

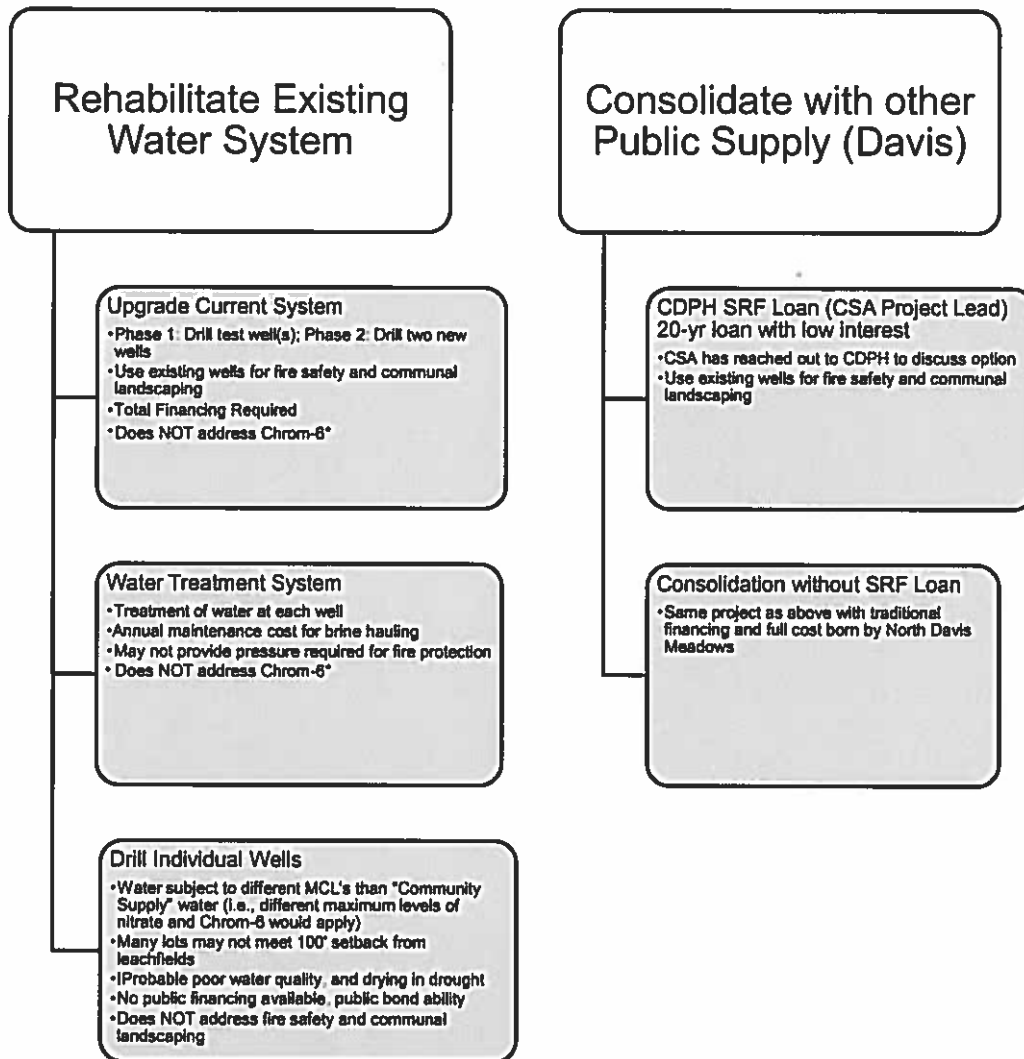
Chronology for the NDM/City of Davis Consolidation	Dates in the last year
CSA Advisory Committee Meeting- Directive to investigate the City of Davis Consolidation Further and work with the NDM Water Subcommittee on details of negotiating agreement	August 28, 21013
Discussions between Yolo County Representatives and City of Davis representatives regarding consolidation	September-November 2013
City of Davis legal dispute/litigation settlement regarding water rates continues. Discussions with the County regarding water/sewer issues are idle.	November 2013-January 2014
Board of Supervisors Representative /City Council Representatives Discussion of Consolidation Dealpoints	January 23, 2014
City of Davis public referendum issue of water rates continues. New Water/Sewer rate structure to be presented to Davis City Council in June 2014 and potentially on ballot in the Fall election. Discussions with the County regarding water/sewer issues are idle.	February-April 2014
Yolo County Representatives/City of Davis Representatives Discussion of Consolidation Dealpoints and possible City of Davis Priority shift to different Loan Preference for Regional Surface Water Project.	April 2014
Yolo County Communication to NDM community (Supervisor Saylor mails letter to neighborhood with status report)	April 16, 2014
Yolo County Staff/City of Davis Staff discussions regarding dealpoints, logistical loan concern discussions	April -June 214
Board of Supervisors Representative /City Council Representatives Discussion of Consolidation Dealpoints- Direction to staff to move forward with plumbing contract discussion for obtaining cost of individual NDM home connection to proposed City system.	June 25, 2014
City of Davis awaiting regulatory change in SRF application policies in order to obtain loan shift clearance for the Regional Surface Water Project. Joint Staff efforts continue for work on plumbing contract for consolidation project.	July- October
City of Davis receives notification that regulatory change has been approved by the state legislature. Change in City Manager and change in Utility Director.	October 2014

