

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-G

Meeting Date: December 13, 2011

Prepared By: Carl Niizawa  
Reviewed By: Jim Heitzman

Presented By: Carl Niizawa

Agenda Title: Consider Providing Direction Regarding the Monthly Water Meter Rate Charge for Upsized Meters with Fire Protection Sprinkler Systems

Detailed Description: District staff reports were presented to the Board at its June and November meetings on monthly water meter rates for resident's meters that have been upsized to accommodate the installation of fire sprinkler systems. These reports were prompted by ratepayer complaints in the last few years regarding the difference between the fixed rate of a typical single family residential unit that has a ¾" water meter and that of a 1" water meter service. Staff review found that the magnitude of the District rate difference between standard fixed residential meter rates and fixed residential meter rates for homes equipped with fire sprinklers to be substantially outside the norm in comparison with other water agencies. The Board directed staff to seek means to provide rate relief to those residents with fire protection systems.

While there are multiple ways to accomplish rate relief, the simplest method would be to add a new rate classification for residential homes with fire sprinkler systems and bill those customers for the next lower size water meter rate. The few residents with a 1 ¼" meter would be billed at the 1" rate, and the 1" meter residents would be billed at the ¾" meter rate. This would provide standby fire flow capacity at no cost to residential customers, analogous with the commercial and industrial ratepayers in the District, who pay no monthly fees for their separate fire flow lines.

A new rate schedule for private fire system connections (see attached example) could also be incorporated to also charge standby fees for commercial and industrial ratepayers with unmetered fire connections.

It is significant to note that any rate change or modification in the District would require a new ordinance and public notice. Furthermore, the Ord community rate change would require approval from the FORA Board. Moving forward with a rate change at this time would likely result in an ordinance change 3-4 months before another one would be required for the next fiscal year.

An alternative plan would be to pursue a rate change with the FY 2012-2013 rate schedule. As there is a need for a new rate study for FY 2013-2014, the rate consultant could be brought on now for this purpose but to also include a recommendation for the residential fire sprinkler systems rate classification in FY 2012-13.

Staff seeks Board direction regarding this matter.

Environmental Review Compliance: None required.

Prior Committee or Board Action: The Board received staff reports on this item in June and November 2011.

Board Goals/Objectives: – *Objectives Goal No. 2 – To meet 100% of current and future customers' needs and make timely improvements and increase infrastructure and level of services and human resources to meet needs of expanding service areas in an environmentally sensitive way.*

Financial Impact:      Yes      No

Funding Source/Recap: N/A

Material Included for Information/Consideration: Fire Protection Service Rate Sheet.

Staff Recommendation: The Board of Directors consider providing direction regarding the monthly water meter rate charge for upsized meters with fire protection sprinkler systems.

Action Required:      Resolution      Motion      Review

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Board Action

Resolution No      Motion By      Seconded By

Ayes      Abstained

Noes      Absent

Reagendized      Date      No Action Taken

Schedule No. MO-4  
 Monterey District Tariff Area  
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished for private fire protection systems.

TERRITORY

The incorporated cities of Monterey, Pacific Grove, Carmel-by-the-Sea, Del Rey Oaks, Sand City, a portion of Seaside, Chualar and Ralph Lane sub-units and certain unincorporated areas in the County of Monterey.

RATES

Residential Private Fire Service

	<u>Per Month</u>
For 1-inch connection .....	\$8.53
For 1-1/2-inch connection .....	\$12.79
For 2-inch connection .....	\$17.07
For 3-inch connection .....	\$25.59
For 4-inch connection .....	\$33.80
For 6-inch connection .....	\$68.42
For 8-inch connection .....	\$108.26
For 10-inch connection .....	\$153.23

(l)

All Other Private Fire Service

	<u>Per Month</u>
For 4-inch connection .....	\$33.80
For 6-inch connection .....	\$68.42
For 8-inch connection .....	\$108.26
For 10-inch connection .....	\$153.23

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The rates for private fire service are based upon the size of the service and no additional charges will be made for fire hydrants, sprinklers, hose connections or standpipes connected to and supplied by such private fire service.

SPECIAL CONDITIONS

1. The fire protection service and connection shall be installed by the Utility or under the Utility's direction. Cost of the entire fire protection installation shall be paid for by the applicant. Such payment shall not be subject to refund.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 917  
 DECISION NO. D. 09-07-021

ISSUED BY  
D. P. STEPHENSON  
NAME  
DIRECTOR - Rates & Regulation  
TITLE

(TO BE INSERTED BY C.P.U.C.)  
 DATE FILED SEP 23 2011  
 EFFECTIVE OCT 23 2011  
 RESOLUTION \_\_\_\_\_