



# Customer Advisory Committee

## ACTION SUMMARY

February 5, 2015

Members Present:

David Brookshire  
Cassandra D'Antonio  
Amy Ewing  
Laurie Firor  
Wayne Frye  
Moises Gonzales  
David Ritchey

Members Excused:

Will Gleason

Water Authority Staff / Others Present:

Frank Roth, Senior Policy Manager  
Stan Allred, Chief Financial Officer  
Mark Sanchez, Executive Director  
Carol Malesky, MWH Global

**Item 1 – Call to Order - Note presence of quorum**

The meeting was called to order at 4:04 pm by Chair Amy Ewing.

**Item 2 – Approval of Agenda**

Cassandra D'Antonio made a motion to approve the agenda. Wayne Frye seconded the motion. The motion passed on a 7-0 vote.

For: 7      Brookshire, D'Antonio, Ewing, Firor, Frye, Gonzales, Ritchey  
Against: 0  
Excused: 1      Gleason

**Item 3 – Approval of January 13, 2015 Action Summary**

David Ritchey made a motion to approve the action summary. Laurie Firor seconded the motion. The motion passed on a 7-0 vote.

For: 7      Brookshire, D'Antonio, Ewing, Firor, Frye, Gonzales, Ritchey  
Against: 0  
Excused: 1      Gleason

**Item 4 – Review Summary Results from Customer Conversation Meetings**

Frank Roth reviewed the draft summary results from the four Customer Conversation meetings. He stated that he would follow up with more detailed information at the March meeting.

**Item 5 – Review Rate Structure Scenarios**

Carol Malesky provided an overview of the current rate structure. She reviewed four options of changes to the rate structure for FY2016. From the discussion of the four options, the CAC developed sub-options that they would like to be evaluated in ABCWUA's cost-of-service and conservation impact models:

1. Option 1a – Base charge increase
  - a. Increase base charges to generate 5% increase in rate revenue
  - b. Commodity rates and structure are constant
2. Option 1b –
  - a. Redefine low use discount to apply 50% discount to usage greater than a customer's average winter water consumption (AWC) and determine the revenue impact
3. Option 1c
  - a. Modify low use discount by calculating qualifying consumption using individual AWC and determine the revenue impact
4. Option 1d – Base charge increase
  - a. Adjust base charges using cost-of-service (COS) results to generate 5% increase in rate revenue
  - b. Commodity rates and structure are constant
5. Option 2a – Commodity rate increase
  - a. Increase commodity rates to generate 5% increase in rate revenue
  - b. Commodity rate structure is constant
  - c. Base charges are constant
6. Option 4 – Combination increase
  - a. Increase base charges to recover 75% of annual debt service and fixed general and administrative expenses
  - b. Increase commodity rates to recover remaining revenue requirement
  - c. Redefine low use discount to apply 50% discount to usage greater than a customer's AWC

**Item 6 – Public Comment**

Elaine Hebard was present and provided comments on the agenda items.

**Item 7 – Final Comments or Questions**

David Ritchey requested that the March 5<sup>th</sup> CAC meeting be rescheduled to the second week in March so that he could attend. Frank Roth stated that that he would email CAC members to find the best alternate date.

**Item 8 – Adjournment**

The meeting concluded at 5:50 pm.