



PLACER COUNTY WATER AGENCY
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~~June 21, 2022~~
July 22, 2022

Heidi Temko
Board Member
Christian Valley Park Community Services District
P.O. Box 6857
Auburn, CA 95604

Re: Christian Valley Park CSD Consolidation Support Request

Dear Ms. Temko,

Thank you for initiating conversations with Placer County Water Agency (PCWA) regarding a range of options to consolidate Christian Valley Park Community Services District (CVPCSD) facilities into PCWA's treated water system. As requested, letter dated July 27, 2021, PCWA was asked to provide two consolidation scenario evaluations, one full system consolidation and the other being a partial system consolidation. PCWA has performed an initial desktop evaluation of these two scenarios in collaboration with your staff.

For the purposes of these evaluations, consolidations were defined as the following.

- **Full consolidation:** PCWA owns and operates the system, utilizing CVPCSD's water treatment plant capacity.
- **Partial consolidation:** PCWA supplies water at intertie locations while CVPCSD continues to own and maintain the system. Assumed CVPCSD's treatment plant capacity wasn't feasible, and PCWA's water treatment plant capacity would be utilized instead.

The attached package provides information from the evaluation, and this letter recommends a path forward. Based on initial desktop evaluations, a full system consolidation provides the most benefit to both entities. Although replacement and connecting infrastructure will be necessary under full consolidation, it is less expensive than the cost of CVPCSD buying treatment capacity in PCWA's current system (which was assumed under partial consolidation). Upon further inspection of the CVPCSD treatment plant by PCWA staff, the treatment facilities are satisfactory to continue to provide treated water and therefore make full consolidation approximately half as expensive.

Attachment 1 provides a breakdown of consolidation components and their associated costs. The following items make up the total cost associated with each consolidation option.

- **Applicant's Water Connection Charge:** Connection fee for entry into PCWA's system, formulated by a set of components (e.g., treatment, transmission, storage, groundwater, and planning) multiplied by a percentage of usage. The applied percentage is based on specific water purveyor system's needs and what existing PCWA infrastructure and/or upgrade will benefit them. A percentage of 100 is applied to the groundwater and planning components for the full and partial consolidation. Partial consolidation also includes a 100 percent applied percentage for the treatment component.
- **Connecting Infrastructure:** The estimated cost to connect PCWA to the water purveyor's system.
- **Infrastructure Upgrades:** The estimated cost to replace the water purveyor's system to meet or exceed the average condition and/or age of PCWA's existing infrastructure.
- **Existing Debt:** The amount of debt currently owed by the water purveyor.

Part of PCWA's reliability and redundancy is the reliance on groundwater to offset reductions in raw water (e.g., drought, etc.). By consolidating with PCWA, CVPCSD inherits this benefit. Therefore, an applied percentage for groundwater is added. Similarly, the planning component receives an applied percentage because PCWA's planning functions will provide an inherent benefit to CVPCSD's consolidated system of future water reliability and security.

PCWA recommends two points of connection from CVPCSD's tank site to adjacent PCWA's 6-inch and 8-inch water lines. Installation of approximately 850 Linear Feet (LF) of new 12-inch water line and approximately 3,500 LF of new 8-inch water line will be needed to make these connections. Exhibit A provides a map of the proposed configuration. All new lines are proposed to be gravity fed from the CVPCSD tank.

In addition to the connecting infrastructure described above, the water purveyor's system requires infrastructure upgrades to meet or exceed the average condition and/or age of PCWA's existing infrastructure. Based on the desktop evaluation, the condition and age of the water purveyor's water treatment plant and storage tanks are equivalent to PCWA's existing system. Therefore, upgrades to these facilities are not needed. However, there are approximately 17,400 LF of pipe (between 2 and 6-inch diameter) that are beyond the acceptable age of pipe and will need to be upgraded before full consolidation can occur. Therefore, the total cost for full consolidation is estimated to be ~~\$7,445,304~~\$6,880,925, including the costs of pipe infrastructure upgrades. There is potential for outside funding from State programs; however, this analysis assumes none.

