

Responses to Michael Quast's questions handed out at the March 23rd meeting:

A) The peaking system discriminates between users

Response: Only 23 out of 350 (6.6%) non residential accounts are affected by peaking charges. Single family residences have tiers that serve the same function as peaking charges.

The meters are initially sized according to the type of user and projected usage. The Peak break points are based on the average usage of all non-residential usage. If the meter is sized correctly for the type of use, then the peak break points are equitable for all users and meter sizes.

B) This system does not reflect the way we purchase our water by allotment

Response: The peaking discussion is totally unrelated to baseline allotments. This is a reflection on the actual monthly usage of water. Peaking break points and the peaking charge is only related to meter size and has no correlation with the demand factor and usage.

C) The new limits are arbitrary and artificial

Response: The Peak break points or the charge amount are not arbitrary. The break points are calculated on the average usage of all non-residential users over a multi year period. Due to the dramatic changes in the economy over the last several years, updating the break points may not reflect a balanced usage. Staff has recommended that the current break points (calculated on usage for several years prior to 2002) be retained. Peaking limits have nothing to do with data from the last 5 years. The 38 day billing cycle in January was a one time event due to staff furloughs. The summer peak is accounted for in the 74% overage allowance. Peaking charges are not artificially high and reflect the actual Napa and State incremental costs of water delivery. Those costs are 1.70 per hcf and equate to 34% of the proposed rate of 5.05 per hcf.

D) Conclusion

Response: In the current single family rate proposal no residence will receive their water allotment below cost. Once again, the peaking charge is a function of meter size and has nothing to do with baselines. Per Council resolution, single family residences have no baselines. The basis for the current system has been explained exhaustively.

Responses to staff comment responses:

A larger meter does not solve the problem.

Response: A 2" meter would likely solve the problem