

To: Craig & Judy Jennings

Date: July 8, 1989

From: Judy Jennings
Romaldo Water Board

Subject: Special Meeting
New Water Rates

Several issues have come up that require a special meeting and election to be held. The Board is therefore calling a meeting on **Sunday, July 23 at 7:00 p.m.** at the Jennings residence. We will be discussing and voting on a new water rate schedule, which is explained in this letter, and we will be having a special election to replace Ardy Maier as Treasurer. Please try to attend so that the rest of the membership can have your input on the new rate schedule. If you are unable to attend, you may use the Proxy form at the bottom of this letter to indicate your approval or rejection of the rate change proposed and your vote for the new slate of officers.

At the Membership Meeting held on May 20, 1989, several issues came up of interest to the entire membership. The major issue of vital importance to all of us is that our well has been dropping approximately five feet each year for the last six years during these drought conditions. As of this letter, our well piping is only 12 feet below the water level. The level has dropped two feet in less than two months. Unless we all take stringent conservation procedures to slow down the rate of usage, we could conceivably be out of water in two or three years.

Two years ago we voted in a new rate schedule to encourage conservation. It placed a 4,000 cu. ft. limit on usage, above which the high user was subject to a \$3.00 per 100 cu. ft. penalty. Unfortunately this penalty rate did not truly encourage conservation. What it did was penalize those members with large families and allow smaller families to continue using large amounts of water per person with no penalty charged. Because of this unfairness to larger families, it was voted to temporarily increase the limit to 6,000 cu. ft. until a new rate schedule could be voted on by the membership.

The new water rate schedule is therefore presented for your approval. I have taken the information from the last year's usage to provide you with personalized comparisons of old versus new rates and how it will affect you. The Board has already met and approved the new rate schedule. It is now being presented to you for your ratification. According to the By-Laws, this matter must be voted on by the membership at a general meeting. If you have any specific questions you would like answered before the meeting, please call me at 683-4920.

It was the consensus of the members at the last meeting that having cash on hand of \$5,800 was comfortable and that it was not necessary to continue increasing the size of the fund. Therefore, these new rates have been calculated to maintain the fund at that level if usage stays about the same as last year.

Based upon the data from the last three years, the average water usage per person has been 725 cu. ft. per person every two months. This average includes water necessary for irrigation which should not increase per additional person. Therefore, it was calculated that each household should be given a minimum allotment of 2000 cu. ft. every two months. This should amply cover the needs of two people and handle necessary irrigation.

The new rates have a sliding scale conservation limit based upon the number of people in your household. For each additional person in your household, over the basic two, you will be allowed an additional 600 cu. ft. per period. It will be up to you to inform the treasurer of the numbers of members in your household. We are aware that many households are in a constant state of flux, so it is up to you to correctly indicate that number. A good time to do this would be when you call in your meter readings to the Treasurer.

If you refer to the enclosed Water Rate Schedule you can follow the changes that have been made to the existing rate schedule.

1. The basic rate was lowered from \$20 to \$15 per billing period. The minimum allowance was raised from 1000 cu. ft. to 2000 cu. ft.
2. The minimum allowance of 2000 cu. ft. works out to 1000 cu. ft. per person for the first two people.
3. The additional charge per 100 cu. ft. was dropped from \$1.00 to \$.50 and applies to usage from 2000 cu. ft. up to your individual conservation allowance. Look at the Conservation Limit table to see what your individual allowance would be for each two month period.
4. The \$3.00 conservation surcharge remains the same but now applies to usage over your individual limit. This sliding scale conservation surcharge was considered to be much more fair than one lump sum limit which affected only the larger families. It is hoped that each households water consumption will decrease as a result of this sliding scale incentive to reduce water usage.

5. The conservation allowance does not include renters. It is for household members only. If a parcel becomes a rental property, the allotment will be based on the number of household members of the owner or the number of renters, whichever is lower. Assuming a renter uses the average 600 cu. ft. allowed, the maximum water rate per renter would be only \$18 per period or \$9 per month. Those of you who have tenants should be able to get this back by raising rents.
6. If there is a dispute or question over the number of household members, the Board will arbitrate the dispute and interpret the rules.

A comparison of the new rates for your individual residence using your last years usage figures follows:

	<u>Base Rate</u>	<u>Additional Charge</u>	<u>Conservation Surcharge</u>	<u>Total</u>
Old Rate	\$120	\$43	\$	\$163
New Rate	\$90	\$1	\$	\$91
Change				\$-72

These figures are based upon my belief that you have 3 household members.

This is really a very simple rate schedule although explaining it for the first time may be confusing. You get the first 2000 cu. ft. for \$15.00, the next usage is at either \$.50 per 100 cu. ft. if it is under your conservation limit, or at \$3.00 per 100 cu. ft. if it is over your limit. The first two people in your household get allotted 1000 cu. ft. per person, and the additional members are allotted 600 cu. ft. each.

We hope that you can attend the meeting on July 23 to discuss these new rates. If not, please indicate your approval or rejection of the new water rates on the proxy form at the end of this letter and send it back to Judy by July 20. If the rate schedule is voted in, the rates will take effect for the meter read on September 1, 1989 which covers the July and August usage. A notice will be given to all members of the results of this vote.