

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-G

Meeting Date: April 12, 2011

Submitted By: Suresh Prasad

Presented By: Kelly Cadiente

Prepared By: Carl Niizawa

Agenda Title: Consider First Reading of Ordinance No. 54 Approving New District Rates, Fees & Charges for Marina Water and Wastewater and Approve Proposition 218 Public Notice and Set Date, Time and Location for Public Hearings for Proposed Changes in Rates, Fees, and Charges for Marina and Ord Community Service Areas

Detailed Description: The Board is requested to conduct the first reading on Ordinance No. 54 as the first step to approving new water and wastewater rates, fees and charges for the Marina service area. The Board is also requested to approve the Notice of Public Hearing (Prop 218 notice) and to set the date, time and location for such public hearing in accordance with the Proposition 218 rate increase process for both the Marina and Ord Community service areas.

On May 14, 2008, the Board approved the Five-Year Water and Wastewater Financial Plan and Rate Study. The approved Rate Study called for rate increases for FY 2011/2012 and 2012/2013 for both service areas. On March 29, the Board met and discussed the budget at a regular scheduled Budget Workshop meeting and recommended changes to the proposed budget and rate increases. On April 4, 2011, the Board again met at a scheduled Board Workshop meeting and received and reviewed the proposed rate increase. The proposed rate increases are 4.9% for FY 2011/2012 and 5.0% for FY 2012/2013.

The FORA Board must approve the increase in the rates for the Ord Community, before they are adopted by the District. This would include the operating rates and capacity charges for water, wastewater and regional water. Staff has previously met with FORA staff to discuss the schedule and anticipated action by the boards.

The process for any rate change for Central Marina and Ord Community includes a public hearing to receive input from the rate payers before any change in rates is adopted. A Proposition 218 hearing is required in order to increase the rates charged for water and wastewater services for both the Central Marina and Ord Community. The Capacity Charge fee increase for both the Central Marina and Ord Community does not require a Proposition 218 notice or hearing. Rate changes for Central Marina are made by ordinance. Rate changes for the Ord Community are approved by MCWD by resolution and by FORA by either resolution or ordinance. Staff recommends that the Board approve issuance of a two year Prop 218 notice which will give notification of the proposed rate increases for FY 2011/2012 and FY 2012/13.

Environmental Review Compliance: None required.

Prior Committee or Board Action: On February 14, 2007, the District Board adopted Resolution No. 2007-17 approving a Professional Services Agreement with Bartle Wells

Associates (“BWA”) to prepare a Five-Year Water, Wastewater and Recycled Water Financial Plan and Rate Study. On July 11, 2007, the District Board reviewed the rate study progress report. On March 12, 2008, the Board adopted Resolution No. 2008-12 to approve amending the Professional Services Agreement to include an increase in fees to complete the rate study. On April 30, 2008, the Board met and discussed the rate study at a rate study workshop. On May 14, 2008, the Board approved the Five-Year Water and Wastewater Financial Plan and Rate Study.

Board Goals/Objectives: *Strategic Plan Goal No. 4 – To manage the District’s finances in the most effective and fiscally responsible manner.*

Financial Impact: Yes No

Funding Source/Recap: All revenue accounts for the District.

Material Included for Information/Consideration: Process for Adopting Proposition 218 Rate Increase (Chart); Notice of Public Hearing (Prop 218 Notice); and Ordinance 54.

Staff Recommendation: First Reading of Ordinance 54 Approving New District Rates, Fees & Charges for Marina Water and Wastewater and approve Notice of Public Hearing (Prop 218 Notice) and set date, time and location for Public Hearings for proposed changes in Rates, Fees, and Charges for Marina and Ord Community Service Areas. Staff recommends that the Board hold a joint MCWD/FORA Board meeting to satisfy the Prop 218 requirements with respect to the charges for the Ord Community on June 10, 2011 and that the MCWD Board holds the Prop 218 public hearing on June 14, 2011 for Central Marina rates. Designate District official to prepare summary of Ordinance 54 for publication.

Action Required: Resolution Motion Review
(Roll call vote is required.)

