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May 21, 2010

Amy Gwinnup
Sacramento Valley Basinwide APCC
Secretary-Treasurer
P. O. Box 561
Maxwell, CA 95955

Dear Amy:

Thank you for the opportunity to follow-up on the discussion which took place at the TAC meeting in Chico on Thursday, May 20, 2010 regarding the contract for Meteorological Services between Western Weather Group, Inc. and the Sacramento Valley Basinwide Air Pollution Control Council (SVBAPCC).

The contract for meteorological services between Western Weather Group and the SVBAPCC from July 1, 2009 to June 30, 2010 is \$8,544.00. Western Weather Group is offering the same quality services to the SVBAPCC for the period of July 1, 2010 to June 30, 2011 for \$9012.00. This is an increase of \$468.00 (\$39.00/month) or a 5.48% increase over last year's contract.

Annually, Western Weather Group reviews the costs associated with providing services to each of their clients. In the February 21, 2006 Request for Proposal from the SVBAPCC a budget limit of \$7,300 was specified for meteorological services. Western Weather Group responded to that Request for Proposal and provided the services requested within the budget limit although the cost was below the Western Weather Group normal rates charged other customers. The current rates charged the SVBAPCC still remain *below* the customary rates charged other customers as we value our long standing relationship with the SVBAPCC.

It is Western Weather Group's philosophy that for a company to remain competitive and viable they must invest in their people and in new technology. It is the skilled meteorologists with the aid of computer technology at Western Weather Group that ensures the meteorological requirements of the Fall Burn program run smoothly. Our senior meteorologist has been providing weather forecasts for the burning of the rice fields since the program's inception in 1981. In 2010, Western Weather Group will make a substantial investment in computer technology and web services to ensure our customers, like the SVBAPCC, receive the high quality service they require. Without these capital investments in new computer technology the quality of the services will suffer. The technology improvements will be in place prior to the 2010 Fall Burn season to provide more reliable web services to the County APCD offices.

We believe part of the responsibility to our employees is to offer adequate health insurance. Recently, Western Weather Group was informed by their health insurance broker to budget a 15 to 20% increase in health rates.

Page 2
Amy Gwinnup
May 21, 2010

The new Federal healthcare bill will be driving up health rates. Nothing in the new health care law addresses the cost of health coverage: it only provides access to health coverage to more people. Part of the new law allows children to stay on their parent's health plan until age 26 and they no longer need to be a full-time student to be eligible. This change alone, according to estimates, will increase rates by a minimum of 1%.

The income guidelines for governmental health programs, (Medi-Cal in California), AIM, Healthy Families are changing to allow more individuals to qualify. So, more people enrolling into these programs will have more cost shifting. That is, these plans don't pay the health care providers adequately so the providers will shift the cost to companies such as Western Weather Group who carry health insurance for their employees.

Within the last nine months Western Weather Group saw their Worker's Comp insurance rise 39% even though no worker's comp claim has ever been made by an employee of the company.

It is no surprise to anyone that the cost of doing business raises annually. Western Weather Group has taken all reasonable steps to keep their operating costs down while making advances in technology to sustain the business in order to provide a cost effective and reliable service to their customers. The increase of \$468.00 in services to the SVBAPCC over a twelve month period is considered reasonable to maintain a service that is accurate and reliable for the Air Districts, rice growers and citizens of the Sacramento Valley.

Sincerely,



Don Schukraft
Certified Consulting Meteorologist / CEO
Western Weather Group