City of Napa Water
Appoint Council Advisory Committee
Cost of Service Rate Analysis
City Council - February 1, 2011
**Water Fund**

- $25 M
- Supports critical infrastructure
- 24/7 operation
- Supplies **safe, reliable, low-cost** drinking water to >75,000

1. Water Supply
2. Water Treatment
3. Water Transmission
4. Water Distribution
**Cost OF Service Analysis**

- Insure proper level of Capital Investment
- Last performed in 2004

**1997 Master Plan**

Invested over $25-million in the water system and sold Revenue Bonds

- Lakeview Tank - ($5M)
- Alston Tank - ($4M)
- Imola Tank - ($4M)
- Hennessey Filter-To-Waste - ($2M)
- Hennessey Tower Valves - ($0.5M)
- SCADA Improvements - ($1M)
- Ed Barwick Jamieson Improvements Design - ($1.6M)
- Main Replacements - ($0.5M per year)
- KERN Water Purchase - ($1M)
Capital Investments

- Imola Tank 4MG
- LakeView Tank - 5MG
- Alston Tank 2 - 4MG

Water Storage

- Alta Hts 2 65KGals
- Alta Hts 1 80KGals
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Capital Investments

Milliken Reservoir Seismic Modifications

Construction $1M
CCOs - 9%
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Capital Investments

Seismic Modifications

Milliken
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Capital Investments

Edward I Barwick Jamieson
Canyon Water Treatment Plant Improvements

Construction $38M
CCOs 8.8%
(4.2% actual)
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Capital Investments
1997 Master Plan

- Capital Investment in Storage and Treatment
- Cost of Service Analysis 2004

2011 Master Plan

- Capital Investment in Transmission and Distribution
- Cost of Service Analysis 2011
Cost of Service Analysis

Purpose:

- Review current rates and structure
- Insure continued capital investments

Results:

- Safe and reliable water for our customers
- Reduce long-term O&M costs
Schedule

- February - Initial Council Advisory Committee meeting
- March - Council Advisory Committee meeting
- April - Return for Council Workshop
- May - Finalize Analysis and Recommendations
- June - Public Notice and Hearing
- August - Public Hearing for Prop 218 Confirmation
- October - Implement Modifications as Necessary
COUNCIL ACTION

1. Appoint two Council members to participate on the Council Advisory Committee for the Cost of Service Water Rate Analysis.

QUESTIONS or COMMENTS?