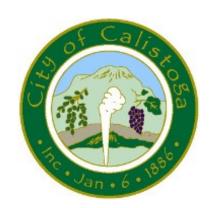
City of Calistoga WATER & WASTEWATER REVENUE ADVISORY COMMITTEE

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

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

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

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Committee Members Absent: Nicolas Kite.

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

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The agenda was adopted as amended.

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Adoption of meeting notes from February 23, 2010

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

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

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

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

The meeting notes were adopted as amended.

Overview of City Council updated presented on March 16, 2010

Chairperson Knoblich gave a brief overview of his presentation to the City Council on the Committee's work to date.

Reactions to Water Efficiency Landscaping Ordinance Workshop held on March 17, 2010

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

Response to Linda Hanson's recent letter to the Committee Member

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

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

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

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

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

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

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

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

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

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

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

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

Committee Member Barrett seconded the motion.

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

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

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

Committee Member Kromann seconded, withdrawing his motion above.

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

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

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

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

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The motion carried with the following roll call vote:

129 130 AYES:

Committee members, Kromann, Garcia, Barrett, Kraus and Chairperson Knoblich.

NOES: Committee Member Williams.

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<u>Adjournment</u>

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