

Council Meeting Staff Report

February 24, 2021

Agenda No.:	8.A
Indexes (Council Goals):	DPU FY2022 - 1.0 Provide Safe and Reliable Utility Services
Presenters:	Jack Richardson
Legislative File:	13845-21

Title

Quarterly Update on Utility System - Water System

Recommended Action

No recommendation, for information only.

Staff Recommendation

None

Body

The board has requested a system assessment on a different utility each quarter. This quarter, Jack Richardson, Deputy Utilities Manager for Gas, Water and Sewer, will present an update on the water system. This year's report is similar in scope and format to previous reports; including primary performance measure dashboard data, with trends and comparisons to national standards and DPU goals (Conservation, Strategic Plan & Budget), are included. Discussion including both the physical and financial condition of the water system sub-systems: Water Distribution (DW), Water Production (WP) and Non Potable (NP) System as well as the overall Water Fund itself are reported. Also included are recent AMT (Asset Management Team) achievements and challenges and some significant planned near term future O&M Goals, Action Items and Major Projects.

The physical condition of each sub-system (DW = fair to good, WP = fair to good & NP = good) are all unchanged from last year's report. Improvements are proceeding as planned; however these types of large systems require multiple years of CIP R&R improvements before the entire system's condition can be revised upward. Additional revenue from the Profit Transfer return agreement and extremely low State loan program interest rates have enabled DPU to develop a more aggressive CIP program for both the DW & WP systems. In addition to the CIP R&R work on critical infrastructure such as well and booster station pumps & motor controls CIP R&R work on major pipelines that exhibit a history of pipeline breaks has also been initiated for the near term future.

Planned growth/expansion of the NP system is limited until the land purchase of USFS land behind Arizona Avenue is finalized so that a second Group 12 Tank can be added to the NP system.

The overall Water Fund financial condition is trending well. This is due to the continued clarity of the policy to debt finance future major WP CIP projects to balance out annual cash flow and eliminate future single year major reductions in the cash balance reserves.

Alternatives

None

Fiscal and Staff Impact

None

Attachments

A - Water Systems Quarterly Update to BPU 2-24-2021