

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
SPECIAL BOARD MEETING
March 18, 2008 – 7:00 p.m.**

1. CALL TO ORDER/ROLL CALL

Board Vice President Dick Taylor called the special meeting of the Board of Directors of Rancho Murieta Community Services District to order at 7:00 p.m. in the District Board Room, 15160 Jackson Road, Rancho Murieta. Directors present were Wayne Kuntz, Dick Taylor, Bobbi Belton and Jerry Pasek. Also present were Ed Crouse, General Manager and Suzanne Lindenfeld, District Secretary.

2. COMMENTS FROM THE PUBLIC

Alan Klaus, lot 3163, stated he is attending the workshop to get a better understanding of conservation pricing and the reasoning behind it, as he had not attended any of the other workshops. Director Taylor stated it was to help preclude excess use of water.

Director Belton suggested hiring a conservation specialist to educate the community on water conservation.

3. CONSERVATION PRICING – PRESENTATION BY KEVIN KENNEDY AND SHAWN KOORN, HDR

Shawn Koorn, HDR, gave a PowerPoint presentation on the Review of the Water Rate Structure. The presentation included an overview of the process used to evaluate the conservation based rates, review of the proposed rate structures, review of the proposed drought surcharges, conclusions and recommendations. A question and answer period followed covering the following topics:

Overview of the Process Used to Evaluate the Rate Structures

- Review the District's current water rate structures
- Review current industry thinking and trends
- Prioritize rate design goals and objectives
- Develop "conceptual" rate structures
- Select "conceptual" rate structures for further analysis
- Technical analysis of selected "conceptual" rate structure

Prioritized Rate Design Goals and Objectives

District Board Prioritization

1. Predictability of rates – minimal impacts from change
2. Rate structures should promote efficient use
3. Yields total revenue requirements
4. Fair allocation of costs
5. Response to changing conditions

District Staff Prioritization

1. Yields total revenue requirements
2. Rate structure should promote efficient use
3. Fair allocation of costs
4. Predictability of revenues – minimal impacts from change
5. Freedom from controversy

Overview of Proposed Residential Rate Structures

- Residential
 - Modified current rate structure with defined block sizes (3 blocks)
 - Seasonal rate structure with defined block sizes (2 blocks winter, 3 blocks summer)
 - Three alternatives, lease conservation oriented to more conservation oriented
- Commercial
 - Current rate structure (1 block)
 - Seasonal rate structure with defined block sized (1 block winter, 1 block summer)
- Metered Irrigation
 - Modified current rate structure (1 block) based on residential pricing

Proposed Residential Rate Structures

- Structure 1: Inverted block structure with three blocks. Block 1 is based on average indoor use, block 2 on average summer use, block 3 all consumption over block 2.
- Structure 2: Seasonal rate structure with 2 winter blocks and 3 summer blocks. Winter rate block 1 is based on indoor use, block 2 is all consumption over block 1. Summer rate block 1 is based on indoor use, block 2 on lot size and assumed water needs, block 3 all use over block 2.

Proposed Commercial Rate Structures

Structure 1: Uniform rate structure.

Structure 2: Seasonal rate structure with uniform winter and summer rate. Summer rate is greater than the winter rate.

Proposed Metered Irrigation Rate Structures

Uniform rate structure price equal to residential irrigation block.

HDR recommends the following rate structures:

Residential – rate structure 1A moving to 1C

Commercial – rate structure 1

Metered Irrigation – rate structure 1

Overview of Drought Surcharges

- Water Shortage Contingency Plan – Stages of Conservation
 - Stage 1: no reduction
 - Stage 2: 5 – 10%
 - Stage 3: 11-25%
 - Stage 4: 26-50%
 - Stage 5: 50% or more

After discussion, the Board, by consensus, agreed to have the Finance Committee look at residential rate structure 1C, commercial structure 1, and metered structure 1.

Ted Hart thanked HDR staff for all the work and detail they put into their presentations and suggested the final report be in non-technical language so the public can more easily understand it.

John Sullivan suggested the Board use caution when deciding on the rate structure for commercial users.

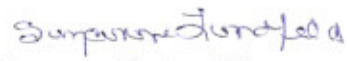
4. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

The Board and staff thanked Kevin and Shawn for all their work on this project.

5. ADJOURNMENT

Motion/Belton to adjourn at 9:03 p.m. **Second/Pasek. Ayes: Kuntz, Taylor, Belton, and Pasek.**

Respectfully submitted



Suzanne Lindenfeld
District Secretary