

We are a welcoming, active and business-friendly rural foothill community built on California's rich gold rush history.



City Manager's Report

May 23, 2023 City Council Meeting

Prepared by: Dave Warren, Assistant City Manager/Director of Finance

Item #: 12.1

Subject: Water sales report for Calendar Year 2022.

Recommendation:

Acknowledge and file the water sales report for Calendar Year 2022 as presented.

Purpose:

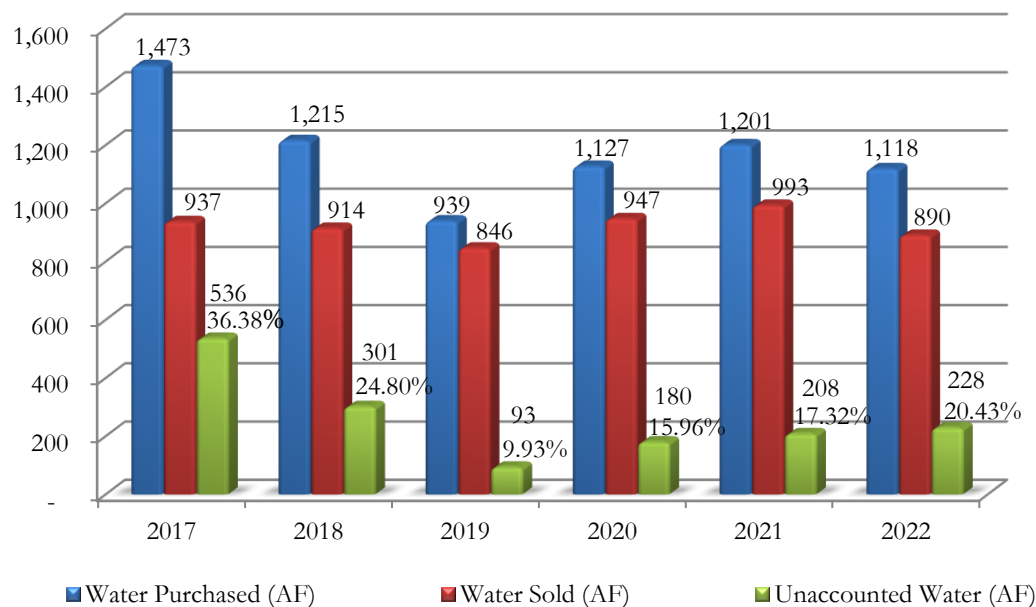
To provide the Public and the City Council statistical information on the City's annual wholesale water purchases as compared to water sales.

Background:

The City purchases wholesale water from the El Dorado Irrigation District (EID) and sells it to City businesses and residents through its own distribution system (e.g., pumps, valves, waterlines, and meters). Some of the water purchased from EID is not sold due to system flushing, fire suppression, and leaks. Due to the City's aged water system, which was previously riddled with leaks, the amount of unaccounted water was on the rise until five years when the City began heavily investing in its waterline replacement thanks to much needed funding from the Measures H and L sales taxes. Tonight, staff will present the water statistics for the past six years.

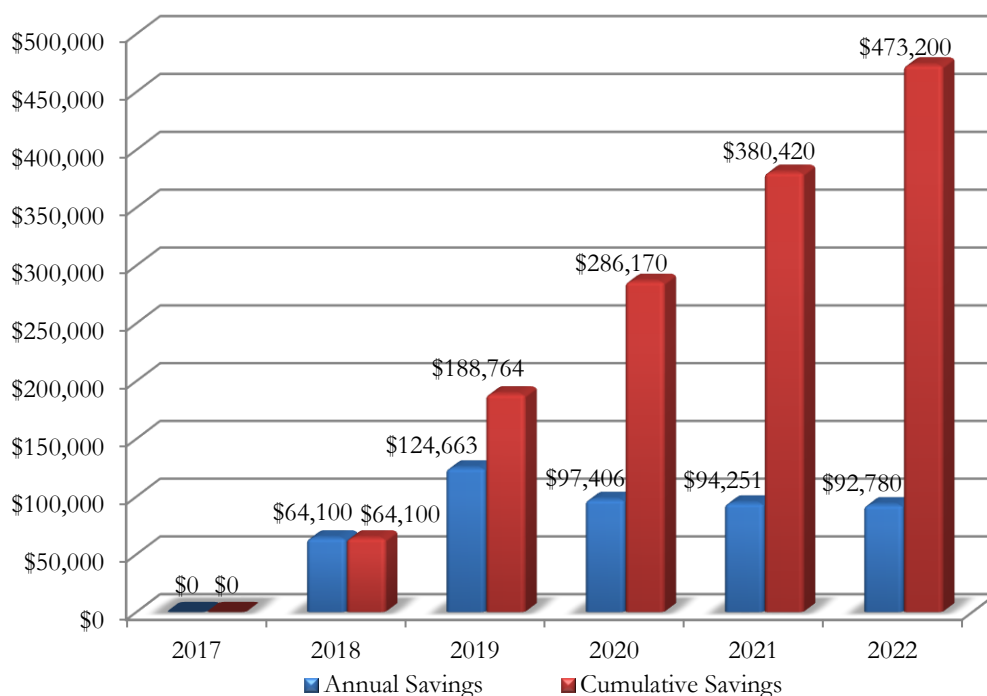
Discussion:

In Calendar Year 2017, the City purchased 1,473 Acre Feet (AF) of water from EID. Of the 1,473 amount, 536 AF or 36.38% was unaccounted water as shown below:



Due to the ongoing efforts of the Engineering Department and the Public Works Department to either repair or replace much of the City’s failing water system, the amount of unaccounted water began falling significantly beginning in 2018 when it totaled 301 AF or 24.80%. That trend continued in 2019 when unaccounted water plummeted to 93 AF or 9.93%. Unaccounted water rose slightly in calendar years 2020, 2021, and 2022 to 15.96%, 17.32%, and 20.43% respectively. EID has replaced most of the bulk water meters that provide service to the City over the past few years. Staff suspects the rise in unaccounted water since 2019 is primarily due to the replacement of EID’s bulk meters, which are measuring the City’s water consumption more accurately. Since 2018, the City has saved 1,668 AF in cumulative unaccounted for water.

Over the past five years the City has saved between \$64,100 to \$124,663 annually in water purchase costs primarily due to the improvements made to the City’s water system as shown in the graph below:



Since 2018, the City has saved \$473,200 cumulative water purchase costs thereby freeing up those dollars for additional improvements to the water system. Thanks to Placerville voters, Measures H and L sales taxes are being invested in the City’s aged water system, which not only helps ensure water is delivered in a safe and reliable manner to customers, it’s also reducing the cost of operating the system by reducing the amount of leaks we have.

Cost:

There are no costs associated with tonight’s action. Between 2018 and 2022, the City saved 1,118 AF in cumulative unaccounted water thereby saving the City \$473,200 in water purchase costs as compared to the 2017 level.

Options:

1. Acknowledge and file the report as presented.
2. Take no action.

Environmental:

The acknowledgement and filing of this report is not a project pursuant to the California Environmental Quality Act.

Budget Impact:

There is no budget impact associated with tonight's action. The \$473,200 in cumulative savings in unaccounted for water frees up funding for additional capital replacement and helps minimize future rate increases.



M. Cleve Morris, City Manager



Dave Warren, Assistant City Manager/
Director of Finance