

QUESTIONS/ANSWERS FROM
AUGUST 28 2013 NORTH DAVIS MEADOWS
MEETING RE WATER ISSUES

Q. What is the interest rate on the loan? The materials state both 1.9 % and 1.7%.

A. The rates change slightly. Currently, the rate is 1.9%

Q. What about maintaining our existing wells? Will it still cost to maintain them?

A. The existing wells would continue to be maintained as they will provide the non-domestic (irrigation and landscaping) water. Diana Jensen (City of Davis) states that the City could continue to provide maintenance of the well under a contract with NDM and could provide essential repairs. NDM would need to pay whoever does maintain the wells, and that cost would be covered under our existing fee.

Q. Why is the City loan only through the City and not through the joint powers agency?

A. (Herb Niedermeyer, City of Davis) The entire surface water project would only be on line sometime after 2016. The loan with the jpa would be after the consolidation of the water project. Any NDM connection would precede the project as a whole.

Q. How much will the City of Davis save by having NDM included in its project?

A. (Niedermeyer) Tens of millions of dollars....up to \$60 million.

Q. What is the reason for the 1.7 - 1.9% funding?

A. That loan rate would be based on replacing the current domestic water supply in NDM which is over the regulatory limit for nitrates.

Q. Would the Binning Tract be included?

A. No. The connection pipe would be stubbed out, so if the Binning Tract residents organized into some entity, they could receive service. Currently, Binning Tract does not have a single official water supply, but rather a series of individual or small number of connection wells.

Q. Would there be meters for the dual system?

A. A condition of receiving domestic supply water from the City of Davis would be to have meters. The costs of the meters would be included in the overall project. No meters are required for the separate irrigation supply.

Q. The projected cost for the City project is \$4.1 million. Wouldn't it be cheaper to go through the swales, rather than the streets?

A. (Nidermeyer) The City does not like the idea of using the swales because of the possibility of cross contamination. Urban water runoff, such as that found in the swales, often has contaminants. Additionally, it is unlikely that CDPH would approve such a location.

Q. What about repairing the roads? Trenching and repatching the asphalt can result in problem surfaces.

A. (Niedemeyer) The City would not reconstruct the whole street, but would leave it in the current or better condition following the trenching and installation of pipes.

Q. Residents would want to avoid a disjointed road surface.

A. Agreed.

Q. How could we avoid a future increase of water rates?

A. We may not be able to guarantee that we don't have future rate increases. We will try to get more information from the city. It is important to compare capital costs over the long term, however. The capital costs for the two well option are for 30 years and the city connection costs are for 20 years.

Q. Plumbing to the individual homes needs to be included in the project.

A. (Niedemeyer) noncommittal...discussions are continuing between the County and the City

Q. For \$60 million savings, the City of Davis should be paying for the entire NDM project.

A. (Niedemeyer) There is a prohibition on the "gift of public funds".

Q. Don't we need a holding tank for the City supplied domestic water, just as we now have for our existing wells?

A. (Jensen) Not needed, because we are so close to the new 4 million gallon tank north of the hospital.

Q. Can we get 5-10 homes evaluated as to what the actual cost would be to connect the homes to a City supply?

A. Need to get estimate.

Q. Can directional drilling be done from the meter to the house to minimize disruption of landscaping? And/or could directional drilling be done if needed to separate the domestic supply lines from the irrigation lines?

A. (???) There may be a problem disconnecting the existing domestic supply lines and separating where the irrigation lines may be located. The connection could be done in different ways. The existing domestic supply line to the new Davis domestic supply at the street.

Q. Is the City of Davis locked into this surface water project? (Niedemeyer) The City is locked into the CH2MHill under a contract for costs. There is a contract for cost containment. There are legal challenges outstanding, some of which may be resolved by the end of 2013.

Q. Will a City water supply project need to go through a Prop 218 election process?

A. Yes.

Q. When will the City know if it can get the loan?

A. The City cannot receive a State Revolving Fund loan until consolidation with NDM and the City for water supply occurs. The City would need to have a letter of intent between the City and the County.

Q. Can an internet cable be installed in the same trench as any new piping?

A. (Niedermeyer) No. A trench cannot contain both dry and wet utilities.

LATER QUESTION VIA EMAIL

Q. Are the new rates for irrigation use are based on overall water usage which includes the Golf Course. Wouldn't their use significantly impact the rates?

A. The Golf Course uses its own wells for irrigation. Additionally, the new rates discussed are for receiving domestic supply water from the City of Davis. NDM would continue to use its own wells for irrigation. As such, no irrigation use is included in the projected new rates.