

North Davis Meadows Community Meeting

May 3rd 2018

Agenda

- ❖ Welcome & Introductions
- ❖ Goals of Conversation
- ❖ History
- ❖ Prop 218 Process
- ❖ Current Status
- ❖ Point of Use (POU)
- ❖ Listening Session- Facilitated Q & A
- ❖ Next Steps

Meeting Goals



- ❖ Understand the history and current status of the Water System Consolidation Project
- ❖ Understand the State's Point of Use Regulations
- ❖ Neighborhood discussion

The Problem



- ❖ **Potable Water:** Water from the NDM wells does not meet the State of California's water quality standards.
- ❖ **Fire Protection:** Fire flow with the current wells is insufficient to meet NDM fire protection needs.
- ❖ **Irrigation Water:** Low-cost water source sought for landscape irrigation needs.

History: NDM Public Water System

❖ Public water system under Compliance Order for nitrates, iron and aluminum

Expect hexavalent chromium regulations in the future

Fines up to \$1,000 per day per contaminant

❖ Solutions studied

- New deep wells
- Treatment at well
- Dual-use system: City for potable water; wells for other uses
- Full consolidation with Davis

❖ Public meetings and community input since 2008

History: NDM Public Water System

2009

Compliance Order issued for Noncompliance with Nitrate Drinking Water Standards

2012

Paused project to explore consolidation with the City of Davis in order to assist the financing of the Woodland-Davis Clean Water Project.

2012

Prepared to pursue a deep well project and additional infrastructure improvements to meet fire protection needs

2012-2015

Community considered multiple options, including full consolidation with the City of Davis, dual-use, and drilling new wells.

History: NDM Public Water System

June 2015

Survey showed strong support for dual-use consolidation with City of Davis

December 2016

Design Commenced

May 2016

Successful Prop 218 to repay a 20-year SRF planning loan
Note: no such loan available

August 2017

Davis Fire Chief strongly recommends all water uses on City system for adequate & reliable fire protection

History: NDM Public Water System

**September
2017**

Community
Meeting &
Outreach

Fall 2017

Additional
design
commences

Jan-Mar 2018

Prop 218 proceedings to
increase Operations Fee
to fund water
consolidation project

