

**MARIANA RANCHOS COUNTY WATER DISTRICT  
BOARD OF DIRECTORS**

MEETING PLACE: DISTRICT OFFICE  
9600 Manzanita Street  
Apple Valley, CA

Thursday, April 23, 2015  
4:00 p.m.

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*" The mission of the Mariana Ranchos County Water District is to efficiently  
serve our customers with the highest quality water 24/7."*

**REGULAR MEETING  
AGENDA**

1. **CALL MEETING TO ORDER:** Invocation and Pledge of Allegiance.
2. **ROLL CALL:** Directors - Ronald Dodge, Marilyn Cresser, Lauren Stewart, Jon Varley and Gary Adams. Attorney Michael Silander will be attending by phone.

3. **APPROVAL OF AGENDA**

**CONSENT AGENDA**

4. A. Approval of the Minutes for the Regular Meeting of March 19, 2015.  
B. Approval of Financial Statements for March 2015. Copies are available upon request.

**PUBLIC COMMENT**

5. All comments are limited to 5 minutes, as recognized by the Chair. No action can be taken on subjects not on the Agenda. Please state the subject you wish to address or an item that you request to have on a future Agenda. Please also state your name and address for the record.

*Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.*

**NEW BUSINESS**

6. A. Joshua Porter with US Bank will be present to collect new signature cards.  
B. Resolution for Injury and Illness Prevention and Heat Illness Prevention Programs.  
C. Financial update: Budget vs Actual for FY 2014-15  
D. FY 2015-16 Finance Committee to include Rates and Fees.  
E. Review of Public Records Request documents obtained from AV Heights CWD.

7. **ONGOING BUSINESS**

- A. 2015 election date updates.  
B. Drought Contingency Planning presented by the GM.  
C. Low Flow/ High Efficiency Toilet Application and process.

8. **INFORMATION REPORTS**

- A. **ATTORNEY'S REPORT**
- B. **GREEN COMMITTEES REPORT**
- C. **GENERAL MANAGER'S REPORTS**

1. Monthly report on subjects not covered on the agenda.

9. **OTHER BUSINESS**

None

10. **CORRESPONDENCE/CONFERENCES/SEMINARS/MEETINGS:** Current correspondence, conferences, seminars and meetings will be noted and discussed for possible authorization and/or action. (All correspondence is available for review at the District office).

A. **RCAC On-line Training:** 5-6-15 @ 10:00am Operator Basics: Water Treatment Techniques, 5-5-15 @ 10:00am Board Basics: Financial Management, 5-28-15 @ 10:00am Regulations Basics: Public Notification.

B. **ABC's of Water: "Edible Landscaping"**, Tuesday, May 26th from 5:30 to 7:30pm. MWA Headquarters, 13846 Conference Center Drive, Apple Valley

11. **DIRECTOR'S COMMENTS**

Comments by individual Board Members concerning District business, which may be of interest to the Board and the public. No action is to be taken on comments made by the Board members other than to place a matter on a future Agenda.

12. **ADJOURNMENT**

\*\*\* A complete agenda packet containing all accompanying reports for this agenda is available through the District's website at : [www.marianaranchoscwd.org](http://www.marianaranchoscwd.org) \*\*\*

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the below agenda public meeting should be directed to the General Manager's office at (760) 247-9405 at least 24 hours prior to said meeting.

**MARIANA RANCHOS COUNTY WATER DISTRICT**

9600 Manzanita Street  
Apple Valley, CA 92308

**MINUTES**

REGULAR MEETING OF THE BOARD OF DIRECTORS

March 19, 2015

The Regular Meeting of the Board of Directors of the Mariana Ranchos County Water District (MRCWD) was called to order by Board President Ronald Dodge at 4:00 p.m. at the District office, 9600 Manzanita St., Apple Valley, CA. An immediate recess was called to allow for Director Cresser and Director Stewart to arrive. At 4:10 p.m. A quorum was declared.

