

RESTRICTED WATER SYSTEM

FUND NO. 556

ACCOUNT NO. 1118

PROGRAM

The Restricted Water System Fund is used to finance all growth-related system improvements funded through water facility charges.

RESTRICTED WATER MAINS

FUND NO. 566

ACCOUNT NO. 1118

PROGRAM

The Restricted Water Mains Fund is used for collection of over sizing components of Water Facility Charges. Refunds are made to the original contributor at such time additional development occurs.

WATER SYSTEM
FUND NO. 557
ACCOUNT NO. 1106

DESCRIPTION

The Water System Division is responsible for the maintenance and operation of the City's water supply. The system consists of 12 active well sites, 18 deep well pumps, and 340 miles of distribution pipeline, as well as other related equipment, such as hydrants, meters, valves, fluoridation and chloridation systems, pumps, motors, 2 - 300,000 and 2 - 500,000 gallon above ground water tanks, supplying approximately seven billion gallons of water annually. In addition, two new well sites are currently under development, and will become active during the fiscal year.

MISSION

Provide the City of Merced with a continuous supply of clean and safe drinking water while responding to customer requests in a timely manner.

GOALS

- ◇ Ensure compliance with comprehensive water systems inspection, repair and preventive maintenance program.
- ◇ Ensure regulatory requirements from Federal, State, and Local agencies for providing safe drinking water are met.
- ◇ Continue to explore the feasibility of implementing new procedures and technologies to enhance the efficiency and productivity of the Division while providing the highest level of customer service.

OBJECTIVES

***PERFORMANCE
MEASUREMENTS/INDICATORS***

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| 1. Complete annual inspection and maintenance program of the elevated water tanks. | Private contractor to clean and inspect elevated water tanks located at well stations 1 and 2, while tanks located at well stations 3 and 7 will be cleaned and inspected by City staff. Complete by June 2006. |
| 2. Expand the automated meter-reading program by replacing 500 conventional residential meters with radio telemetry meters. | Complete by June 2006. |

WATER SYSTEM

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| 3. Replace remaining polybutylene services with copper services. | Complete by June 2006. |
| 4. Inspect a minimum of 25% of all commercial water meters-repair, replace, or calibrate as needed. This is an annual, on-going program. | Complete by June 2006. |
| 5. Replace a minimum of 15 - obsolete fire hydrants. | Complete by June 2006. |
| 6. Monitor legislation regarding the mandated installation of water meters. | Continue to follow up monthly |

2005-2006 BUDGET HIGHLIGHTS

One additional Water Meter/Backflow Technician is being recommended.

Current Rates were approved in 2001. The rate approval included an automatic rate adjustment, based on CPI factors, each January 1, beginning in 2003, and concluding in 2006. Based on increases in the CPI, an adjustment to the rate was made in January 2005. A rate study will be undertaken in 2006, to determine appropriate rates to be charged beginning January 1, 2007.