PCWA staff would be happy to schedule a conference call or meeting to discuss further the evaluation and next steps. Thank you for reaching out to PCWA, and we look forward to continuing to provide water reliability for our customers together.

Sincerely,

PLACER COUNTY WATER AGENCY



Jeremy Shepard
Director of Technical Services

CC:

General Manager Don Elias
Board Member Richard Warren
Board Member Ken Cenatiempo
Board Member Rolando de la Torre
Board Member Dan Negus

Attach:

Attachment 1. Full system and partial system consolidation cost evaluation
Exhibit A. Christian Valley Infrastructure Upgrade Map

ATTACHMENT 1

Full system and partial system consolidation cost evaluation



Lower Zone 6 - Foothill/Sunset/Ophir & Auburn/Bowman Drinking Water Systems
Full System Consolidation - PCWA Owns and Operates System

Base Rate WCC for 1.0 UOC:

Component	Amount	Applied Percentage	Assessed WCC
Treatment	\$9,259	0%	\$0
Transmission	\$6,861	0%	\$0
Storage	\$3,098	0%	\$0
Groundwater	\$603	100%	\$603
Planning	\$166	100%	\$166
Total WCC	\$19,987		\$769

Component	Amount
Number of Connections	630
Annual Consumption (MGD)	-
Max Day Demand (Gallons)	844,000
Units of Capacity ("UOC")	733.91

Notes and Definitions:

- WCC = Water Connection Charge
- MDD = Maximum Daily Demand (in GPD)
- Unit of Capacity (UOC) is defined as 1,150 GPD MDD.
- The charge for meters larger than 4" will be determined by special agreement.
- Assessed WCC = The applied percentage is based on specific water purveyor system's needs and use of PCWA's existing infrastructure by component.
- Applicant's WCC = Assessed WCC * UOC
- Connecting Infrastructure = The estimated cost to connect PCWA to Water Purveyor's System.
- Infrastructure Upgrades = The estimated cost to replace Water Purveyor's System to PCWA Standards.
- Existing Debt = The amount of debt currently owed.

Budget Breakdown	Amount
Applicant's WCC	\$564,379
Connecting Infrastructure	\$1,627,977
Infrastructure Upgrades	\$2,898,770
Existing Debt	\$2,354,178
Total	\$7,445,304
Outside Funding	\$0
Total WCC per Connection	\$11,818



Lower Zone 6 - Foothill/Sunset/Ophir & Auburn/Bowman Drinking Water Systems
Partial System Consolidation - PCWA Supplies Water at Intertie; Water Purveyor still Own's and Maintains System

Base Rate WCC for 1.0 UOC:

Component	Amount	Applied Percentage	Assessed WCC
Treatment	\$9,259	100%	\$9,259
Transmission	\$6,861	0%	\$0
Storage	\$3,098	0%	\$0
Groundwater	\$603	100%	\$603
Planning	\$166	100%	\$166
Total WCC	\$19,987		\$10,028