**ROLL CALL**

PRESENT: President Ronald Dodge, Director's; Jon Varley, and Marilyn Cresser.

ABSENT: Director Lauren Stewart.

STAFF: James Hansen, General Manager, Phyllis Walker, Office Assistant/Board Secretary and Attorney Michael Silander attended by phone.

AUDIENCE: Customers; Ron Blanchard, Tom Whittington, and Gary Adams. Guest Speaker Nicholas Schneider from MWA.

**APPROVAL OF AGENDA**

Director Cresser made a 1<sup>st</sup> motion and a 2<sup>nd</sup> was made by Director Varley for approval of the agenda. No Discussion, AYE's were 3-0, unanimous, motion carries at 100%.

**CONSENT AGENDA**

Director Varley made a 1<sup>st</sup> motion and a 2<sup>nd</sup> motion was made by Director Cresser for approval of the consent agenda, items A & B, and to add Nicolas Schneider from MWA speak next as item C, this is related to item 7c. AYE's 3-0, unanimous, motion carries at 100%.

Nicholas Schneider, Water Conservation Manager from Mojave Water Agency; Spoke about the most recent changes from the State Water Control Board & MRCWD's Ordinance 105 plan. As of Tuesday the SWCB has changed the entire ordinance structure and he feels that MRCWD is meeting the state standards; by having Ordinance 105 in place and participating in the low flush toilet program. There was open discussion with the audience with some Q & A regarding the drought and the newest changes that were made from SWCB. Customer Tom Whittington wanted to know was this going to effect commercial and residential properties? Nicholas said at this time it is only addressing residential ordinance, they are starting to pull in big turf areas such as golf courses. If we did not have an ordinance in place we could be fined up to \$10,000.00 per day. Director Varley also asked some questions regarding commercial ordinance. Mr. Schneider said he is only aware of residential ordinances. Customer Tom Whittington also asked about Prop 1, Mr. Schneider said if we did not have an ordinance in place we would not be eligible to apply for grants. President Dodge asked about other districts showing any reductions after the draw down. Mr. Schneider indicated the Alto area is staying stable; some artesian springs are coming up. Many of the areas are doing a great job conserving, as a whole we have reduced 30%.

**PUBLIC COMMENT**

Customer Ronald Blanchard: Acknowledge Jim and Nathan's hard work and how much he appreciated them replacing and moving his meter to a better location. He also had a question as to why the water runs from Silver Wood Lake down in the river bed towards Victor Valley College. An explanation was given to him about being recharge water; it has to be allowed to flow because of the adjudication.

Customer Tom Whittington: Thanked the Board and the Water District for doing a good job. He appreciated being asked to sit on the board, but strongly declined, "I do not wish to sit on the board." He would be more than happy to help out in other ways and even possibly sit on the board for a short amount of time in only an extreme emergency.

