



County of Yolo

PLANNING AND PUBLIC WORKS DEPARTMENT

John Bencomo
DIRECTOR

292 West Beamer Street
Woodland, CA 95695-2598
(530) 666-8775 FAX (530) 666-8728
www.yolocounty.org

May 22, 2013

City of Davis &
Woodland Davis Clean Water Agency

RE: North Davis Meadows County Service (NDMCSA) Area Terms of Consolidation

Thank you for the productive discussion on May 16 regarding the City of Davis proposal to consolidate the North Davis Meadows Public Water System with the City of Davis Public Water System. The purpose of this letter is to communicate our understanding of the issues and share the conceptual underpinnings for an agreement between the City of Davis and Yolo County on behalf of the North Davis Meadows residents.

We understand that the purpose of the proposal is to regionalize the City of Davis area public water supply, treatment and conveyance system into one consolidated system. Such a consolidation could provide significant financial benefit to ratepayers in the City of Davis because the consolidation would address a state of California qualification criteria for approval of a low cost State Revolving Fund Loan.

The NDMCSA is in the initial stages of a Prop. 218 process for drilling their updated domestic water wells. The CSA has invested much time and money in reaching this point, and should there be a divesting of this process, the proposal to consolidate into the City of Davis system must be beneficial for all 95 residents and the Golf Course facility as well.

Representatives of Yolo County have met with key members of the North Davis Meadows CSA Water Subcommittee discuss this consolidation proposal. Based on the discussion in the May 16 meeting and further discussion with the NDM Committee, we believe that a consolidation agreement should contain the following elements.

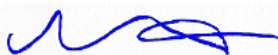
- a. Connection Fee. There will be no connection fee related to this consolidation.
- b. Total Capital Cost. The total capital cost to the NDM ratepayers will not

- exceed the estimated \$2 million capital cost for their project to install a new separate system and retrofit the existing for irrigation purposes.
- 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.
 - d. All Necessary Domestic Conveyance Facilities to Be Included. The consolidation will require installation conveyance facilities to the neighborhood and distribution facilities within the neighborhood. These facilities would include but not be limited to:
 - 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 will be restored to the condition prior to water line installation.
 - e. Consistent Engineers. Usage of the same engineer/subcontractor for the irrigation water distribution system retrofits as used for the new domestic water system installation.
 - f. Timing of Construction. Installation of domestic water system connection and distribution system, and retrofit of the irrigation water distribution system be done as soon as possible and 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 on 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 with NDMCSA that recognizes the existing low monthly cost for water must be achieved.

We understand that City of Davis consultants and staff are currently engaged in reviewing the potential project. Please review these items and include them in your analyses.

Should you have additional questions or need information please contact me at regina.espinoza@yolocounty.org, or 530-666-8725.

Thank-you,



Regina Espinoza
County Service Area Manager