

Proposed North Davis Meadows Water System Consolidation



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North Davis Meadows County Service Area



NDMCSA – Managed by Yolo County

- 95 Connections – Served by 2 wells
- Exceeds Nitrate Standard
- Under “Do Not Drink” order
- Water system operated under contract by City of Davis Water Division staff

Davis Muni Golf Course – Served by 2 independent wells

- Clubhouse gets water from CSA
- Emergency interconnect with CSA water system

California Department of Public Health Proposal



Consolidation

- Resolve the NDMCSA's continued violation of the nitrate standard
- Davis's application for DWSRF financing of the DWWSP ranked within a fundable range.

DWSRF

- The current loan rate for a DWSRF is 1.7% for a 20 year term.
- Potential for \$60M savings over life of other long-term financing options

Consolidation is not Annexation

- Residents of NDMCSA remain in Yolo County and are not annexed into the City of Davis. (This would be similar to the arrangements made in Willowbank and El Macero)

Tentative Consolidation Agreement

Deal Points



- a. No Connection Fee – City to extend some of the long term cost savings that could be realized from SRF financing to off-set the initial connection fee estimated \$2,840,400.
- b. Total Capital Cost - The total capital cost to the NDM ratepayers will not exceed the estimated \$2 million capital cost for their project to install a new separate system and retrofit the existing for irrigation purposes. The estimated cost to extend a domestic only water line to NDMCSA is \$4,108,000.
- c. Consolidation would be sized for Domestic Water Only. The current wells and water distribution system for the purposes of irrigation water supply and fire protection.

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- d. All Necessary Domestic Conveyance Facilities to Be Included
 - i. A main pipeline from the City of Davis water system to a master meter at the onset of North Davis Meadows community.
 - ii. An internal community distribution system from the master meter to each home stub-out.
 - iii. Domestic Water Meters installed at each home.
 - iv. All roads and other facilities disrupted by the construction project

The County of Yolo will be responsible to ensure the connection of the individual residence to the domestic water supply at the water meter, the installation of an approved backflow prevention device at each residence and any disconnection of the irrigation services the from the house domestic supply.

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- e. Consistent Engineers.
- f. Timing of Construction - ASAP; prior to surface water project construction
- g. Repayment Timing - Funding for all construction costs are not be accelerated for NDMCSA and should be included in the overall cost of the project
- h. Interest Rate - Repayment of the NDMCSA construction expenses should be the same as that interest rate being incurred by the City of Davis in the loan provided for under the SRF program
- i. Water Rates - A wholesale water rate for domestic use only; no charges for fire protection or irrigation.

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- j. Cost-Effectiveness - The CDPH requires the consolidation of North Davis Meadows (NDM) into the City of Davis will have to be a cost-effective solution in addressing NDM's ranked problem
- k. Water Supply Permit
 - i. Davis will have to amend their water permit to include service to NDM
 - ii. NDM will surrender their water permit and their potable water system will be regulated under the permit amendment to Davis
 - iii. All existing customers of NDM must connect and agree to be served by Davis.
 - iv. Terms of consolidation agreement - Davis will operate and maintain NDM's potable water system for, at minimum, the term of the SRF funding agreement.
- l. The service line to NDM must be from Davis and not the JPA.

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Questions
&
Council Direction