### **NEW BUSINESS**

- A. 1<sup>st</sup> motion was made by Director Varley and a 2<sup>nd</sup> by Director Cresser to discuss action in appointing the vacant Director's seat. Now open for discussion. The G.M. introduced customer Gary Adams. Mr. Adams spoke about his back ground and qualification's I water; he has also sat on our board previously as part of the finance committee. He would be more than happy to fill the vacant seat. After Mr. Adams was done speaking the G.M. spoke on behalf of another customer, Patricia Stiles. She is a professional woman, has sat on other boards before and she is also willing to fill the vacant seat. But due to a conflict in her schedule she was unable to attend tonight's meeting. After the board listened to Mr. Adams and the GM represent Ms. Stiles they discussed whether or not they should go ahead and appoint some one tonight or wait until the dead line. The board decided to appoint tonight, President Dodge nominated Gary Adams for the vacant Director's seat. 1<sup>st</sup> motion was made by Director Varley to appoint Gary Adams to the vacant seat and a 2<sup>nd</sup> by Director Cresser, AYE's 3-0, unanimous, motion carries at 100%. The GM asked the attorney, Mr. Silander, if Gary Adams could be sworn in tonight. Mr. Silander said, he did not see why not and went to find a copy of the Official Oath to email to the G.M.
- B. A 1<sup>st</sup> motion was made by Director Varley and a 2<sup>nd</sup> by Director Cresser to discuss the reorganization of the board. Now open for discussion. President Dodge asked about letting the presidency go or would they like to re-organize that at this time? Director Varley said we should just let stay like it is. President Dodge said we need to fill the Vice President seat and I would like to nominate Director Varley, Director Cresser 2<sup>nd</sup> the motion, AYE's 3-0, unanimous, motion carries at 100%.
- C. Customer # 00821259 was a no show for the second time. President Dodge said let's drop it from the agenda. Director Varley & Director Cresser agreed with President Dodge.
- D. The GM went over the numbers for the makeup and replacement water for the 2014-2015 year. This year we are getting hit with Make-Up Water, we have to buy 47 acre feet of Replace Water. Since Centro did not get enough water, we are penalized; we are purchasing \$17, 900.00 in water. ....The board has allowed us to hold water and retain 90 acre feet we have made \$20,000.00 on that water.
- E. A motion was made by Director Varley and a 2<sup>nd</sup> made by Director Cresser to discuss closing the office on 4-16-2015 to allow the GM to attend a previously scheduled seminar. After a brief discussion a motion was made by Director Varley to approve the office being closed on 4-16-2015, a 2<sup>nd</sup> was made by Director Cresser. AYE's 3-0, unanimous, motion carries at 100%.

- F. A motion was made by Director Cresser to discuss and approve sending the GM to CRWA Conference in April and a 2<sup>nd</sup> by Director Varley. AYE's 3-0, unanimous, motion carries at 100%.

The GM received an email from attorney Michael Silander containing a swearing in example, a 1<sup>st</sup> motion was made to adjust the Agenda under 6a and swear in Gary Adams by Director Cresser and a 2<sup>nd</sup> by Director Varley. AYE's 3-0, unanimous, motion carries at 100%. The Board Secretary stood at the podium with Gary Adams as he took the official oath. Director Adams then took his place at the table with the other directors and proceeded to conduct district business.

### **ONGOING BUSINESS**

- A. ER Generator: Nothing new to report.
- B. The GM updated the Board Members on the 2015 election; due to legalities we will not be able to move it to from August to November. We will proceed as usual.
- C. 1<sup>st</sup> motion was made by Director Adams and a 2<sup>nd</sup> by Vice President Varley to discuss Drought Contingency Planning. The GM went over some handouts and voiced his concern about the SWCB and how he feels that we have no guidance and hopes that what we are doing will work to satisfy the requirements. A 1<sup>st</sup> motion was made by Vice President Varley and a 2<sup>nd</sup> by Director Adams to implement the first stage of Ordinance 105. This information will be mailed along with "tips to reduce water by an average of 20%" be mailed to every customer in the district with this months billing. AYE's 4-0, unanimous, motion carries at 100%.
- D. 1<sup>st</sup> Motion was made by Vice President Varley and a 2<sup>nd</sup> by Director Adams to discuss the low flush toilet application. The GM gave the board member a rough draft of the low flush toilet application. After some discussion and input it was decided that it will be tabled until next month's meeting so the Directors can review and have input on the forms composition.

### **INFORMATION REPORTS**

- A. Attorney Report; None.
- B. Green Committee; Vice President Varley said that we need someone to fill Dennis Russell's spot on the Green Committee, he asked Director Adams if he would be willing, Director Adams accepted. Per Vice President Varley the GM will be contacting Eugene Buchanan to schedule a sit down meeting prior to Mr Buchanan meeting with the Green Committee.
- C. Monthly report on subjects not covered on the agenda. The GM's report is available for review.

