

## City of Roseville **Public Utilities Commission**

November 22, 2011 7:00 P.M. Council Chambers 311 Vernon Street

#### **AGENDA**

- 1. Roll Call
- 2. Pledge of Allegiance
- 3. Approval of the October 25, 2011 Minutes
- 4. Oral Communications/Public Comment
- 5. New Business
  - a. Roseville Electric Utility Monthly Update
    Report by Assistant Electric Utility Director Dave Brown summarizing monthly status of Electric issues, for information.
  - b. <u>Environmental Utilities Monthly Update</u>
    Report by Environmental Utilities Director Derrick Whitehead summarizing monthly status of Environmental Utilities issues, for information.
  - c. Roseville Utility Exploration Center Overview
    Presentation by Utility Exploration Center Supervisor Bob Garrison on the Utility Exploration Center, for information.
  - d. <u>Environmental Utilities Tiered Irrigation Water Rate Pilot Program</u>
    Presentation by Water Conservation Administrator Lisa Brown on the Tiered Irrigation Water Rate Pilot Program, for information.
  - e. <u>Environmental Utilities Water Operations Update</u>
    Presentation by Environmental Utilities Principal Engineer Jim Mulligan on the overview of the Water Operations and current projects, for information.
- 6. Reports Commission/Staff
- 7. Adjournment

NOTE: If you will be using audio/visual materials in your presentation, see the Media Technician when you arrive. Materials to be used in presentations to the Commission, such as audio or visual aids must be submitted to the Director of the responsible department or the Recording Secretary at least 72 hours in advance of the meeting.

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# MINUTES Public Utilities Commission

October 25, 2011 7:00 p.m.

Council Chambers 311 Vernon Street Roseville, CA 95678

#### 1. Roll Call

**PUC Commissioners Present:** 

Tom Barrington
Gretchen Hildebrand
Bruce Houdesheldt
Joe McCaslin
Bruce Scheidt
Jim Viele

**PUC Commissioners Absent:** 

Tom O'Meara

Chairperson Viele excused the absence of Commissioner O'Meara.

Staff Present:

Derrick Whitehead, Environmental Utilities Director Cathy Lee, Environmental Utilities Senior Engineer Lisa Brown, Water Conservation Administrator

Ed Oborn, Assistant Finance Director Michelle Bertolino, Electric Utility Director

Dave Brown, Electric Assistant Director, Distribution

Mike Bloom, Electric Assistant Director, Planning and Services Kelye McKinney, Environmental Utilities Engineering Manager Jim Mulligan, Environmental Utilities Principal Engineer Terri Shirhall, Environmental Utilities Administrative Analyst

Mark Wolinski, Government Relations Analyst

Joseph Mandell, Deputy City Attorney

## 2. Pledge of Allegiance

## 3. Minutes of September 27, 2011

The minutes of September 27, 2011 were approved as amended.

#### 4. Oral Comments/Public Comment

None.

#### 5. New Business

#### a. Video Franchise Report

Report by Assistant Finance Director Ed Oborn on the status of Comcast, SureWest and AT&T video franchises, for information.

Commissioner Houdesheldt raised a question regarding State franchise agreements and the governing of content that is aired. Ed Oborn will research the process for requesting airtime and report back to the Commission.

## b. Roseville Electric Utility Monthly Update

Report by Electric Utility Director Michelle Bertolino summarizing monthly status of Electric issues, for information.

## c. Roseville Electric Utility Federal and State Legislative Update

Presentation by Jane Cirrincione, Scott Tomashefsky and Alex Leupp of the Northern California Power Agency on federal and state legislation, for information.

#### d. Environmental Utilities Monthly Update

Report by Environmental Utilities Director Derrick Whitehead summarizing monthly status of Environmental Utilities issues, for information.

#### e. USBR Water Management Plan

Presentation by Water Efficiency Administrator Lisa Brown on the USBR Water Management Plan, for recommendation.

MOTION: Commissioner Houdesheldt made the motion, which was seconded by Commissioner McCaslin, to recommend to Council approval of the USBR 2010 Water Management Plan.

Ayes:

Barrington, Hildebrand, Houdesheldt, McCaslin, Scheidt, Viele

Nos:

None

Absent:

O'Meara

#### f. Aguifer Storage and Recovery Draft Environmental Impact Report

Presentation by Environmental Utilities Director Derrick Whitehead and Senior Engineer Cathy Lee on the Aquifer Storage and Recovery Draft EIR, for information.

## 6. Reports - Commission/Staff

None.

## 7. Adjournment

Commissioner McCaslin moved for adjournment of the October 25, 2011 Public Utilities Commission meeting. Commissioner Scheidt seconded the motion. The motion passed unanimously at 9:41 p.m.

Jim Viele	
Chair	
Karen Sainsbury Recording Secretary	



## STAFF REPORT

TO: Roseville Public Utility Commission

FROM: Lisa Brown, Water Conservation Administrator

DATE: November 10, 2011

RE: Pilot program for tiered irrigation water rate

Meeting Date: November 22, 2011

### **SUMMARY RECOMMENDATION**

Staff would like to implement a pilot program in January 2012 with a goal of providing information to customers with dedicated irrigation accounts on how to reduce their water usage and lower their water bill. Irrigation customers will receive mock-bill information using a proposed tiered rate structure. The water budget mock report compares the actual usage to the recommended usage and the rate structure is applied based on the difference of the two.