**Sept / Oct
2017**

Survey showed
strong support for
all water uses
supplied by the
City of Davis

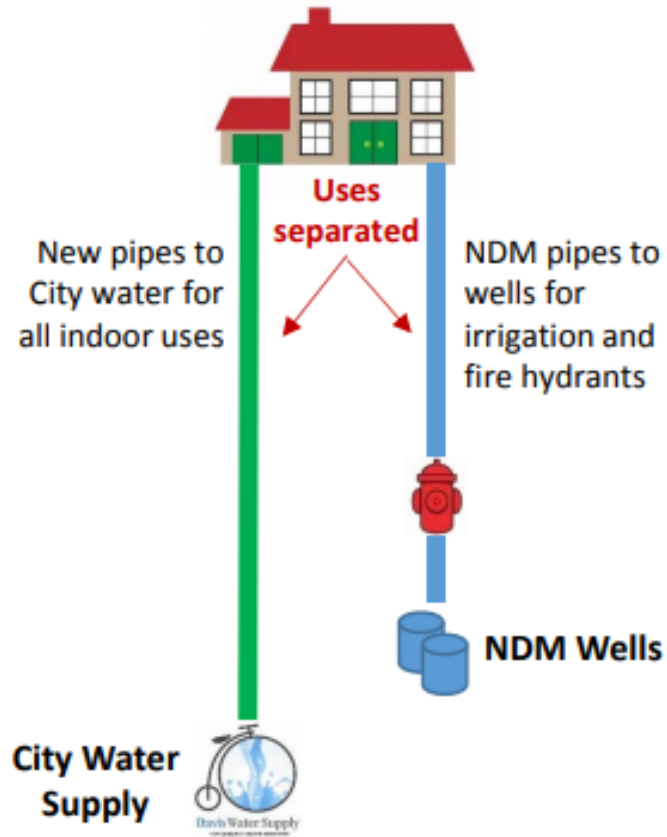
**January
2018**

Engineering
and Rate study
complete,
community
mtg. to discuss
results

North Davis Meadows Water Project Options

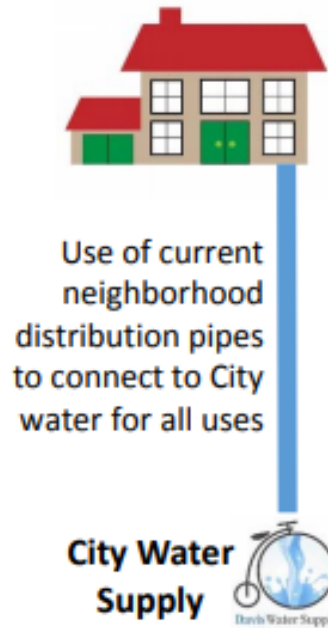
Scenario 1

Current Plan per 2015 Survey
Dual-Use System with
Fire Protection from Existing Wells