Board Action

Resolution No Motion By Seconded By

Ayes Abstained

Noes Absent

Reagendized Date No Action Taken

PROCESS FOR ADOPTING PROP. 218 RATE INCREASE

STEP	ACTION	WHEN
1.	First reading of the proposed rate increase ordinance by the MCWD Board of Directors. Board sets the second reading date and public hearing date for May 10, 2011.	April 12, 2011
2.	For Prop. 218 compliance, mail notice to the record owner (may include tenants if they pay directly to MCWD) of each parcel upon which the fee or charge is proposed to be imposed. The notice must include: <ol style="list-style-type: none"> a. the amount of the fee on that parcel b. the basis for calculating the fee or charge c. the reason for the fee or charge d. the time, date and location of the protest hearing 	At least 45 days before public protest hearing (By April 25, 2011)
3.	Second reading of the proposed rate increase ordinance by the MCWD Board of Directors.	May 10, 2011
4.	District mails notice of public hearing to interested parties who have filed written request within prior year [At least 14 days before meeting.]	14 days before meeting (By May 31, 2011)
5.	District makes available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which charges are levied and the revenue sources anticipated to provide the service, including General Fund revenues. [At least 10 days before meeting.]	10 days before meeting (By June 3, 2011)
6.	Hold Prop. 218 public hearing on protests. If a majority of owners or tenants of identified parcels present written protests, the district may not impose the increased charges.	Not less than 45 days after notice is mailed (June 10, 2011-Ord; June 14, 2011 Marina)
7.	Propose to MCWD and FORA Board for adoption of 2011/2012 operating and capital budgets, and compensation plan for Ord Community services. Adopt ordinance for Central Marina, resolutions for Ord Community.	June 10, 2011-FORA & June 14, 2011-MCWD
8.	Water Consumption, Sewer Collection and Monthly Charges effective after both Board (MCWD and FORA) take action on adopting the budgets.	July 1, 2011

**NOTICE OF PUBLIC HEARING
ON PROPOSED CHANGES IN RATES, FEES AND CHARGES
FOR MARINA COAST WATER DISTRICT SERVICE AREAS**

Marina and the Ord Service Area

(Proposition 218 Notice)

Public Hearing for Marina Service Area: June 14, 2011, 7:00 p.m., MCWD Office, 11 Reservation Road, Marina, CA

Public Hearing for Ord Service Area: June 10, 2011, 3:00 p.m., Carpenters Union Hall, 933 2nd Avenue, Marina, CA

The Marina Coast Water District (MCWD) proposes to update the water and wastewater rates, fees and charges in order to be able to continue to operate, maintain and improve the District's water and wastewater facilities for the areas MCWD serves in Marina and on the former Fort Ord. The area the District serves on the former Ft. Ord is known as the "Ord Service Area." Except as changed by these updates, other existing rates, fees and charges will remain in effect. Changes to rates, fees and charges for the Ord Service Area require approval by both MCWD and the Fort Ord Reuse Authority (FORA).

PROPOSED INCREASE FOR WATER AND WASTEWATER RATES. The District currently charges customers a monthly fee for water based on the amount of the water consumed. The monthly consumption rate is currently an inclining block with three tiers. The District currently charges a flat rate for wastewater services. The District proposes to increase water and wastewater rates as set forth herein.

PROPOSED INCREASE FOR WATER AND WASTEWATER SERVICE FEES.

The District currently charges monthly service fees as a condition of service, based on the cost of labor and materials necessary to provide the services. The District proposes to increase water and wastewater service fees as set forth herein.

REASON FOR THE INCREASES. Since the last rate increase, the costs of energy, labor, raw materials and all other components necessary to provide water and wastewater services and to maintain and repair the facilities used to provide such services have increased. The proposed 4.9% for FY 2011/2012 and 5.0% for FY 2012/2013 increases are based on information presented by engineering and financial advisors to the Boards of Directors of FORA and MCWD demonstrating the need to increase rates, fees and charges to maintain water and wastewater services within the MCWD's existing service areas. The specific information relating to the need for the rate increase as well as the calculation of the amount of the increase is on file at the MCWD's office.