## **BACKGROUND**

In 2009, the State Legislature passed Senate Bill 7-7 in their extraordinary session. This bill requires the entire State of California to reduce its water use by 20% by the year 2020. Roseville staff has been evaluating opportunities to achieve this goal. The second largest water use classification is dedicated irrigation accounts, or landscape only meters. Staff has found that current outdoor irrigation practices have room for improvement and developing water budgets for the various irrigation accounts can prove to be a valuable tool for the landscape contractor and/or property manager/owner. Water budgets provide customers with accurate estimates of how water should be applied to their landscaped areas. Budgeted use includes factors such as local evapotranspiration, rainfall, square footage of irrigated area and the type of irrigated area. Staff created water budgets for all dedicated irrigation accounts including parks, streetscapes and commercial facilities.

Currently water budgets are calculated monthly. Properties whose water use falls significantly outside their recommended water budget are contacted and provided water use information. The customer is given a copy of their water budget report that illustrates how using water more efficiently can save the customer money. This report compares the estimated water budget against the actual water usage and identifies the percentage out of budget. In most cases, the customer could save a significant amount of money and water.

To provide additional incentive for dedicated irrigation accounts to closely follow their water budgets, staff has developed a pilot program which incorporates a tiered landscape irrigation rate structure that would provide a discounted rate for customers that stay within the established water budget and an inclining rate based on how far out of the estimated budget the customer falls. In this tiered rate structure design, the customer could save money if they remain within their established water budget. By combining the water budget use projections in conjunction with the tiered rate structure, the pilot program would allow staff to work with dedicated irrigation customers to help them gradually incorporate water use efficiencies into their landscape practices. Staff recommends that the pilot program run for approximately one year during which time, the Utility Billing system should be upgraded to handle budget based billing automatically.

During the pilot, staff would send out the water budget reports in mock form each month and continue to work with customers whose usage falls significantly outside their budgeted water use to offer assistance. A copy of a water budget report including the proposed tiered rate structure is attached for your reference

Staff worked with a consultant to develop a rate structure that is revenue neutral when compared to the current rate structure. The proposed tiered rate structure is as follows:

	Usage Range as % of Water Budget	Tier Rate (\$/CCF)	Comparison to Uniform Rate
Tier 1	0% to 100%	\$0.70	90%
Tier 2	100% to 150%	\$1.17	150%
Tier 3	>150%	\$1.76	225%

Irrigation accounts will be provided a minimum (non-zero) water budget in all months based on the size of the water meter. This provides a minimal allowance of water for testing irrigation systems.

With the 1 year customer education period, staff would then incorporate their recommendations to the next rate proposal to be presented to the City Council (estimated in 2013).

#### FISCAL IMPACT

The Conservation Division will incur postage costs for those customers that would like to receive their water budget mock report by mail. Staff will encourage customers to utilize email to receive this information.

#### **ENVIRONMENTAL REVIEW**

The pilot program project is not considered a "project" as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines §15378). Consequently no CEQA action is required.

Respectfully Submitted,

Lisa Brown

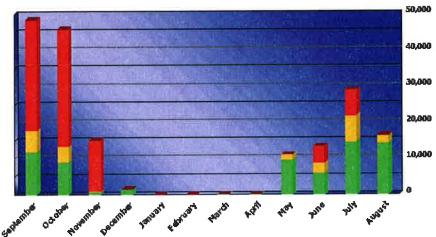
Water Conservation Administrator



## **Landscape Water Budget Site Report:** September 2010 - August 2011

**Last Field Check:** 

**Environmental Utilities** 2005 Hilltop Circle Roseville, California 95747 Tier 1,2,3 Usage - Cubic Feet



Tier 3 Usage Tier 2 Usage Tier 1 Usage

Meter(s): 1235447 WTCI

**Customer Information:** 

**Account:** 

**Billing Address:** 

Site Information:

Turf Area (sq. ft.):

6,980

**Proposed Tiered Rate Structure** % of Budget Rate per 100 ccf 0-100%

**Site Address:** 

Total Irrigated Area (sq. ft.):

Irrigated Non-Turf Area (sq.: ft.):

12,350 19,330

Tier 1 100-150% Tier 2 Tier 3 >150%

Tier

\$.70 \$1.17 \$1.76

10 SIERRA GATE PZ

Water Budget vs. Actual Water Usage (In Cubic Feet):

	r		i	Tier 1		Tier	Tier 2		3	Proposed Bill	Potential
Month	Est. Budget	Usage	% of Budget	Usage	Cost	Usage	Cost	Usage	Cost	Amount	Savings
September	11,892	48,500	408%	11,892	\$83.24	5,946	\$69.57	30,662	\$539.66	\$692.47	\$609.23
October	8,954	45,800	512%	8,954	\$62.68	4,477	\$52.38	32,369	\$569.70	\$684.76	\$622.08
November	597	15,200	2,545%	597	\$4.18	299	\$3.49	14,304	\$251.75	\$259.43	\$255.25
December	2,125	1,600	75%	1,600	\$11.20	٥	\$0.00	0	\$0.00	\$11.20	\$0.00
January	1,985	0	-%	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00	\$0.00
February	1,924	0	-%	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00	\$0.00
March	2,059	200	10%	200	\$1.40	0	\$0.00	0	\$0.00	\$1.40	\$0.00
April	2,965	200	7%	200	\$1.40	0	\$0.00	0	\$0.00	\$1.40	\$0.00
Мау	9,662	11,100	115%	9,662	\$67.64	1,438	\$16.82	0	\$0.00	\$84.46	\$16.82
June	5,834	13,400	230%	5,834	\$40.84	2,917	\$34.13	4,648	\$81.81	\$156.78	\$115.94
July	14,645	29,100	199%	14,645	\$102.52	7,323	\$85.67	7,132	\$125.52	\$313.72	\$211.20
August	14,290	16,400	115%	14,290	\$100.03	2,110	\$24.69	0	\$0.00	\$124.72	\$24.69
	76,933	181,500	236%	67,875	\$475.12	24,509	\$286.75	89,117	\$1,568.45	\$2,330.33	\$1,855.20