### **OTHER BUSINESS**

NONE

### **CORRESPONDENCE/CONFERENCES/SEMINARS/MEETINGS**

- A. Reviewed upcoming classes that were posted on the agenda and reminded everyone about April's Board Meeting being moved to 4-23-15.

### **DIRECTOR'S COMMENTS**

President Dodge discussed attending Apple Valley Heights Board Meeting; he invited the Board Members to a sit down and is waiting a response from them.

**ADJOURNMENT**

A motion was made by Director Varley to adjourn the meeting at 6:02 p.m. and was 2<sup>nd</sup> by Director Cresser. AYE's 4-0, unanimous, motion carries at 100%.

Approved: \_\_\_\_\_

\_\_\_\_\_  
Ronald Dodge, Board President

\_\_\_\_\_  
Phyllis Walker, Secretary to the Board

DRAFT

04/17/15

Mariana Ranchos County Water District  
Checking & Saving Accounts

Mar 31, 15

**ASSETS**

**Current Assets**

**Checking/Savings**

001 - Petty Cash 222.00

**053 - US Bank Parent**

053.1 - US Bank Checking #1161 240,415.99

053.2 - Tank Loan Fund 13,853.47

053.4 - Supplemental Water-Restricted 550.00

053.5 - Security Fee 7,627.45

**Total 053 - US Bank Parent 262,446.91**

**055 - 2013 PR Checks not Cashed -277.05**

**130 - CIP & Debt Resv-Restrict-Parent**

130.2 - AmSec 3 Mo CD - Capitol Imp Res 59,622.99

130.5 - Debt Reserve Acct. - Interest 6,012.50

**Total 130 - CIP & Debt Resv-Restrict-Parent 65,635.49**

**140 - LAIF - Unrestricted - Parent**

140.1 - LAIF-Unrestricted 433.95

140.3 - CIP Fund 170,431.71

140.4 - O&M Reserves 43,078.07

140.5 - Emergency Reserves 27,021.03

140 - LAIF - Unrestricted - Parent - Other 434.38

**Total 140 - LAIF - Unrestricted - Parent 241,399.14**

**180 - LAIF - Restricted - Parent**

180.2 - Debt Reserve - Principle 35,925.00

180.3 - Debt Reserve- Interest -2,159.37

**Total 180 - LAIF - Restricted - Parent 33,765.63**

**Total Checking/Savings 603,192.12**

**Total Current Assets 603,192.12**

**TOTAL ASSETS 603,192.12**

**LIABILITIES & EQUITY 0.00**

**Mariana Ranchos County Water District**  
**Income Statement**  
 March 2015

	Mar 15
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
600 · Water Sales	22,578.65
605 · Stand-by Charges	1,061.16
606 · Late Fees	503.00
607 · Turn Off/On Service Fees	50.00
608 · Turn On/Off Service Warning	75.00
655 · Inactive Meters	240.00
656 · Multiple Meters	57.00
657 · Security Fee	1,055.00
690 · Convenience Fees - Parent	
690.5 · Credit Card Fee	81.00
<b>Total 690 · Convenience Fees - Parent</b>	81.00
<b>Total Income</b>	25,700.81
<b>Gross Profit</b>	25,700.81
<b>Expense</b>	
800 · Payroll Exp - Parent	
800.1 · Field Labor	1,875.00
800.2 · Admin Salaries	1,560.00
800.3 · Board Meetings	
800.31 · Directors Compensation	300.00
800.32 · Board Secretary Compensation	0.00
<b>Total 800.3 · Board Meetings</b>	300.00
800.4 · General Manager Salary	5,700.44
800.6 · On Call (Pager)	120.00
800.8 · Payroll Taxes	3,445.05
800.9 · PR Process Co (QB-Benefit Mall)	70.21
<b>Total 800 · Payroll Exp - Parent</b>	13,070.70