HOW THE RATES, FEES AND CHARGES WERE CALCULATED. A study has been conducted by an independent consulting firm. That study concluded that rates higher than the proposed rates will provide enough funds for the District to recover the cost of operation & maintenance and administration. The District has determined certain cost areas to reduce in order to propose rates lower than rates recommended in the study. All rates, fees and charges are calculated based on the cost to provide services. The water rates are calculated based on the amount of water used. Wastewater rates are calculated based on the amount of wastewater discharged, measured by equivalent dwelling units (one residence equals one dwelling unit).

PROPOSED CHANGE IN WATER AND WASTEWATER RATES.

CENTRAL MARINA MONTHLY WATER RATES

EXISTING RATE	PROPOSED RATE
Water Consumption Charge \$2.08 per hcf (0-8 hcf) \$2.53 per hcf (9-16 hcf) \$4.62 per hcf (16 + hcf)	Water Consumption Charge Effective July 1, 2011 \$2.18 per hcf (0-8 hcf) \$2.66 per hcf (9-16 hcf) \$4.85 per hcf (16 + hcf) Effective July 1, 2012 \$2.29 per hcf (0-8 hcf) \$2.79 per hcf (9-16 hcf) \$5.09 per hcf (16 + hcf)

One hcf, or hundred cubic feet, is 748 gallons

CENTRAL MARINA MONTHLY WASTEWATER RATES

EXISTING RATE	PROPOSED RATE
\$8.30 per equivalent dwelling unit	Effective July 1, 2011 \$8.71 per equivalent dwelling unit Effective July 1, 2012 \$9.15 per equivalent dwelling unit

CENTRAL MARINA MONTHLY WATER SERVICE FEES

EXISTING FEE	METER SIZE	PROPOSED FEE (Effective July 1, 2011)	PROPOSED FEE (Effective July 1, 2012)
\$17.11	5/8" or 3/4"	\$17.95	\$18.85
\$42.75	1"	\$44.85	\$47.09
\$85.51	1-1/2"	\$89.70	\$94.19
\$136.80	2"	\$143.50	\$150.68
\$256.50	3"	\$269.07	\$282.52
\$427.50	4"	\$448.45	\$470.87
\$855.00	6"	\$896.90	\$941.75
\$1,710.01	8"	\$1,793.80	\$1,883.49
\$78.40	Temporary Water Service	\$82.24	\$86.35

ORD SERVICE AREA MONTHLY WATER RATES

EXISTING RATE	PROPOSED RATE
<p>Water Consumption Charge</p> <p style="padding-left: 40px;">\$2.22 per hcf (0-8 hcf) \$3.12 per hcf (9-16 hcf) \$4.02 per hcf (16 + hcf)</p> <p>Monthly Flat Rate Billing</p> <p style="padding-left: 40px;">\$80.40 per unit without meter</p> <p>Monthly Capital Surcharge Billing (for new connection)</p> <p style="padding-left: 40px;">\$20.00 per edu per month</p>	<p>Water Consumption Charge</p> <p>Effective July 1, 2011</p> <p style="padding-left: 40px;">\$2.33 per hcf (0-8 hcf) \$3.27 per hcf (9-16 hcf) \$4.22 per hcf (16 + hcf)</p> <p>Effective July 1, 2012</p> <p style="padding-left: 40px;">\$2.45 per hcf (0-8 hcf) \$3.43 per hcf (9-16 hcf) \$4.43 per hcf (16 + hcf)</p> <p>Monthly Flat Rate Billing</p> <p>Effective July 1, 2011</p> <p style="padding-left: 40px;">\$84.34 per unit without meter</p> <p>Effective July 1, 2012</p> <p style="padding-left: 40px;">\$88.56 per unit without meter</p> <p>Monthly Capital Surcharge Billing (for new connection)</p> <p>Effective July 1, 2011</p> <p style="padding-left: 40px;">\$20.00 per edu per month</p> <p>Effective July 1, 2012</p> <p style="padding-left: 40px;">\$20.00 per edu per month</p>

