



Department of Utilities
Office of the Director

CITY OF SACRAMENTO
CALIFORNIA

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February 22, 2005

Law and Legislation Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: ADDITION OF WATER METER RETROFIT FUNDING TO THE LEGISLATIVE PLATFORM

LOCATION AND DISTRICT: City Wide

RECOMMENDATION:

Revise 2004-2005 State and Federal Legislative Platforms to include Water Meter Funding.

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

FOR MEETING OF: March 1, 2005

SUMMARY:

With the passage of A.B. 2572, the State has mandated that cities install water meters on all properties by January 1, 2025. The law, however, did not provide funding sources for the installation of meters. Other cities have successfully lobbied the State and Federal government for assistance in funding water meter retrofit projects.

COMMITTEE/COMMISSION ACTION:

Law and Legislation

BACKGROUND INFORMATION:

- A.B. 2572 was passed by the Legislature on August 26, 2004 and signed by Governor Schwarzenegger on September 29, 2004.



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- A.B. 2572 requires that water meters be installed on all properties served by an urban water service provider, of which the City of Sacramento, Department of Utilities is one.
- Water meters must be installed on all properties by January 1, 2025.
- Customers must begin being billed on a metered rate beginning January 1, 2010 or after 1 calendar year of 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 moving backyard water mains to the front, on the lifecycle of the main, for easier access to the meter and easier maintenance of the pipe and meter. In areas where mains need to be moved, water meters would be installed as part of the construction process.
- The estimated cost of this work is approximately \$300 million.
- Last year, Roseville successfully obtained funding for their water meter retrofit program from the Federal Government.

In an effort to help limit the financial burden of the Water Meter Retrofit Program on residents, the Department of Utilities would like to add Water Meter Retrofit Funding to the State and Federal Legislative Platforms so that the City can work with legislators to obtain funding for this program and limit cost burdens on the City and its residents.

FINANCIAL CONSIDERATIONS:

The total cost for installation of water meters and moving of backyard mains is approximately \$300 million, approximately \$100 million to install meters and approximately \$200 million to abandon backyard mains and install new mains in the front of homes that require such work. Obtaining funding from State or Federal Government sources will help to limit the burden to the City and its residents.

ENVIRONMENTAL DETERMINATION:

This project is currently exempt from California Environmental Quality Act (CEQA) under Section 15301 of the (CEQA) Guidelines, "operation of existing public structures or facilities involving no expansion of use".

POLICY CONSIDERATIONS:

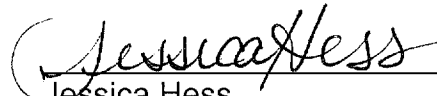
Adding the Water Meter Retrofit funding to the Legislative Platforms will help the City obtain funding from the State and Federal Governments for the Water Meter Retrofit Program. This additional funding will help expand economic development throughout the city by limiting the cost of the retrofit program to the City and its residents.

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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:



Ken Nishimoto
Assistant City Manager

APPROVED:



Gary A. Reents
Director of Utilities