801 · Installation/ Repair Supplies	
801.1 · Meter Installation supplies	926.00
<b>Total 801 · Installation/ Repair Supplies</b>	926.00
802 · Water Quality Monitor - Parent	
802.1 · Monthly Water Quality Monitor	90.00
<b>Total 802 · Water Quality Monitor - Parent</b>	90.00
805 · Dig Alert	4.50
806 · Pumping Station Power-Parent	
806 2 · Well #2	797.95
806 3 · Moonbeam Booster	311.62
806 5 · Alegre Vista Booster	62.59
806 6 · Well #1	789.05
<b>Total 806 · Pumping Station Power-Parent</b>	1,961.21
821 · Office Supplies - Parent	
821.1 · Office Supplies	23.72
<b>Total 821 · Office Supplies - Parent</b>	23.72
830 · Sales Tax (on purchases)	113.07
832 · Bank/IC/Sage NSF/Reject Charges	
832.5 · IC/Sage Reject	45.00
<b>Total 832 · Bank/IC/Sage NSF/Reject Charges</b>	45.00
836 · Billing Fees - Parent	
836.2 · EFT Fees (Sage)	30.50
836.4 · INV Cloud Monthly Charge	208.00
<b>Total 836 · Billing Fees - Parent</b>	238.50



Mariana Ranchos County Water District  
Income Statement  
March 2015

	<u>Mar 15</u>
851 - Legal Fees - Parent	
851.1 - Attorney/Legal	1,148.50
<b>Total 851 - Legal Fees - Parent</b>	<b>1,148.50</b>
855 - Office Utilities - Parent	
855.1 - Gas	62.81
855.2 - SCE	117.07
855.3 - Trash	61.53
<b>Total 855 - Office Utilities - Parent</b>	<b>241.41</b>
856 - Telephone - Parent	
856.1 - Office	105.70
856.2 - Internet	201.83
856.5 - Cell Phones	31.60
<b>Total 856 - Telephone - Parent</b>	<b>339.13</b>
858 - Repairs & Maint - Parent	
858.7 - Cleaning Service	120.00
<b>Total 858 - Repairs &amp; Maint - Parent</b>	<b>120.00</b>
863 - Vehicle (Rolling Stock) - Parent	
863.1 - Truck Expenses	0.00
<b>Total 863 - Vehicle (Rolling Stock) - Parent</b>	<b>0.00</b>
868 - Fuel - Parent	
868.1 - Gasoline	63.51
868.2 - Diesel	67.00
868.3 - Fed Fuel Tax ADJ	-8.80
<b>Total 868 - Fuel - Parent</b>	<b>121.71</b>
870 - Personal Safety Equip - Parent	
870.1 - Personal Protect Equip	95.00
870.2 - Uniform (Cintas)	312.08
<b>Total 870 - Personal Safety Equip - Parent</b>	<b>407.08</b>
<b>Total Expense</b>	<b>18,850.53</b>
<b>Net Ordinary Income</b>	<b>6,850.28</b>
<b>Other Income/Expense</b>	
<b>Other Income</b>	
910 - Interest Income-District	1.91
<b>Total Other Income</b>	<b>1.91</b>
<b>Net Other Income</b>	<b>1.91</b>
<b>Net Income</b>	<b>6,852.19</b>

12:00 PM

04/17/15

**Mariana Ranchos County Water District**  
**Statement of Cash Flows for Board Meetings**  
March 2015

	<u>Mar 15</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	6,852.19
Adjustments to reconcile Net Income to net cash provided by operations:	
405 · Customer Deposit	150.00
410 · Payroll - Parent:410.1 · PR Tax Liability	2,480.89
410 · Payroll - Parent:410.6 · Paycheck Clearing	15.00
411 · Benefit Mall - TN Errors	991.81
430 · Bond Payable-COP (Current)	<u>-1,325.00</u>
Net cash provided by Operating Activities	<u>9,164.89</u>
Net cash increase for period	9,164.89
Cash at beginning of period	594,027.23
Cash at end of period	<u><u>603,192.12</u></u>

