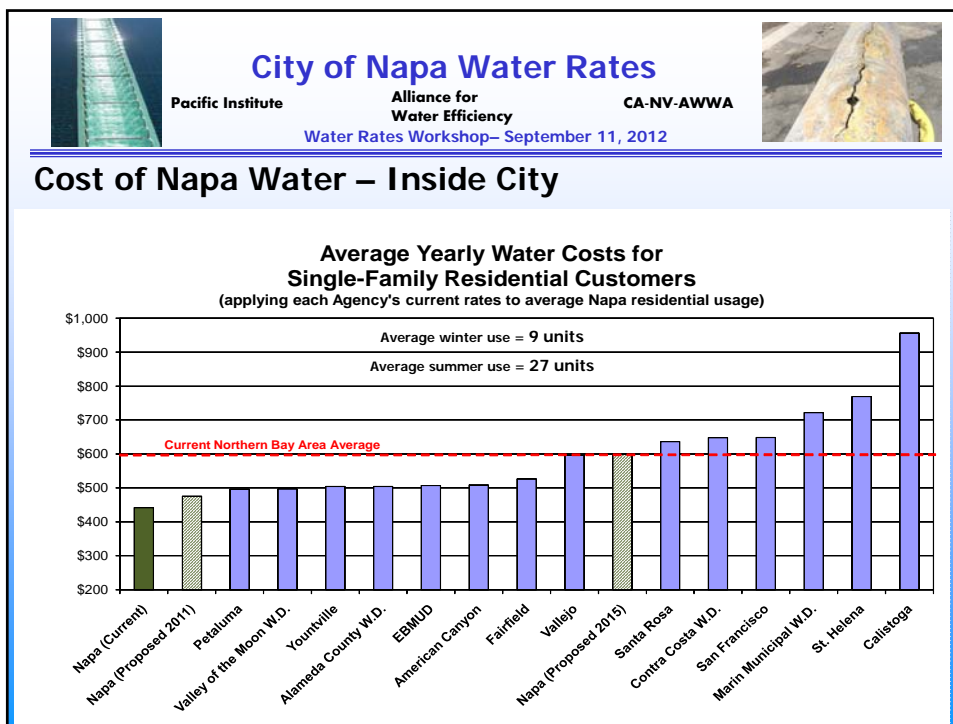


City of Napa Water Rates
Pacific Institute Alliance for Water Efficiency CA-NV-AWWA
Water Rates Workshop– September 11, 2012

Questions or Comments?

14






City of Napa Water Rates
 Pacific Institute | Alliance for Water Efficiency | CA-NV-AWWA
 Water Rates Workshop – September 11, 2012

Recommended Rate Structure – Bill Impact

SFR – Inside City (18,900 customers)


Units Consumed Bimonthly	Current Bimonthly Bill	Proposed October 2011		
		Recommended Rates		
		Bimonthly Bill	Monthly Increase	Price Per Gallon
3	\$12.27	\$13.25	\$0.49	\$0.0044
9 (average winter)	\$36.81	\$39.78	\$1.48	\$0.0044
27 (average summer)	\$110.43	\$120.45	\$5.01	\$0.0045
55	\$224.95	\$267.03	\$21.04	\$0.0049
100	\$409.00	\$575.58	\$83.29	\$0.0058



City of Napa Water Rates

Pacific Institute Alliance for Water Efficiency CA-NV-AWWA

Water Rates Workshop– September 11, 2012



Recommended Rate Structure

Single Family Residential (SFR)

- Return to service charge and tiers
- Ensure basic level of service is included
- Promote conservation at all levels of summer consumption
- Equitable charges for level of service received

(1 Unit = 1,000 gallons) Units	Percent Total Customer Bills Per Year		Proposed October 2011 Rate
	Winter	Summer	
Bimonthly Service Charge (includes 3 units)	9%	4%	\$13.25
4-20	79%	42%	\$4.42
21-40	10%	40%	\$4.58
41-75	1%	12%	\$5.80
76+	0.3%	2%	\$7.70

19



City of Napa Water Rates

Pacific Institute Alliance for Water Efficiency CA-NV-AWWA

Water Rates Workshop– September 11, 2012




Communication and Outreach Efforts

- Prop 218 Notifications mailed to all account holders and property owners
- Information posted on the web-site at:

www.cityofnapa.org/water

 - ✓ Interactive bill calculator
 - ✓ FAQs
 - ✓ Report of Cost of Service Analysis
 - ✓ List of customer classification by address

20



City of Napa Water Rates
Pacific Institute Alliance for Water Efficiency CA-NV-AWWA
Water Rates Workshop– September 11, 2012

Communication and Outreach Efforts

- Letters to 466 fire service customers

- Outreach and meetings with
 - ✓ Chamber of Commerce
 - ✓ NV Register Editorial Board
 - ✓ Taxpayers Association
 - ✓ County Staff / Supervisor

- Information booths and ongoing conservation messaging

21