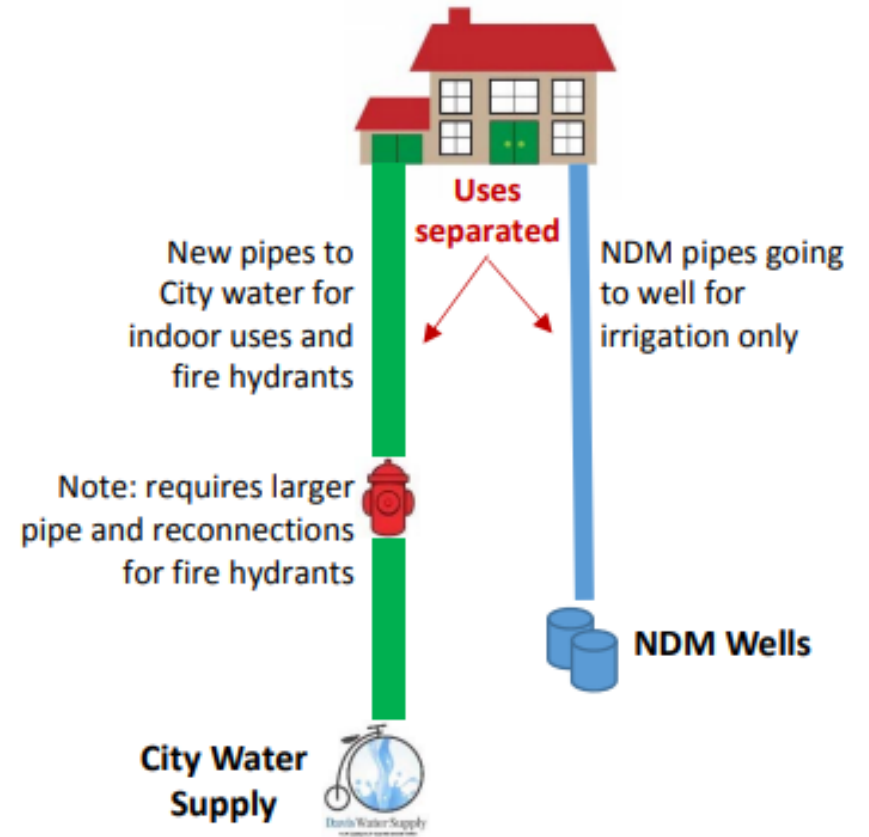
Scenario 2

Fire Chief Recommended
All Uses on City Water



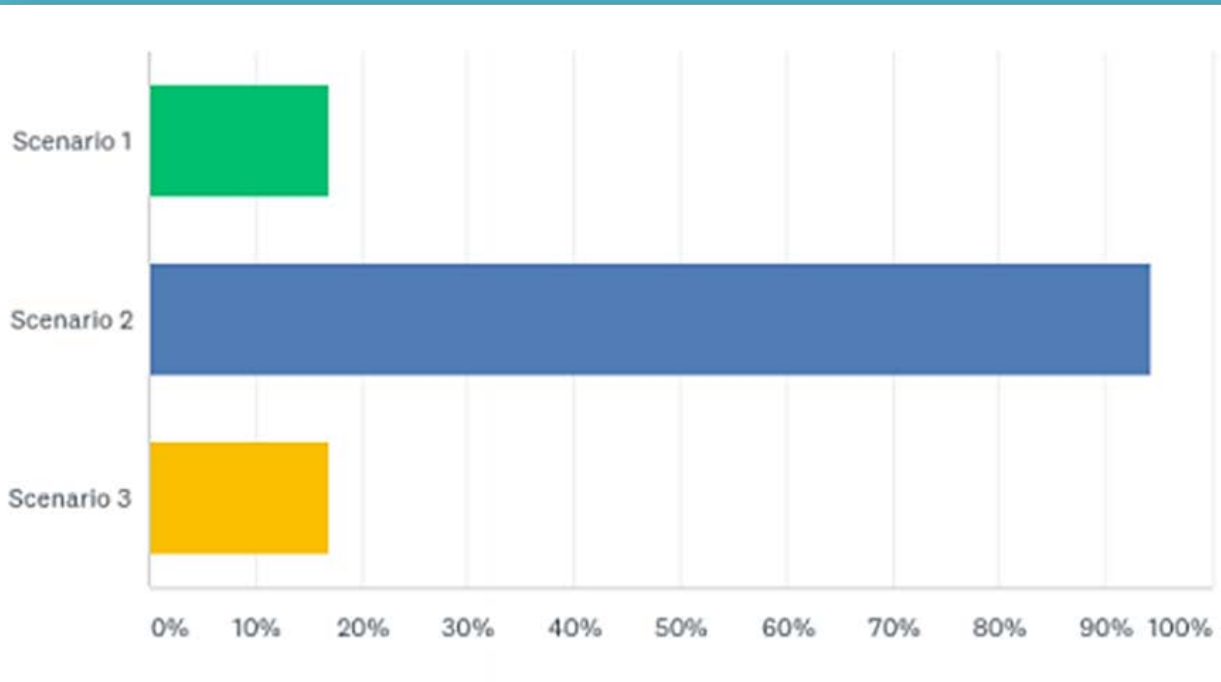
Scenario 3

Minimum Fire Chief Recommended
Dual-Use System with
Fire Protection from City Water



Survey

Q: Which options would you consider an acceptable solution?



Scenario 1: Dual-Use System with Fire Protection from Existing Wells

Scenario 2: All Uses on City Water

Scenario 3: Dual-Use System with Fire Protection from City Water

Answered: 53 Skipped: 9

Scenario 2: City of Davis Connection

- ❖ Survey of NDM residents indicated strong support
- ❖ Long-term reliable solution for water quality and quantity
 - Multiple sources (river & well)*
 - Adequate and reliable fire flow*
 - Managed and maintained by a water dept. w/ expertise*
- ❖ System maintenance and improvement costs shared
 - 17k ratepayers versus 95 homes*
- ❖ All construction and engineering costs are eligible for low-interest loan (1.8%)
- ❖ Need a solution to avoid fines for non-compliance
- ❖ Water and sewer usage costs shift to direct bill, based on actual usage
- ❖ Individual residents control usage and associated costs

Consolidation Project Costs

Project Design	\$548,900
Environmental Studies	\$11,456
Construction	\$5,486,000
<i>Includes \$299k well decommission and demo; \$618,657 for construction contingency (15%); and \$412,431 for contractor's market contingency (10%)</i>	
Connection Fee	\$1,640,745
Construction Management	\$532,200
City Costs	\$25,000
Project Management	\$80,000
Rate Study	\$25,000
<hr/>	
Total	\$8,349,000