One hcf, or hundred cubic feet, is 748 gallons, edu - equivalent dwelling unit

ORD SERVICE AREA MONTHLY WASTEWATER RATES

EXISTING RATE	PROPOSED RATE
<p style="padding-left: 40px;">\$24.36 per equivalent dwelling unit</p> <p>Monthly Capital Surcharge Billing (for new connection)</p> <p style="padding-left: 40px;">\$5.00 per edu per month</p>	<p>Effective July 1, 2011</p> <p style="padding-left: 40px;">\$25.56 per equivalent dwelling unit</p> <p>Effective July 1, 2012</p> <p style="padding-left: 40px;">\$26.84 per equivalent dwelling unit</p> <p>Monthly Capital Surcharge Billing (for new connection)</p> <p>Effective July 1, 2011</p> <p style="padding-left: 40px;">\$5.00 per edu per month</p> <p>Effective July 1, 2012</p> <p style="padding-left: 40px;">\$5.00 per edu per month</p>

ORD SERVICE AREA MONTHLY WATER SERVICE FEES

EXISTING FEE	METER SIZE	PROPOSED FEE (Effective July 1, 2011)	PROPOSED FEE (Effective July 1, 2012)
\$16.31	5/8" or 3/4"	\$17.11	\$17.97
\$40.76	1"	\$42.76	\$44.90
\$81.50	1-1/2"	\$85.49	\$89.76
\$130.39	2"	\$136.78	\$143.62
\$244.49	3"	\$256.47	\$269.29
\$407.48	4"	\$427.45	\$448.82
\$814.96	6"	\$854.89	\$897.63
\$1,629.93	8"	\$1,709.79	\$1,795.28
\$78.40	Temporary Water Service	\$82.24	\$86.35

PUBLIC HEARING – ORD SERVICE AREA. The MCWD Board and the FORA Board will hold a public meeting at 3:00 p.m. on June 10 2011 at the Carpenters Union Hall at 933 2nd Avenue, Marina, California. At the hearing, FORA and the MCWD will consider all protests against the proposed increases in rates, fees and charges. If written protests against any proposed change are presented by a majority of owners and tenants who pay their bills directly to MCWD, FORA and MCWD will not impose the change.

PUBLIC HEARING – CENTRAL MARINA SERVICE AREA. The MCWD Board will hold a public meeting at 7:00 p.m. on June 14, 2011 at the MCWD Office at 11 Reservation Road, Marina, California. At the hearing, the MCWD will consider all protests against the proposed increases in rates, fees and charges. If written protests against any proposed change are presented by a majority of owners and tenants who pay their bills directly to MCWD, MCWD will not impose the change.

PROTESTS TO PROPOSED CHARGES. If you are the owner of record of a parcel or parcels served by the MCWD or you are a tenant who makes payment directly to the MCWD for rates, fees and charges for water and wastewater services, you may submit a protest against the proposed rates, fees and charges by filing a **written protest** with the District at or before the time set for the public hearing. If written protests are presented by a majority of owners, including tenants who make direct payment to MCWD, MCWD and FORA will not impose the new rates, fees and charges. A protest must contain a description of the parcel or parcels in which the party signing the protest has an interest, sufficient to identify the parcel(s). If the party signing the protest is not shown on the last equalized assessment roll of Monterey County as the owner of the parcel(s), the protest must contain, or be accompanied by, written evidence that such party is the owner of the parcel(s) or is a tenant who makes payments directly to the MCWD for water and wastewater rates, fees and charges (a copy of recent MCWD bill would be sufficient evidence). Only one protest per property will be counted. Protests regarding the proposed charges may be mailed or personally delivered to: **Marina Coast Water District, 11 Reservation Road, Marina, CA 93933-2099, and must be received by the time set for the public hearing.**

If you have any questions about this notice, please call MCWD at (831) 384-6131 during regular business hours.

PROTEST FORM

Name: _____

Address of Parcel (Service Address): _____

Assessor's Parcel Number (if known): _____

Reason for Protest: _____

Signature: _____

Date: _____

MARINA COAST WATER DISTRICT
ORDINANCE NO. 54

AN ORDINANCE AMENDING SECTIONS 6.08.030, 6.08.060, 6.08.100, AND 6.12.050
OF THE DISTRICT CODE
CHANGING RATES, FEES AND CHARGES FOR WATER AND SEWER SERVICES

Be it ordained by the Board of Directors of
Marina Coast Water District
as follows:

Section 1. Authority. This Ordinance is enacted pursuant to Sections 30000 and following of the California Water Code, and Sections 66013 and 66016 of the California Government Code, and Section 6 of Article XIII D of the California Constitution.

