



City of Biggs

Agenda Item Staff Report For the Regular City Council Meeting: March 11, 2014

TO: Honorable Mayor and Members of the City Council
FROM: City Administrator
SUBJECT: Water Meter Installation Policy

Council is being asked to consider concepts of a program to proactively convert water customers from flat rate to metered service.

Fiscal Impact:

With the structure of the current residential metered water rates, the average additional revenue per residential water meter installed would be approximately \$8.00 per year.

Each water meter costs approximately \$360, and depending upon the situation takes approximately 2 hours to install. The City currently has XXX water meters in stock.

Background:

Economically, it costs money to operate and maintain a system to incrementally deliver each gallon of water. Therefore the rate payers do benefit by efficient use of the City's water resources.

A variety of State regulations mandate that water utilities charge based upon usage (just like electricity). Current State law may require Biggs to meter all of its water customers by 2025.

*Section 520 of the Water Code (goal of water use measurement) provides:
"The Legislature hereby finds and declares that, pursuant to the primary interest of the people of the state to put the limited available supplies of water in this state to beneficial use to the fullest extent of which they are capable, and to prevent waste, unreasonable use, or unreasonable method of use, it is necessary to determine the quantities of water in use throughout the state to the maximum extent that is reasonable to do so."*

State and Federal regulations demanding water conservation are rapidly building strength. At the center of those efforts is the ability to record water usage (metering).

Additionally, various state regulations prohibit state grants and loans to entities that fail to comply with state water conservation regulations. The use of this "encouragement technique" appears to be growing in scope and magnitude.

All of these pressures are building with the current drought situation. Various State and Federal drought related water system improvement funding opportunities are likely to focus on proper management of water resources.

With all of these pressures, it is highly advisable to increase the numbers of customers with meters and on metered rates. And it may be advantageous to have a transition program in place.

Recommendation:

Council is being asked to consider concepts of a program to proactively convert water customers from flat rate to metered service.

Some issues related to such a program include:

- 1) Funding. With an articulated policy in place to transition away from flat rate, the City is likely to score better in funding opportunities.
- 2) Selection Methodology. Perhaps divide the city into a number of zones, once a zone is substantially complete, move to the next zone.
- 3) Billing Transition. EG: require that following the installation of a water meter, that an existing customer be transitioned to metered rate billing at the beginning of the next full water service billing cycle.

Mark Sorensen, City Administrator