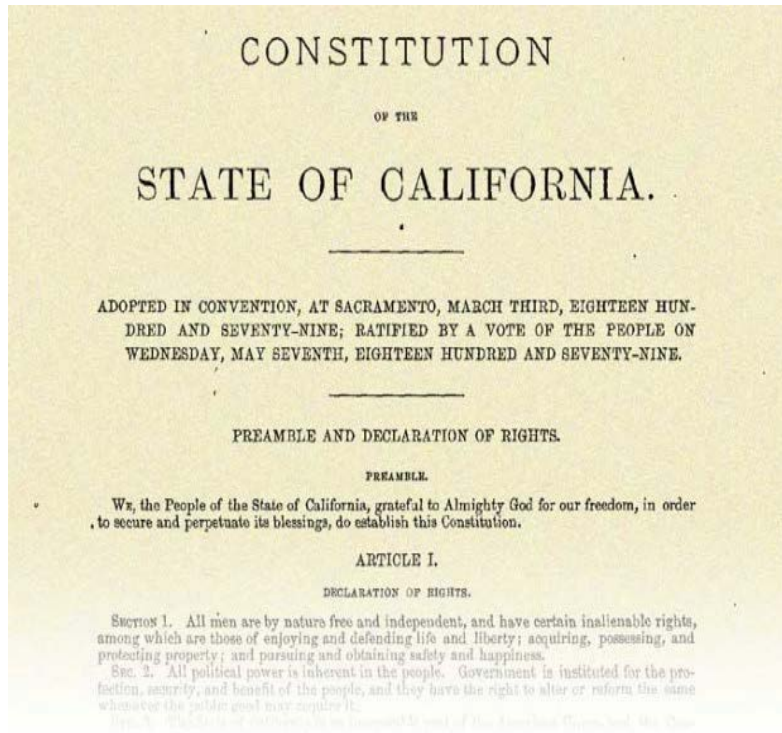
Note: Assumes a 30-year loan at 1.8% interest and 1.1x debt service coverage.

What is Prop 218?

- ❖ Proposition 218 is the "**Right to Vote on Taxes Act**" passed by California voters in November 1996.
- ❖ Proposition 218 amended the California Constitution.
- ❖ The Proposition 218 Omnibus Implementation Act of 1997 details the procedures for the principles outlined in the Constitution.
- ❖ The County cannot increase property-related fees and charges without complying with the procedures specified in Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act.

About the Prop 218 Process

Prop. 218 (the “Right to Vote on Taxes Act”)



Prop 218 Procedural Requirements:

- ❖ 45 days mailed notice of a fee increase to all property owners
- ❖ Majority protest hearing at a public meeting in which silence equals consent
- ❖ Protests must be received prior to close of public hearing
- ❖ If no majority protest, fee can be adopted

Prop 218 Timeline

- ❖ January 23 – BOS initiated Prop 218 Proceedings in public meeting
- ❖ January 26 – Prop 218 notice mailed by 1/26/18 to each homeowner and posted on County website
- ❖ January 29 - CSA Advisory Committee Chair sent notice of the proceedings to their listserv
- ❖ February 1 – CSA meeting held to answer community questions
- ❖ February 5 and 7 - Follow-up information posted on County website and bulletin sent to e-subscribers of the webpage
- ❖ March 11 – Group of residents posted the notice again to their listserv, encouraging protest votes
- ❖ March 20 – Public Hearing

March 20, 2018 Public Hearing

- ❖ Board of Supervisors held a public hearing to receive public comment and written protests regarding fee increase to fund the North Davis Meadows Water System Consolidation project.
- ❖ If a majority of parcels submitted protests, the County could not adopt the proposed rates to support the project.
- ❖ Following the close of the public hearing, and tabulation of the protests with an observer from the community present, the Clerk of the Board confirmed that **46 valid protests** were received.
- ❖ The protest did not reach the 48 majority protest threshold to overturn the proposed fees.
- ❖ Based on this sense of direction from the community, the Board of Supervisors approved by a 5-0 vote the water fee increase to support the project.