Section 2. Findings.

- A. This ordinance is considered for action by the Board of Directors at a regularly scheduled and noticed meeting. The agenda was posted in accordance with County Water District law with opportunity for public review in advance of the meeting and public comment during consideration of the ordinance by the Board. The District has complied with publication, notice and hearing requirements of Section 6 of Article XIID of the California Constitution and Section 66016 of the California Government Code and Section 31027 of the California Water Code.
- B. The District Code establishes, among other things, water consumption charges, minimum monthly charges, monthly sewer charges, various service charges, and water and sewer capacity charges for the District's customers. Based on the recommendations of the District's General Manager and engineering and financial advisors, and the 2008 5-Year Water and Wastewater Financial Plan and Rate Study adopted by the Board of Directors on May 14, 2008, revised charges are necessary to meet operating and capital expenses for sound operation of the District and to enable the District to provide continued water and sewer service within existing service areas.
- C. The District's legal counsel advises, and the Board finds, that adoption of this ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273.
- D. The rates, fees and charges adopted by this ordinance will not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed and will not exceed the proportional cost of the service attributable to the customers on whom the charges are imposed.
- E. No written requests are on file with the District for mailed notice of meetings on new or increased fees or service charges pursuant to Government Code Section 66016. At least 10 days prior to the meeting, the District made available to the

public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service.

F. The amount of the increase in capacity charges exceeds the percentage increase in the Implicit Price Deflator for State and Local Government Purchases, as determined by the Department of Finance. As a result, the District cannot charge the increased capacity fee to any school district, county office of education, community college district, state agency, or the University of California before first negotiating the increases with those entities in accordance with District Code section 6.16.020 and Government Code section 54999.3. Although these sections also apply to California State University at Monterey Bay, the District has complied with its obligation to negotiate with it and can charge the increased amounts to CSUMB as a result of and as limited by a Settlement Agreement and Mutual Release dated June 1, 2006, by which the District and California State University made an agreement regarding the amount of all future capacity charges. Accordingly, the District can charge the increased capacity charges as limited by the Settlement Agreement and Mutual Release immediately to CSUMB. The increased capacity charges to any other school district, state agency, county office of education, community college district or the University of California will be effective only when negotiations are concluded with those entities.

Section 3. Purpose of Ordinance. The purpose of this Ordinance is to revise charges for water and wastewater services. This Ordinance amends Sections 6.08.030, 6.08.060, 6.08.100, and 6.12.050 of the District Code.

Section 4. Temporary Water Service. Section 6.08.030 (F) of the District Code is amended to read in full as follows:

“6.08.030 Temporary water service.

F. The applicant shall be responsible for district equipment utilized for this purpose and the necessary repair or replacement costs shall be deducted from the applicant's deposit. The applicant is responsible for returning the district equipment and closing the account promptly after the job is complete. If a meter is not returned promptly, the district shall deduct the cost of replacing the meter from the applicant’s deposit.

Gate Valve/Meter deposit	\$ 650.00
Water consumption deposit	\$1,100.00 minimum
Set or remove hydrant meter	\$ 140.00
Relocate meter per occurrence	\$ 140.00
Meter set, other than on fire hydrant	Actual Cost
Minimum monthly service charge (Effective July 1, 2011)	\$ 82.24
Minimum monthly service charge (Effective July 1, 2012)	\$ 86.35
<u>Monthly quantity rate for each HCF (see Section 6.08.100 Water Consumption Rates”</u>	

Section 5. Monthly Minimum Water Charges. Section 6.08.060 of the District Code is hereby amended to read in full as follows:

“6.08.060 Monthly minimum water charges.