11:59 AM

04/17/15

Accrual Basis

**Mariana Ranchos County Water District  
Check Register for this Month**

As of March 31, 2015

Type	Date	Num	Name	Memo	Amount
<b>053 - US Bank Parent</b>					
<b>053.1 - US Bank Checking #1161</b>					
Transfer	03/01/2015			Funds Transfer for Security Fees	-1,119.50
Transfer	03/01/2015			Funds Transfer for tank loan	-2,700.00
Deposit	03/02/2015			Deposit	498.70
Deposit	03/02/2015			Deposit	166.00
Check	03/02/2015	INV CLOUD	Invoice Cloud Monthly Charge		-208.00
Deposit	03/03/2015			Deposit	822.50
Deposit	03/04/2015			Deposit	100.80
Deposit	03/04/2015			Deposit	818.70
Check	03/05/2015	6813	Southern California Edison	Account # 2-21-351-6206	-2,078.28
Check	03/05/2015	6814	First Bankcard (Jim)	Account # 5477 2593 4874 4751	-60.00
Check	03/05/2015	6815	T-Mobile	Account # 343784752	-33.70
Check	03/05/2015	6816	Underground Service Alert	Invoice # 220150441	-4.50
Deposit	03/05/2015			Deposit	613.00
Check	03/05/2015	6817	Lemieux & O'Neill	Client Matter No. 190	-1,148.50
Check	03/05/2015	6818	Aflac	Invoice # 200312	-397.58
Deposit	03/06/2015			3-16-15	795.85
Deposit	03/06/2015			Deposit	588.70
Deposit	03/06/2015			Deposit	64.20
Deposit	03/07/2015			Deposit	52.70
Deposit	03/08/2015			Deposit	45.10
Deposit	03/09/2015			Deposit	100.00
Deposit	03/09/2015			Deposit	1,729.80
Deposit	03/10/2015			Deposit	639.50
Deposit	03/11/2015			Deposit	59.60
Deposit	03/11/2015			Deposit	840.20
Check	03/12/2015	6819	The Bank of New York Mellon	Invoice # 252-1849370	-1,325.00
Deposit	03/12/2015			Deposit	1,237.70
Check	03/13/2015	CompuPay	Compupay		-3,662.29
Check	03/13/2015	CompuPay	Compupay		-1,188.04
Check	03/13/2015	CompuPay	Compupay		-27.79
Deposit	03/13/2015			3-16-15	3,197.90
Deposit	03/13/2015			Deposit	1,061.16
Deposit	03/13/2015			Deposit	105.40
Deposit	03/13/2015			Deposit	1,130.30
Deposit	03/14/2015			Deposit	55.00
Deposit	03/14/2015			Deposit	255.40
Deposit	03/15/2015			Deposit	76.20
Deposit	03/15/2015			Deposit	124.30
Check	03/16/2015	6820	Petty Cash/Phyllis Walker	Replenish cash in the back drawer	-143.72
Check	03/16/2015	6821	Cintas Corporation #150	Account # 150-02400 Billing Peri...	-312.08
Check	03/16/2015	6822	Charter Communications	Account # 8245 10 076 0042560	-284.42
Deposit	03/16/2015			Deposit	5,420.80
Deposit	03/16/2015			Deposit	391.60
Deposit	03/17/2015			Deposit	646.10
Deposit	03/18/2015			Deposit	206.60
Check	03/19/2015	6823	Geo-Monitor, Inc.	Invoice # 16487	-90.00
Deposit	03/19/2015			Deposit	52.70
Deposit	03/19/2015			Deposit	234.70
Deposit	03/20/2015			3-30-15	1,491.80
Deposit	03/20/2015			Deposit	97.20
Deposit	03/20/2015			Deposit	143.90
Deposit	03/21/2015			Deposit	69.30
Deposit	03/23/2015			3-30-15	991.81
Check	03/23/2015	6824	Southwest Gas Corp.	Account # 121-1095202-002	-62.81
Check	03/23/2015	6825	Valero Marketing and Supply Company	Account # 6960 2563	-121.71
Check	03/23/2015	6826	Inland Water Works Supply	Invoice # 272517	-784.08
Deposit	03/23/2015			Deposit	137.00
General Jour...	03/23/2015			Account# 10822118, Goetsch D...	-15.00
Deposit	03/24/2015			Deposit	67.00
Deposit	03/24/2015			Deposit	1.91
Deposit	03/25/2015			Deposit	79.00
Deposit	03/26/2015			Deposit	275.90
Check	03/26/2015	Sage	Sage Payment Solutions		-30.50
Check	03/27/2015	CompuPay	Compupay		-42.42
Check	03/27/2015	CompuPay	Compupay		-1,292.85
Check	03/27/2015	CompuPay	Compupay		-4,003.84
Deposit	03/27/2015			3-30-15	449.10
Deposit	03/27/2015			Deposit	45.50
General Jour...	03/27/2015			Account# 00832113, Katt, Cariss...	-15.00
Deposit	03/29/2015			Deposit	61.90
Deposit	03/30/2015			Deposit	140.00
Deposit	03/30/2015			Deposit	227.10
Check	03/31/2015	6827	Nathan Walker	reimbursement for work boot	-55.00
Check	03/31/2015	6828	AVCO DISPOSAL, INC.	Account # 40-H1 046216	-61.53
Check	03/31/2015	6829	Inland Water Works Supply	Invoice # 272706	-216.00
Deposit	03/31/2015			Deposit	232.40

