

**City of Calistoga
WATER & WASTEWATER REVENUE
ADVISORY COMMITTEE**



Members: Diane Barrett
Nicolas Kite
Paul Knoblich
Larry Kromann
Don Williams
Placido Garcia
Gary Kraus

**MEETING NOTES
Thursday, November 30, 2009 – 5:00 P.M.
Calistoga Community Center
1307 Washington Street, Calistoga**

1 **The meeting was called to order at 5:10 p.m.**

2 Members present included, Diane Barrett, Paul Knoblich, Larry Kromann, Don
3 Williams, Placido Garcia and Gary Kraus.

4

5 Others Present: Administrative Services Director Mushallo, Public Works Director
6 Takasugi, Consulting Advisor Spilman, and Senior Civil Engineer Smith.

7

8 Members Absent: Committee Member Nicolas Kite.

9

10 **Public comment**

11

12 No public comment.

13

14 **Adoption of meeting agenda**

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16 The meeting agenda was adopted.

17

18 **Adoption of meeting notes from November 19, 2009**

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20 A correction was noted on line 185. It should read "in the capital plan." Vote on
21 line 169 should be corrected to read "defeated 4-2."

22

23 There was a motion and a second to adopt the meeting notes as amended. The
24 motion carried.

25

26 **Meeting Schedule Discussion**

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28 There was Committee discussion regarding additional meeting dates. It was
29 agreed that additional meetings were needed in January and are in the process
30 of being scheduled.

31

32 **Discuss follow-up items from last meeting**

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34 **Administrative Services Director Mushallo** reported that staff is working on
35 preparing verbiage on the pass through numbers and assumptions which will be
36 provided to the Committee at a future meeting.

37

38 **Review remaining assumptions**

39

40 **Administrative Services Director Mushallo** provided a summary of remaining
41 elements of rate development (as outlined on page 10 of the November 30th
42 packet). He gave an overview of the agreed upon cost assumptions.

43

44 **Consulting Advisor Spilman** gave an overview of the water systems costs;
45 fixed, variable, operations and debt service.

46

47 **Committee Member Kromann** commented that there should to be more detail
48 on explanation of CIP increases for Fiscal Year 2010/2011 so that the public will
49 understand that they are not being charged for these improvements. He
50 suggested removal of equipment and capital improvement costs to get a clearer
51 picture of operating costs

52 **Consulting Advisor Spilman** explained the fixed costs and noted that
53 approximately 41% of connections fees go towards debt service to support water
54 system improvements necessary to support new development.

55

56 **Committee Member Kromann** noted that the fairness and desire to allocate
57 70% to fixed fees should be made clear to the public.

58

59 **Committee Member Kraus** questioned when Measure A funds will commence
60 and how the use of those funds might soften the burden on the rate payers. He
61 feels that the use/benefits should be emphasized so the rate payers are aware of
62 how those funds help keep their rates down.

63

64 **Pubic Comment - Michael Quast**, 1300 Washington Street, Calistoga, asked
65 how much debt service is attributable to the water tank.

66 **Consulting Advisor Spilman** stated that question will be answered in the
67 following attachments.

68 **Committee Member Kraus** commented that he would like examples of
69 proposed changes reflected in each committee member's own water and sewer
70 bills. He also suggested going to a monthly billing cycle.

71 There was committee discussion on consumption, usage, consumption rates,
72 fixed and variable costs and how they are allocated.

73 **Committee Member Garcia** commented that rates need to be fair to all users.
74 He also commented that higher users should pay higher rates.

75 **Consulting Advisor Spilman** commented that base rates are built in for single
76 family homes but not for mobile homes or multi family apartment buildings. He
77 noted that it becomes more problematic to administer conservation programs in
78 multi family buildings because they are served by only one meter. He then
79 reviewed water cost details, capital improvement projects and costs, existing
80 debt and debt payments and noted additional projected debt to the water tank
81 project for fiscal year 2010-2011.

82 **Pubic Comment - Michael Quast**, 1300 Washington Street, Calistoga,
83 commented that the water tank is perceived to benefit new development and
84 debt service and should be paid for mainly by new development. He noted that
85 the improvements to Kimball Reservoir benefit everyone and that those costs
86 should be allocated to fixed costs.

87 **Consulting Advisor Spilman** noted that those issues would be addressed
88 during discussion on calculation and connection fees. He commented that 75%
89 of the water tank costs have been allocated by Public Works as upgrades to the
90 current infrastructure. He then gave an overview of water production and
91 consumption for Kimball Reservoir and NBA water and preliminary water rate
92 changes. He gave an overview of projected development and timing. He noted
93 that this has been set at 50% of the Planning Departments projections for
94 development.

95 **Administrative Services Director Mushallo** commented that the Committee will
96 review conservation tiers at their next meeting.

97

98 **Committee Discussion**

99 **Committee Member Barrett** commented that she would like to see rate
100 breakdowns shown for non-residential users for comparison purposes as shown
101 on the water sources and uses summary on page 21.

102

103 **Adjournment**

104 The meeting was adjourned at 7:10 p.m. to the next scheduled regular meeting
105 of the Water and Wastewater Revenue Advisory Committee on December 8,
106 2009, Calistoga Community Center, 1307 Washington Street, 5:00 p.m.

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