TIMELINE FOR PLUMBING COST FOR CONNECTION FROM HOME TO METER
 (As a part of the City Consolidation Project) 10/14

Task	Responsibility	Due Date
Circulate Draft Reimbursement Agreement	County	Aug. 29
Draft Bid Documents (RFQ/RFP or 2-step Bid Process, TBD)	City	Sept. 5
Finalization of Reimbursement Agreement, Bid Documents, and formalization of project as a Capital Improvement Project (Including legal/purchasing review)	All	Sept. 19
City Council/Board of Supervisors	All	TBD
Notification of homeowners: date(s) of pre-construction inspections; obtain permission to enter, as necessary	County	TBD
Bid Opening (posted to both City/County solicitation sites)	All	TBD
Bid Closing	All	TBD
Pre-Construction Field Meeting (vendor inspection of existing connections for purposes of completing an estimate for construction)	All	TBD

NORTH DAVIS MEADOWS DRINKING WATER SUPPLY OPTIONS

October 2014



* An enforceable Maximum Contaminant Level (MCL) for Chromium-6 in drinking water was established in 2014 at 10ppb (parts per billion). All public water systems will begin mandatory sampling January of 2015.



COUNTY OF YOLO

Board of Supervisors

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District 2, Don Saylor, Chair
District 3, Matt Rexroad, Vice-Chair
District 4, Jim Provenza
District 5, Duane Chamberlain

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County Administrator, Patrick S. Blacklock
Deputy Clerk of the Board, Julie Dachtler

April 16, 2014

Subject: Drinking Water Update

Dear North Davis Meadows Residents,

I want to take this opportunity to provide an update on issues affecting the water system serving North Davis Meadows. As you know, over the past several years the County and North Davis Meadows County Service Area (CSA) together have been exploring options for an improved water system to serve the 95 single family residences and the public golf course located in the North Davis Meadows neighborhood.

For much of the last year, representatives of Yolo County, including me, have been in discussion with the City of Davis about an approach that would consolidate the CSA water system with that of the City of Davis. While we have appeared close to agreement on the details of a plan that could be presented to the residents of NDM for your consideration, we have learned that the City is actually pursuing another funding mechanism that does not involve the CSA. However, there are some unresolved outstanding technical eligibility issues the City is trying work through on this application. Those issues may be resolved by about June 2014. We continue to monitor the situation and continue to work with City of Davis representatives on this matter. The rest of this letter provides more detailed status information.

