SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-B**

FROM: Steve Mack, General Manager

MEETING DATE: August 1, 2013

Subject: DISCUSSION/ACTION RE PRESENTATION BY MONTE RIO CHAMBER OF COMMERCE TO WAIVE CAPACITY CHARGE FOR WATER SERVICE TO "THE TRIANGLE" PROPERTY IN MONTE RIO

RECOMMENDED ACTION: Receive a presentation from the Monte Rio Chamber of Commerce re providing water service to the Monte Rio Triangle parcel.

FISCAL IMPACT: Loss of Capacity Charge and Flat fee revenue from the property which is currently not being paid; addition of water sales revenue for water use on the property.

DISCUSSION:

This past winter the Board of Directors was approached with a proposal to provide water service without payment of the Capacity Charge to the 'Monte Rio Triangle' parcel which is a parcel in downtown Monte Rio at the junction of the Bohemian Highway with Highway 116. The parcel is privately owned and District Policy 3020.142 is that all persons and entities requesting water service shall pay the District's capacity charge prior to initiation of water service, unless the District waives this requirement by written agreement approved by the Board. Public agencies do not pay the capacity charge.

At the initial presentation the Board requested more information on how the water use at the site would be managed and other aspects of the proposal. One meeting was held by the General Manager with interested parties but more information was not presented to the Board. At the July meeting a petition was presented by Chuck Ramsey asking that the Board cooperate with the Monte Rio Chamber of Commerce to provide water service to the Triangle. The Board asked Mr. Ramsey to talk with the General Manager regarding another agenda item on this topic.

On Wednesday I met with Mr. Ramsey and Mary Baker of the Monte Rio Chamber of Commerce to flesh out the details of the proposal and to discuss concerns with not paying the capacity charge and flat charge as paid by all other non public agency customers of the District. The District also has a concern that the property owners may feel this use would permit the continuation of service once the use by the Chamber of Commerce has

ceased. We discussed ways these concerns could be alleviated. As discussed at this meeting the proposed approach would be as follows:

The owners of the parcel will have an agreement with the Chamber of Commerce that allows the Chamber's use of the parcel for a certain amount of time. The agreement could include a provision that water service with the District would be terminated with the agreement termination.

The Chamber of Commerce will have an agreement with the Monte Rio Park and Recreation District to request water service from the District for the parcel. The Chamber will pay the water bills; the MRPRD will provide maintenance services.

When these agreements are put in place, the District could have an agreement with the MRPRD regarding the water service.

Ms. Baker agreed to contact the MRPRD regarding their role in this arrangement and both representatives agreed to come to the August 1 meeting for further presentation and discussion on this issue.