The monthly minimum charges for water service shall be:

Meter Size	Effective July 1, 2011 Charges	Effective July 1, 2012 Charges
5/8” or 3/4”	\$17.95	\$18.85
1”	\$44.85	\$47.09
1-1/2”	\$89.70	\$94.19
2”	\$143.50	\$150.68
3”	\$269.07	\$282.52
4”	\$448.45	\$470.87
6”	\$896.90	\$941.75
8”	\$1,793.80	\$1,883.49

Section 6. Water Consumption Rates. Section 6.08.100 of the District Code is hereby amended to read in full as follows:

“6.08.100 Water consumption rates.

A. Water consumption by District Customers shall be measured in units of one hundred cubic feet (seven hundred forty-eight gallons). The quantity charge for water consumption per one hundred cubic feet (HCF) shall be as follows:

	Effective July 1, 2011	Effective July 1, 2012
0-8 hcf	\$2.18 per hcf	\$2.29 per hcf
9-16 hcf	\$2.66 per hcf	\$2.79 per hcf
16 + hcf	\$4.85 per hcf	\$5.09 per hcf

Construction Water Depots:

Minimum Monthly Charge (Effective July 1, 2011) \$ 82.24

Minimum Monthly Charge (Effective July 1, 2012) \$ 86.35

Monthly Quantity rate for each HCF

(see above table for Consumption Rates)”

Section 7. Wastewater Collection Rates. Section 6.12.050 of the District Code is amended to read in full as follows:

“6.12.050 Wastewater collection rates.

Wastewater collection rates for all classes of customers within the District shall be as follows per month per equivalent dwelling unit (EDU), calculated using the table of user classifications and wastewater demand factors set forth in Appendix D of this code.

\$8.71 per equivalent dwelling unit (Effective July 1, 2011)

\$9.15 per equivalent dwelling unit (Effective July 1, 2012)

Section 8. Requirements for Rates, Fees and Charges. The rates, fees and charges adopted by this ordinance shall not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed. Revenues derived, respectively, from water and sewer capacity charges shall not be used for any purpose other than for capital facilities to provide, respectively, water and sewer service. If the capacity charges adopted by this ordinance create revenues in excess of actual cost, those revenues shall be used to reduce the capacity charges creating the excess.

Section 9. Effective Date. All sections of this Ordinance shall take effect upon adoption. The District conducted a public hearing not less than 45 days after the District mailed notice of the proposed increase in rates, fees and charges to the customers directly liable to pay the rates, fees and charges in question (excluding capacity charges). At the public hearing held regarding the rate increases, the District Board considered all protests against the proposed increase in rates, fees and charges (excluding capacity charges). A majority of customers that directly pay bills of the identified service address did not file written protests.

Section 10. Publication and Posting. Within 15 days after adoption, the district shall publish, in a newspaper published in Monterey County and circulated within the district, a summary of this ordinance with the names of those directors voting for and against adoption, and shall post in the district office a certified copy of the full text of this ordinance as adopted along with the names of those directors voting for and against adoption.

Section 11. Notice of Exemption Notice of Determination. The Secretary is authorized and directed to give due notice of exemption of this ordinance from the provisions of CEQA, pursuant to Title 14 California Code of Regulations section 15062.

Section 12. Existing Charges. Existing rates, fees and charges in effect when this ordinance is adopted shall remain in effect unless specifically changed by this ordinance.

Section 13. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, or superseded by some other provision of law, such provisions shall be severed from and shall not affect the validity of the remaining provisions of this ordinance. The Board hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any other part thereof be unconstitutional or invalid, or superseded by some other provision of law. The parts of this ordinance which are not unconstitutional, invalid, or superseded shall remain in full force and effect and shall be enforced according to their terms.

Section 14. Interpretation. Words and phrases used in this ordinance shall be read conjunctively with and shall have the same meaning as in prior district ordinances and the district Code, unless specifically changed by this ordinance or unless the context requires some other construction. If there is any inconsistency between this ordinance and prior provisions, this ordinance shall control.

On motion of Director _____, seconded by Director _____, the foregoing Ordinance is enacted and shall take effect on _____ by the following roll call of the Board:

Ayes: _____

Nays: _____

Absent: _____

Abstained: _____

By _____
William Y. Lee, President

ATTEST:

Jim Heitzman, Secretary

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that the foregoing Ordinance was adopted and approved by the Board of Directors at their regular meeting on June 14, 2011.

Jim Heitzman, Secretary