

April 5, 2011
Fremont, California

The special meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on April 5, 2011 at the hour of 2:00 P.M. in the Training Room of the District Office Building, 43885 South Grimmer Boulevard, Fremont, California.

Present: Directors Weed, Gunther (arrived at 2:32 P.M.), Koller, Sethy (arrived at 2:25 P.M.), and Huang

Staff members present: General Manager Walt Wadlow, Assistant General Manager-Engineering Robert Shaver, Special Assistant to the General Manager Eric Cartwright, Manager of Finance Shelley Burgett, Manager of Operations Steve Peterson, Manager of Administrative Services Altarine Vernon, Financial Services Manager Michael Yee, Senior Water Resources Engineer Thomas Niesar, Water Conservation Administrator Stephanie Nevins, Development Services Manager Ed Stevenson, Information Technology Manager Ariz Naqvi, Attorney Patrick Miyaki, and District Secretary Gina Markou.

President Judy Huang presided.

2 - PUBLIC COMMENTS - None

3 - SCHEDULED ITEMS

3.1 CONSERVATION RATES STUDY WORKSHOP

Sanjay Gaur of Raftelis Financial Consultants (RFC), ACWD's rate structure consultant, opened the meeting with an overview of the previous Special Board Meeting held January 19, 2011, work completed to date and decisions made at the past meeting. The goal of the workshop was to present staff's recommendation for an efficiency rate structure for possible implementation in 2012.

Mr. Niesar then presented information in response to Board Member comments and questions from the previous workshop. Of the 32 Bay Area Agencies ACWD surveys annually 27 or 84% currently implement tiered billing rates for their single family customers while none use individual water budgets as of the last survey in 2010.

Mr. Gaur proceeded to outline RFC and staff recommendations for a potential water efficiency rate structures. As agreed at the previous workshop, only single family residential customers were analyzed for a potential efficiency rate at this time. It was agreed that rate structures should use SB-x7-7 guidelines wherever possible.

RFC then presented two rate structure alternatives for single family customers, Water Budgets and Simple Tiers. RFC also presented two options that work with either structure: Option (1) two tiers, Option (2) three tiers and an increase in the fixed service charge. The options were developed as two different approaches to addressing the Board stated objectives of improving revenue stability while maintaining affordability for

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essential use.

Staff recommended that the District implement Simple Tiers with Option 2. Discussion ensued and the consultant and staff responded to inquiries from the Board. Staff perceived that a majority of the Board agreed with the recommendations.

It was explained that the rates presented were based on 2011 revenue requirements and for comparison to current 2011 uniform rates. Rates for 2012 could only be developed after a 2012 revenue requirement was determined. It was also noted that the recommended rate structure would require reevaluation if any changes occur to ACWD's Property tax revenue offsets.

There being no further business to come before the Board, the meeting adjourned at 4:14 P.M.

Gina Markou, District Secretary

Attest:

Judy C. Huang, President