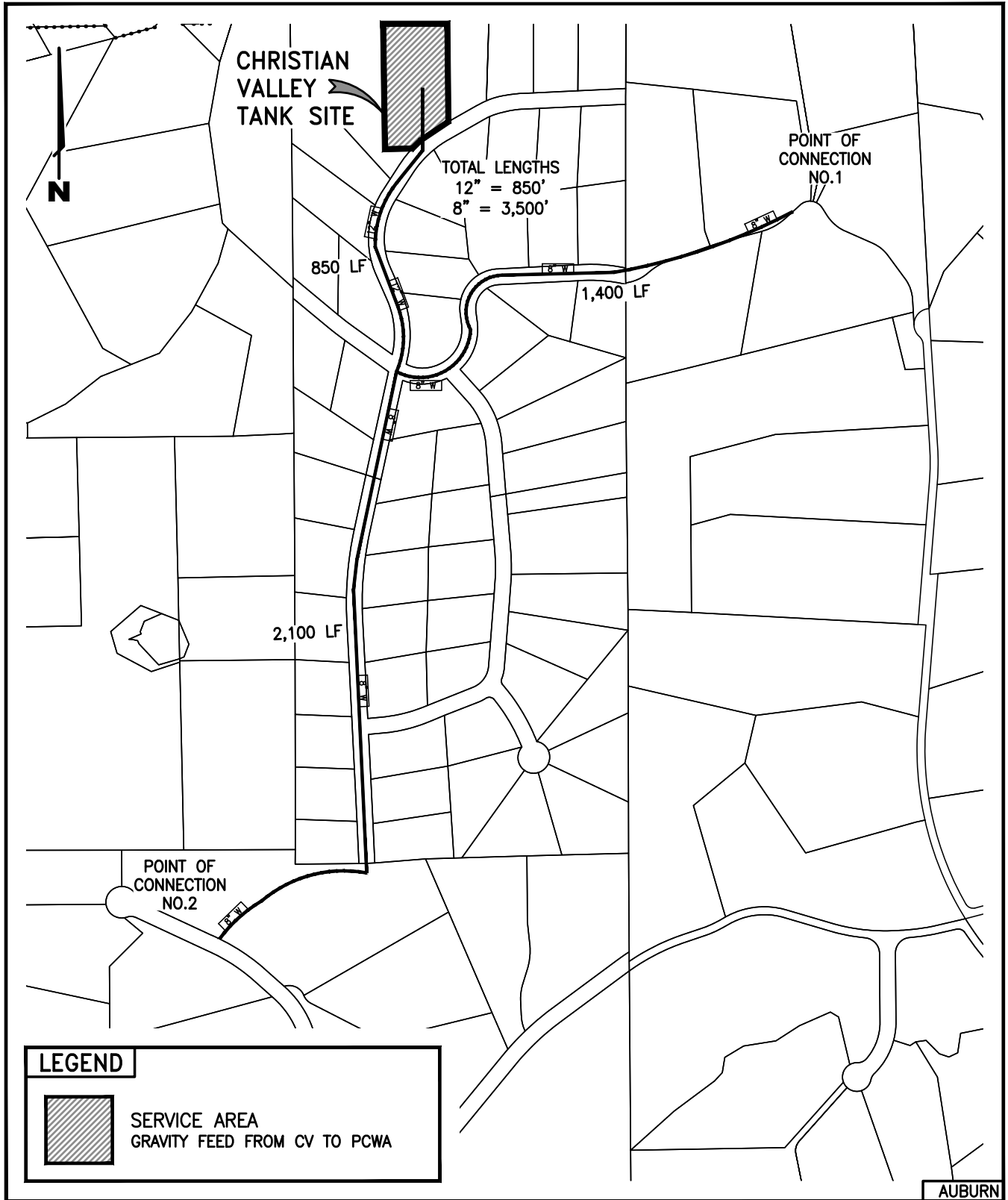
Component	Amount
Number of Connections	630
Annual Consumption (MGD)	-
Max Day Demand (Gallons)	844,000
Units of Capacity ("UOC")	733.91

Budget Breakdown	Amount
Applicant's WCC	\$7,359,680
Connecting Infrastructure	\$4,401,000
Infrastructure Upgrades	\$0
Existing Debt	\$0
Total	\$11,760,680
Outside Funding	\$0
Total WCC per Connection	\$18,668

Notes and Definitions:

- WCC = Water Connection Charge
- MDD = Maximum Daily Demand (in GPD)
- Unit of Capacity (UOC) is defined as 1,150 GPD MDD.
- The charge for meters larger than 4" will be determined by special agreement.
- Assessed WCC = The applied percentage is based on specific water purveyor system's needs and use of PCWA's existing infrastructure by component.
- Applicant's WCC = Assessed WCC * UOC
- Connecting Infrastructure = The estimated cost to connect PCWA to Water Purveyor's System.
- Infrastructure Upgrades = The estimated cost to replace Water Purveyor's System to PCWA Standards.
- Existing Debt = The amount of debt currently owed.

EXHIBIT A



CHRISTIAN VALLEY INFRASTRUCTURE UPGRADE