CSA Need and Proposed New Wells. Currently the CSA is serviced by an existing water distribution system that uses wells to pump groundwater. However, the water produced by the existing wells violates the maximum contaminant level for nitrate. (See the attached Drinking Water Warning from the Yolo County Department of Health.) After considerable analysis, an apparent consensus was reached to pursue an option to drill two new wells, each with a monitoring well to determine if the new wells would provide acceptable quality water. At the request of the CSA, Yolo County staff prepared an engineering study and were preparing for CSA ratepayer consideration under the provisions of Proposition 218 to pursue the well solution.

City of Davis Proposal for Consolidation of Water Systems. As that work was proceeding, about a year ago, Yolo County was approached by representatives of the City of Davis asking us to consider a consolidation of the CSA water system with the City of Davis water system. This is a substantially different circumstance than earlier explorations of connection of the CSA to the City water system requested by the CSA. The City of Davis rationale for this initiative was that consolidation of the two systems would enable the City's eligibility for a loan financing program funded by the California Department of Public Health Safe Drinking Water State Revolving Fund (SDWSRF). That loan would reduce the cost of financing the City water system by tens of millions of dollars based on a 20 year-payback at far lower interest rates than the anticipated bond rates the City anticipated. The California Department of Public Health has indicated that a consolidated system is far more likely to receive a

favorable funding decision. In response to the City request, the County and CSA representatives worked with the City to prepare an agreement that we planned to finalize and present to residents.

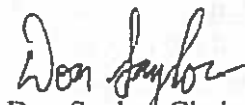
In discussions between the City and County on the consolidation of the two systems, the broad concept has been that the City of Davis (City) would provide domestic, potable water through construction of a separate distribution system within the CSA and the costs of the overall system to the members of the CSA would be no more than the estimated cost of the well-only option. There are many specific details of this option that would have to be negotiated with the City but the major benefit would be the guarantee of a reliable, safe supply of drinking water and lower capital costs to both NDM and the ratepayers in the City of Davis. No other option assures these benefits. We were close to agreement on most points, but some outstanding items remain.

City Priority Shifted to Another Loan Fund. However, over the past few months, representatives of the City of Davis turned their attention away from these discussions. We subsequently have learned that the City of Davis representatives have been pursuing a second loan alternative through a separate state Clean Water State Revolving Fund (CWSRF) loan program administered by the California State Water Resources Control Board. This second loan program allows a 30 year payback and increased savings to ratepayers in the City of Davis. The City may be eligible for the CWSRF loan without consolidation with the North Davis Meadows CSA. However, there are some unresolved outstanding technical eligibility issues the City is trying work through on this application. Those issues may be resolved by about June 2014.

Conclusion. I continue to urge that the CSA strongly consider the consolidated system if the SDWSRF loan becomes the financing source. There is a possibility that the City will not receive the CWSRF loan approval (the "go it alone" option) and will instead turn back to the SDWSRF (the consolidation option) as a preferred funding option.

I understand that this leaves the issue open and asks for your continued patience, but I believe it is in the best long term interest of NDM residents to hold steady for a bit longer. It is very important to me that you are informed of the facts. As soon as we have more information, we will share it with you. In the meantime, if you have questions or concerns, please contact me at don.saylor@volocounty.org or 530-757-5557.

Regards,


Don Saylor, Chair
Yolo County Board of Supervisors
District 2

Budget Summary for Fund 490 (Water, Landscape, Lights) and Fund 492(Sewer) September 23, 2014

	<u>Fund</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Surplus/							
Deficit	490	\$ 66,963.00	\$ (19,776.00)	\$ (74,448.00)	\$ (9,071.00)	\$ (16,947.00)	\$ (25,963.00)
	492	\$ 44,009.00	\$ 8,867.00	\$ (37,107.00)	\$ (16,397.00)	\$ (47,890.00)	\$ (25,201.00)

Fund 490/Fiscal 2014 Budget Review-ending 6/30/14

Revenue	\$ 157,255.00
Expenses	\$ 183,218.00
Deficit	\$ (25,963.00)

