

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



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

**MEETING NOTES
Thursday, March 18, 2010 – 5:00 P.M.
Village Inn & Spa
1880 Lincoln Avenue, Calistoga**

1 **The meeting was called to order at 5:00 p.m.**

2

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

5

6 Others Present: City Manager Jim McCann, Administrative Services Director Bill
7 Mushallo, Consulting Advisor David Spilman, Public Works Director Dan
8 Takasugi, and Senior Civil Engineer Jim Smith.

9

10 Committee Members Absent: Nicolas Kite.

11

12 **Chairperson Knoblich** requested a change to the meeting agenda to discuss
13 item No. 6 ahead of item No. 5.

14

15 The agenda was adopted as amended.

16

17 **Adoption of meeting notes from February 23, 2010**

18

19 **Committee member Barrett** questioned whether the meeting notes from the
20 February 9, 2010 had been adopted and whether the question on line 70 had
21 been answered.

22

23 **Senior Civil Engineer Smith** explained that it was clarification about users
24 versus water usage.

25

26 **Committee Member Kromann** noted a correction to on line 142 to read "will
27 increasing users drive up delivery costs?"

28

29 **Michael Quast, 1300 Washington Street, Calistoga**, noted a correction to his
30 comments on lines 38 & 39 to read “stated that the businesses have paid more
31 than their share and that residential users do not pay the full cost of water.”

32
33 The meeting notes were adopted as amended.

34
35 **Overview of City Council updated presented on March 16, 2010**

36
37 **Chairperson Knoblich** gave a brief overview of his presentation to the City
38 Council on the Committee’s work to date.

39
40 **Reactions to Water Efficiency Landscaping Ordinance Workshop held on**
41 **March 17, 2010**

42
43 **Chairperson Knoblich** gave a brief description on the workshop and
44 commented that the attendance was low which reiterates the need to get
45 information to the community.

46
47 **Response to Linda Hanson’s recent letter to the Committee Member**

48
49 **Chairperson Koblich** briefly discussed some articles he handed out about costs
50 and consumer usage and summarized his response to Linda Hanson.

51
52 **Linda Hanson, Calistoga City Water User**, commented that she believes the
53 tier system does work for Calistoga. She commented that conservation tiers
54 allow incentives for conservation and also help stabilize enterprise finances as
55 less demand will make the water supply more secure and stable. She
56 commented that uniform rates do not provide conservation incentives for high
57 water users and that it passes conservation responsibility to low volume users
58 who simply can not conserve much given the amount of water that is necessary
59 for basic and essential use. She explained her thoughts on tier structures and
60 surcharges.

61
62 **Committee Member Kromann** noted that the Committee has considered many
63 of the points made by Linda Hanson at previous meetings.

64
65 **Committee Member Williams** commented that he was uncomfortable placing
66 value judgment and that a uniform charge for all units of water should be used.

67
68 **Committee Member Barrett** commented that she is uncomfortable with a
69 uniform structure as it would reward higher users by giving them a reduced rate
70 and suggested a conservation structure with a surcharge for high volume users.

71
72 There was **Committee discussion** on the logic behind tier structures and
73 whether cost breaks between tiers is mathematical or arbitrary.

74

75 **Committee Member Kraus** discussed his proposal of a uniform rate structure
76 with additional premiums for tiers 4 & 5 users and the use of any excess funds be
77 used to assist low income and elderly with conservation programs and updates.
78

79 **Administrative Services Director Mushallo** introduced the scenario with a
80 \$5.05 uniform structure stating that it would generate revenue of approximately
81 \$50,000 and explained how those funds can be used for conservation programs,
82 the CARE program, revenue stabilization and legal costs.
83

84 **Chairperson Knoblich** stated that he agrees with the \$5.05 uniform rate with a
85 surcharge to high volume users in tiers 4 & 5.
86

87 **Committee Member Kraus** commented that he agrees, but that the Committee
88 needs to see the effect on the non single family residential users.
89

90 **Committee Member Kromann** moved to adopt the rate structure on page 21
91 with a change to \$4.88 for Tier 1.
92

93 There was **Committee discussion** about how this change affects the enterprise
94 fund and conservation measures previously discussed.
95

96 **Committee Member Barrett** seconded the motion.
97

98 There was **Committee Discussion** about how the mobile home parks and
99 commercial users are charged for water and that it is difficult to compare to the
100 single family residential user fees.
101

102 **City Manager McCann** explained that it can be compared by unit cost through
103 meter sizes and thresholds. He reiterated how the \$5.05 rate was reached
104 based on the Committee's desire to build in conservation programs. He asked
105 for clarification on the motion that passed with the structure on page 21 with an
106 amendment for Tier 1 at \$4.88.
107

108 **Committee Member Kraus** made a motion to adopt the structure on page 21
109 with the real cost of water (between \$4.88 and \$5.05) to be determined with the
110 groups consensus on what conservation measures are appropriate for funding.
111

112 **Committee Member Kromann** seconded, withdrawing his motion above.
113

114 **Michael Quast, 1300 Washington Street**, commented on the importance of
115 conservation programs and urged a uniform rate to raise funds to implement
116 these programs.
117

118 **Dennis MacNay, 2653 Foothill Blvd., Calistoga**, commented that high users
119 get a significant reduction with this structure.
120

121 **City Manager McCann** again asked for clarification on the motion to adopt the
122 structure on page 21 with the real cost of water (between \$4.88 and \$5.05) to be
123 determined with the groups consensus on what conservation measures are
124 appropriate for funding.

125
126 **Committee Member Williams** disagreed with the tier structure stating that it is
127 unfair and arbitrary and not socially equitable.

128
129 The motion carried with the following roll call vote:

130 **AYES: Committee members, Kromann, Garcia, Barrett, Kraus and**
131 **Chairperson Knoblich.**

132 **NOES: Committee Member Williams.**

133

134 **Adjournment**

135 The meeting was adjourned at 7:20 p.m. to the next regular scheduled meeting
136 of the Water and Wastewater Revenue Advisory Committee on April 12, 2010,
137 Village Inn & Spa, 1880 Lincoln Avenue, Calistoga, 5:00 p.m.

138