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Department of Utilities
Office of the Director

CITY OF SACRAMENTO
CALIFORNIA

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May 11, 2005

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: RESOLUTION REGARDING IMPLEMENTATION OF WATER METER
INSTALLATION AND VOLUNTARY METERED RATES**

LOCATION AND DISTRICT: D-ALL

RECOMMENDATION:

This report recommends that City Council pass the attached resolution, providing direction to the Department of Utilities regarding implementation of State-mandated water meter installation and transitioning certain customers to a metered rate.

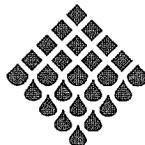
**CONTACT PERSON: Gary A. Reents, Director of Utilities, 808-1433
Jessica Hess, Media and Communications Specialist, 808-8260**

FOR COUNCIL MEETING OF: May 24, 2005

SUMMARY:

With the passage of A.B. 2572, the State has mandated that cities install water meters on all water service connections by January 1, 2025. Following the last presentation to City Council on water meters, the Department of Utilities has further looked into issues raised by City Council and is presenting a resolution to provide guidance regarding the Department's Water Meter Implementation Plan, the location of water meters, and voluntary transitions to a metered rate. The Department may propose additional resolutions and/or City Code revisions in the future, as needed to implement A.B. 2572.

COMMITTEE/COMMISSION ACTION: None



CITY OF SACRAMENTO
DEPARTMENT
OF UTILITIES

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BACKGROUND INFORMATION:

- # A.B. 2572 was passed by the Legislature on August 26, 2004 and signed by Governor Schwarzenegger on September 29, 2004.
- # A.B. 2572 requires that water meters be installed on all water service connections of an urban water service provider, of which the City of Sacramento Department of Utilities is one.
- # All connections must be metered by January 1, 2025.
- # Customers served by a metered water service connection must be billed on a metered rate beginning no later than January 1, 2010 or 1 calendar year after meter installation.
- # The Department of Utilities estimates that 100,000 meters will need to be installed throughout the City to meet the requirements of this law.
- # The Department of Utilities also recommends continuing its present practice of abandoning backyard water mains and constructing new mains in the street when the mains require replacement on the lifecycle of the main, to provide for easier access to and maintenance of the main and associated facilities, with less disruption to City residents and their property. In areas where mains need to be relocated, water meters would be installed as part of the construction process.

In response to the questions raised by City Council at the Water Meter Workshop held in Council Chambers on November 4, 2004, City staff has further researched several options for meter placement and implementation of the meter installation plan. The recommendations presented are based on results from focus groups of Sacramento residents.

The focus groups of Sacramento residents revealed that most residents would prefer that meters be located in the sidewalk in front of their home rather than in the yard in front of their home. Focus groups also revealed that residents generally supported the criteria used to develop a plan for installing meters throughout the City, though they requested minor wording changes. This twenty-year installation plan is referred to as the Water Meter Implementation Plan.

Residents have also expressed, both in the focus groups and through contact with the Department of Utilities that they would like an option to sign up for a metered rate prior to January 2010, if their water service connection has a meter prior to that date. Utilities has developed a plan for voluntary transitions to a metered rate to accommodate this request.

FINANCIAL CONSIDERATIONS:

The total cost for installation of water meters and moving of backyard mains is estimated to be approximately \$322 million, approximately \$122 million to install meters in the sidewalks and approximately \$200 million to abandon backyard mains and install new mains in the front

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Resolution Regarding Implementation of Water Meter Installation and Voluntary Metered Rates

of homes that require such work. As noted above, these backyard mains would continue to be relocated when the mains require replacement on the lifecycle of the main.

ENVIRONMENTAL DETERMINATION:

The retrofit of water mains on existing connections, and the replacement of existing backyard mains, are exempt from environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15301(b) (operation, repair, maintenance or minor alteration of existing utility facilities that involve negligible or no expansion of use) and Section 15302(c) (replacement or reconstruction of existing utility facilities that involve negligible or no expansion of capacity) .

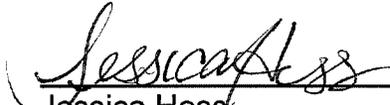
POLICY CONSIDERATIONS:

A.B. 2572 requires that water meters be installed on all water service connections before January 1, 2025 and that customers served by metered connections begin being billed on a metered rate on January 1, 2010 or at the end of one calendar year after meter installation.

ESBD CONSIDERATIONS:

None at this time, but any future work done in conjunction to this project will follow the City's ESBD policies and procedures.

Respectfully submitted,



Jessica Hess
Media and Communications Specialist

RECOMMENDATION APPROVED



Robert P. Thomas
City Manager

APPROVED



Gary A. Reents
Director of Utilities

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING THE DEPARTMENT OF UTILITIES' WATER METER IMPLEMENTATION PLAN CRITERIA, THE PLACEMENT OF WATER METERS IN THE SIDEWALK, AND THE INSTITUTION OF A VOLUNTARY METERED RATE PROGRAM

WHEREAS, the City of Sacramento Department of Utilities is required by law to install water meters on all water service connections by January 1, 2025; and

WHEREAS, the Department of Utilities has developed a plan to meet this requirement using the following three criteria: spread meter installation projects throughout the City, replace aging water pipelines, and continue to add new meter installation projects that are adjacent to completed projects; and

WHEREAS, the Department of Utilities has evaluated these criteria with members of the public, and members of the public supported these criteria; and

WHEREAS, the Department of Utilities has evaluated potential locations for the installation of meters on water service connections to residential properties and shared them with the public; and

WHEREAS, members of the public supported locating the meters in the sidewalks in front of homes; and

WHEREAS, when installing meters in sidewalks, the Department of Utilities will follow all City of Sacramento Department of Transportation requirements and specifications regarding the construction and repair of sidewalks, which may provide additional opportunities to improve and better the sidewalks; and

WHEREAS, the Department of Utilities will work with Historic Preservation to preserve historic structures and landmarks in its installation of meters in the sidewalks; and

WHEREAS, the Department of Utilities also is required by law to charge customers served by a metered water service connection a metered rate, beginning not later than January 1, 2010; and

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, the Department of Utilities has received requests from some residential customers served by metered connections to switch to a metered rate before January 1, 2010; and

WHEREAS, allowing customers with metered connections who desire to do so to switch to a metered rate before January 1, 2010 will allow the Department of Utilities to evaluate how much water will be saved using metered rates and what that may mean to the Department's revenue source; and

WHEREAS, the Department of Utilities has developed a program to allow customers with metered connections to switch to a metered rate prior to January 1, 2010, after receiving one (1) year of comparative billing.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. Water meters will be installed according to a plan developed using the implementation criteria of spreading meter installation projects throughout the City, replacing old water mains, and continuing to add new meter installation projects that are adjacent to completed projects.
2. Water meters will be installed in the sidewalks except in the following instances:
 - Locations with a sidewalk and a planter strip will have the meter placed in the planter strip.
 - Locations where a sidewalk is not present, but where there is a curb, will have meters located directly behind the curb.
 - Locations where a sidewalk is not present and no curbs are present will have meters located at the public right-of-way line.
3. City of Sacramento residents served by metered water service connections that desire to receive and pay a metered rate water bill prior to January 1, 2010, may voluntarily request to do so, provided that they must have completed one calendar year of comparative billing prior to beginning payment on a metered basis, and that they consent in writing to the Department of Utilities' Voluntary Metered Rate program requirements, including the condition that they may not be allowed to go back to flat rate billing.

MAYOR

ATTEST:

CITY CLERK

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