Fund 492/Fiscal 2014

City of Davis-wells	\$ 94,200.00	City of Davis	\$ 87,359.00
PG& E	\$ 38,441.00	Grinder Pump Replacement	\$ 39,027.00
County Services	\$ 27,327.00	County Services	\$ 5,997.00
CA Landscape	\$ 16,475.00		
Davis Golf Course	\$ 900.00		
Weed Control	\$ 841.00		
Water samples	\$ 2,880.00		
Gov. Financial	\$ 3,099.00	Davis Water Bill 8/13=	\$ 68,649
Misc	\$ 1,279.00	Davis Sewer Bill 8/13=	\$ 82,695
Wood Rogers	\$ 1,720.00	8/14=	\$ 64,793
Reversal of accruals	\$ (3,812.00)	8/14=	\$ 102,845

2014-15 North Davis Meadows Sewer Fee (On Property Tax Bill)

\$57.34	12	\$688.08 Annual per parcel * (56.00+Cpi from previous year)/ City of Davis Rates
\$688.08	82	\$56,422.56 Total for 82 parcels
\$42,500.00	82	\$518.29 for Grinder Pump recovery (17 pumps)
\$7,000.00	82	\$85.37 for Administration recovery
\$41,200.00	82	\$688.08 for Utility recovery
		\$1,291.74 For full recovery of expenditures 12-13
		\$0.02 CPI for 2013-14
		\$31.00 Total Increase
		\$1,322.74 Annual Assessment +CPI

2014-15 North Davis Meadows Water Fee (On Property Tax Bill)

\$97,000.00	95	\$1,021.05 for Operations and Maintenance /City of Davis Charge
\$400.00	95	\$4.21 for Auditing expenses
\$1,000.00	95	\$10.53 for Lab Testing
\$13,000.00	95	\$136.84 For Administration Recovery
\$28,000.00	95	\$294.74 for Utility recovery
\$7,150.00	95	\$75.26 for Fixed asset replacement reserve
		\$1,542.63 Annual assessment for recovery of expenditures
		\$0.017 cpi 1.7 in 2011-12
		\$26.22
		\$1,568.86 Annual Assessment + CPI in 2011-12
		\$130.74 Monthly Charge in 2011-12
		0.03 cpi 3.0 in 2012-13
		\$47.07 cpi in 2012-13
		\$1,615.92 Annual Assessment +CPI in 2012-2013
		\$134.66 Monthly Charge in 2012-13
		0.023 cpi 2.3 in 2013-14
		\$37.17 cpi in 2013-14
		\$1,653.09 Annual Assessment + CPI in 2013-14
		\$137.76 Monthly Charge in 2013-14
		0.024 cpi 2.4 in 2014-15
		\$39.67 cpi in 2014-15
		\$1,692.76 Annual Assessment + CPI in 2014-15

Total Fee for Assessment Total =
\$3,015.50

2014-15 CURRENT Annual Revenue North Davis Meadows Sewer Fee per parcel

\$57.34	12	\$688.08	Annual per parcel * (56.00+Cpi from previous year)/ City of Davis Rates
\$688.08	82	\$56,422.56	Total for 82 parcels
\$42,500.00	82	\$518.29	for Grinder Pump recovery (17 pumps)
\$7,000.00	82	\$85.37	for Administration recovery
\$41,200.00	82	\$688.08	for Utility recovery
		\$1,291.74	For full recovery of expenditures 13-14
		\$0.02	CPI for 2014-15
		\$31.00	Total Increase
		\$1,322.74	Annual Assessment 14-15 +CPI

2014-15 NEEDED Annual Revenue North Davis Meadows Sewer Fee with PROP 218 per parcel*

\$91.72	12	\$1,100.64	Annual per parcel * (91.72*12)/ City of Davis Rates
\$1,100.64	82	\$90,252.48	Total for 82 parcels
\$42,500.00	82	\$518.29	for Grinder Pump recovery (17 pumps)
\$7,000.00	82	\$85.37	for Administration recovery
\$41,200.00	82	\$1,100.64	for Utility recovery
		\$1,704.30	Annual Assessment For full recovery of expenditures 14-15*
		\$381.56	Difference for FY14-15

* In order to match City of Davis Sewer Rates, the Proposition 218 election would need to put in place these fees for sewer service