11:59 AM

04/17/15

Accrual Basis

Mariana Ranchos County Water District

Check Register for this Month

As of March 31, 2015

Type	Date	Num	Name	Memo	Amount
Deposit	03/31/2015			Deposit	202.50
General Jour...	03/31/2015			Account # 00815341, Thompson...	-15.00
Total 053.1 - US Bank Checking #1161					5,345.39
Total 053 - US Bank Parent					5,345.39
<b>TOTAL</b>					<b>5,345.39</b>

# Higher water rates on tap as utilities cover losses from drought

By [Kurtis Alexander](#)

Updated 7:31 am, Tuesday, April 14, 2015

Planning to save water this year to help with the drought? Don't expect to save money. Water departments across California, including dozens in the Bay Area, are now looking to raise rates — in many cases by double digits — to shore up revenues as customers use less water during dry times and water sales plummet.

Some agencies, including the East Bay Municipal Utility District, are also considering hitting their biggest water users with fines.

The latest agency to confront the problem of dwindling dollars during drought is the [San Francisco Public Utilities Commission](#), the Bay Area's largest water supplier. This week, it began notifying more than two dozen communities that buy its water that wholesale prices will increase 28 percent, effective July 1.

In most cases, that hike is expected to be passed on to retail customers.

"It's going to be a very difficult thing to explain to people," said [Syed Murtuza](#), the public works director for the city of Burlingame, which gets all its water from the Public Utilities Commission and expects to raise local rates a yet-to-be-determined amount. "You're saving water," he said, "and the next thing you're told is your water costs are going up."

## **Maintaining water network**

Murtuza understands the dry-times twist on the old law of supply and demand. But, he said, it still bothers him.

The utilities commission, which pipes water to the Bay Area from Yosemite's Hetch Hetchy Reservoir, is facing a projected \$11 million hole in its roughly \$240 million annual budget, largely because of stepped-up conservation and lagging water sales. Bay Area residents have cut their water use about 13 percent between June and February, the period tracked by the state, compared with the same months in 2013.

“Revenue is down,” said Tyrone Jue, a commission spokesman. “But we still have to keep the same network of pipelines running, even if customers are not using the tap as much.”

