



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING DIVISION: ADMINISTRATIVE SERVICES

CONTACT PERSON: TOM HUGHES/TAMARA BAPTISTA

AGENDA DATE: October 1, 2014

ITEM NO: **6**

SUBJECT: Preliminary Untreated Water Rate for 2015

SUMMARY:

- Since 1962, Zone 7 has delivered State Water Project (SWP) water directly from the South Bay Aqueduct (SBA) to untreated water customers for agricultural and other irrigation purposes.
- The untreated water rate is based on the cost of imported water, supplemental water purchases and an administrative fee based on staff costs for 2015.
- The administrative fee calculation is based on the actual time staff spent on the untreated water program.
- Staff proposes an untreated water rate of \$130 per acre-foot (AF) for 2015, which represents an increase of approximately 18% compared to the current rate of \$110, but which is still 30% lower than five years ago. For 2014, there wasn't an increase for the untreated water rates, so they remained the same as 2013. The actual untreated water rates for the past twenty-one years and the 2015 preliminary rate are shown in Attachment 2 – Zone 7 Untreated Water Rate History. As shown in the untreated water history chart, the rates fluctuate every year
- This rate is essentially a pass-through and the increase is primarily due to the cost of importing water. Attachment 1 lists the DWR costs and other components used to determine the untreated water rate.

RECOMMENDED ACTION:

Discuss and provide direction to staff.

ATTACHMENTS:

Attachment 1 - Preliminary Untreated Water Rate Calculation for 2015

Attachment 2 - Zone 7 Untreated Water Rate History

**Zone 7 Water Agency
Preliminary Untreated Water Rate
Calculation for 2015**

1) Volume of Treated and Untreated Water to be Delivered to Contractors (in AF) 42,038

Water Costs	Dollar Amt	per AF
2. Yuba/Dry Year Water Purchase Program	\$90,000	\$2
3. Cawelo Recovery	\$1,440,000	\$34
4. Semitropic Recovery	\$786,940	\$19
5. Del Valle Water Rights	\$3,000	\$0
6. Unit Fixed Cost (2+3+4+5) ÷ (1)	\$2,319,940	\$55
7. SWP Transportation Variable Unit Cost	\$2,375,816	\$57
8. Subtotal Unit Cost (6+7)	\$4,695,756	\$112
9. Zone 7 Administrative costs	\$530,097	\$13
10. Delta Charge	\$252,228	\$6
11. Total Unit Cost (8+9+10) rounded to nearest dollar)	\$5,478,080	\$130

Untreated Water Rate History