Actions following March 20 Hearing

- ❖ Received three invalid protests after close of public hearing.
- ❖ Submitted low-interest loan application to the State Water Board; modifying application as State reviews. Decision expected October 2018.
- ❖ Followed up on questions raised at public hearing:
 - ❖ *16" pipe size is necessary to support fire flow volume demands. Water systems that are looped with multiple entry points have smaller pipes. This is not the case in NDM.*
 - ❖ *Met with the State Water Board regarding POU regulations*



Point of Use (POU) Requirements

- ❖ Treatment devices in lieu of centralized treatment (source: California Health & Safety Code 64418):
 - Must prove centralized treatment plant or consolidation is not economically feasible
 - Must have 100% participation from residents to achieve compliance
 - All POU units are owned, operated and maintained by Public Water System
 - Must complete pilot testing
 - Must have routine access to each house for POU installation, maintenance, water quality monitoring, etc.
 - Must address how to handle customers who elect not to participate to POU program
 - Must conduct annual inspection to each POU unit to make sure treatment unit is properly operating and has not been bypassed

Point of Use (POU) Requirements

- Must conduct monthly monitoring on a rotating basis
- Timely response has to be ensured for possible failure of each treatment unit
- Easy to put the system into violation
- The issuance of a permit shall be limited to not more than three years or until funding for centralized treatment is available, whichever occurs first. Health & Safety Code 116552.
- Public Water System must conduct a customer survey, participate in a State Board public hearing, and demonstrate no substantial community opposition. Health and Safety Code 116552

POU Unknown Costs and Risks

Well Maintenance	\$?
<i>City will no longer maintain; private operator likely more expensive and less reliable</i>	
Engineering for fire flow, domestic use and irrigation	\$?
New Wells & Well Infrastructure Improvements	~\$3.5-5.5 million/\$?
<i>Wells are 31 & 22yrs old. Infrastructure “beyond its useful life;” do not meet fire flow & #1 is pulling sand. \$ estimate is for two deep wells with fire flow infrastructure improvements.</i>	
State-Approved POU System Design	\$?
POU System for each house	\$?
POU in-home inspections – initial and annual	\$?
Re-evaluation and permit submittal for POU system every three years	\$?
Pay-back of existing CSA loan with Yolo County	\$915,000
Future capital expenses such as metering by 2025; rehab of wells & pipes	\$?

Notes:

- Uncertain impact on timing
- Limited locations for new wells (new rules = 100' from leach fields.)

Steps to Proceed with Point of Use (POU)

- ❖ Community survey to assess interest in exploring and investing in the POU path.
- ❖ CSA hire a third party to conduct a median household income assessment.
- ❖ If CSA meets the threshold making consolidation economically infeasible, then conduct Prop 218 proceedings to increase current fee to pay for engineering and staff time to prepare documents for the State required POU Public Hearing.
- ❖ Participate in the legally required State POU Public Hearing
- ❖ Conduct formal customer survey to determine if there is substantial community opposition.

#non-voting customers + # voting against POU is less than half of total customers (≤ 46)

No more than 25% of total customers voted against POU (≤ 24)

Costs and Risks of Changing Course

- ❖ Loss of access to 1.8% interest rate loan.
- ❖ Increase in construction costs
- ❖ Repay County loan of \$915,000 - utilizing March 20, 2018 Prop 218 fee increase, could be paid off with two years of increased charges.
- ❖ Conduct new Prop 218 to fund the evaluation of alternative solutions to meet State water quality requirements and fire protection needs.
- ❖ Conduct another Prop 218 to fund another course of action
- ❖ Risks:
 - Continued exposure to daily fines
 - Continued operation of own water system without expertise
 - Continued operation of wells (31yr & 22yr old) and infrastructure that is beyond its useful life.



Questions & Dialogue