The costs of running a water utility are largely fixed, owing to the big expense of pumping, treating and delivering water — and the relatively low price of water itself.

While the commission has tried to rein in spending by streamlining operations, it still expects it will run a deficit if it doesn’t raise water prices, Jue said.

The utility, though, does not plan to lift rates for its retail customers in San Francisco, at least not immediately, citing sufficient reserves to cover that share of the revenue gap.

But most of the agency’s 26 wholesale customers — which span San Mateo, Santa Clara and Alameda counties — won’t be able to buffer their residents from the added expense.

“They’re all going to have to incorporate that change into their retail rates,” said Nicole Sandkulla, chief executive officer of the Bay Area Water Supply and Conservation Agency, which represents the wholesale customers.

#### **Expecting rate increases**

As of Monday, these buyers had not received the letters sent Friday by the utilities commission informing them of the 28 percent increase. Some, however, were already expecting a price bump and have plans to raise customer rates in the works.

The private water company serving San Mateo, San Carlos, South San Francisco and Colma estimates a 13 percent higher water rate for residents. The Alameda County Water District, which serves Union City, Newark and Fremont, expects an average 8 percent hike.

“This is just a difficult situation that water utilities find themselves in as people conserve during the drought,” Sandkulla added. “We’re going to see this across the state.”

The Metropolitan Water District of Southern California, the largest provider of water in the southern part of the state, on Tuesday will consider curtailing supplies to its 26 wholesale customers by 15 percent and levying surcharges on those who use more. The proposal, which would also take effect July 1, could translate into big price hikes in some Southern California communities.

In the Bay Area, meanwhile, the East Bay Municipal Utility District is scheduled Tuesday to move ahead with plans for a new surcharge on retail customers.

The proposed 25 percent bump on water consumption — which would add about \$12 to the average monthly bill when combined with an already scheduled rate increase — aims

to cover lost revenue during the drought as well as new wholesale water purchases. It would also take effect July 1.

The financial headaches come as state water officials threaten another expense: fines for those who use too much water.

Last week, the State Water Resources Control Board introduced a proposal calling for water agencies to reduce consumption between 10 and 35 percent, with the precise amount determined by an area's past water use. Utilities that don't meet their targets face penalties up to \$10,000 a day.

### **Capping water use**

While most communities are still figuring out how to comply with the state mandate, the East Bay Municipal Utility District is scheduled Tuesday to consider capping water use at single-family homes to hit its mandated 20 percent reduction.

The proposed cap, which would come with fines for excess use, is relatively high — 1,107 gallons of water daily per household. Only about 2 percent of homes served by the district currently use this much water, according to district officials.

“It means you're watering outdoors for a long time,” said agency spokeswoman Abby Figueroa. “We think if people abide by our outdoor watering restriction, we can meet our cutback.”

*Kurtis Alexander is a San Francisco Chronicle staff writer. E-mail: [kalexander@sfnchronicle.com](mailto:kalexander@sfnchronicle.com) Twitter: [@kurtisalexander](https://twitter.com/kurtisalexander)*



# ABC's of Water

## **“Edible Landscaping”**

**Tuesday, May 26, 2015  
5:30 - 7:00 P.M.**

Learn how to incorporate edibles into your landscape and into planning your home vegetable garden. A hands-on demonstration will be offered, recipes for warm season vegetable gardens will be provided, and a vegetable themed container garden will be given away. The San Bernardino County Master Gardeners will be presenting this session.

Seating is limited, so RSVP today. Refreshments will be served. To register to attend, please contact Gloria Golike at (760) 946-7001, or email her at [ggolike@mojavewater.org](mailto:ggolike@mojavewater.org). The deadline to RSVP is May 21, 2015.

Hosted by: Mojave Water Agency

Located at: 13846 Conference Center Dr., Apple Valley, CA

