

# Camrosa holds off on rate hike

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Water provider to wait for rate structure study before changing customers' bills

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Despite the ever-rising cost of imported drinking water, Camrosa Water District customers won't see an increase in their water bills just yet.

Camrosa's board of trustees voted last week to hold off increasing water rates during its regular meeting Nov. 16 at its offices on Santa Rosa Road.

The 4.9-percent rate-hike proposal was in response to the 7.6-percent increase adopted by the Calleguas Municipal Water District in August.

Instead, Camrosa's trustees opted to wait on changing any rates until the district receives a water rate study—expected by spring 2012—to be conducted by an outside firm.

The water district, which serves more than 30,000 people in Camarillo, Mission Oaks, Santa Rosa Valley and California State University Channel Islands, is in the midst of soliciting bids from companies which specialize in auditing rate structures for water providers.

A private company will likely be chosen by January, and the study will take about six months to complete.

## **Complicated rate structure**

Camrosa's outgoing General Manager Frank Royer said it's fair to say that the district's rate structure is complicated and takes into account numerous factors.

Not only does Camrosa collect and provide different types of water to customers—drinking, recycled, non-potable water taken from Conejo Creek and ground water—it also has customers who use large quantities of the cheaper recycled water, including Leisure Village for its golf course and green areas, while other customers, such as single-family homes, use the higher-quality and more expensive drinking water.

Trustee Terry Foreman said it's important to him that Camrosa customers are aware of the rate structure study and that the public has the opportunity to review and comment on any decisions by the board before it adopts a rate-change plan.

Foreman said he's most concerned that Camrosa offers equitable water rates to customers throughout the district.

He said if the current rate structure stands, customers who only receive the more expensive drinking water will have to unfairly pay substantially higher rates than those who use recycled water.

Royer said the rate study will take into account all of the Camrosa's different types of customers, the volume of water they use and their cost to the district before determining what he called "a fair" rate structure.

Royer said "many of Terry (Foreman's) concerns will be addressed by the study."

## **Two long-range plans**

The decision to bring in an independent party to assess Camrosa's rate structure—a plan that has been long in the making—was prompted by various reasons.

It was made primarily because Camrosa's rate structure hasn't been assessed in more than eight years.

What's more, Camrosa officials are working on two big picture plans—one that looks at the district's financial status and another meant to predict what the district will need in infrastructure and resources to provide water for its customers through 2040.

Royer said the two plans are interconnected but are essentially blueprints to be used by the district's five-member board in the coming years.

Neither plan is "set in stone," he said, and can be amended or scrapped as the board sees fit.

Royer, who retired earlier this month, said the district's Capital Finance Plan, recently adopted by the board of trustees, bases its future cost projections on the current rate structure.

Until a permanent replacement is found for Royer, Tony Stafford has been named Camrosa's interim general manager.

Royer said the district will use a combination of bond money, federal funds and customer payments to finance future projects, such as new pipelines, and upkeep of the district's current infrastructure, which includes its pipelines, pumping stations and a wastewater treatment plant.

Royer said the district plans to build a desalination plant near CSUCI in order to use more ground water to meet the needs of the campus, which is expected to grow in coming years.

In addition, the district wants to build a pipeline into Santa Rosa Valley that will make it possible for more homes in the valley to use recycled water.

Royer said the pipeline would serve two purposes. First, it would lessen the amount of drinking water Camrosa uses and reduce the amount of water it imports from Calleguas. Second, it would significantly trim the water bills for Santa Rosa Valley homes which usually have larger properties.

By reducing imported water, Royer said, Camrosa customers aren't as affected by Calleguas' continually rising water rates and costs are kept down.

Foreman said he doesn't want all of Camrosa customers to foot the bill for the proposed \$10-million pipeline into Santa Rosa Valley. Royer said those customers who benefit from the cheaper water will have to pay a monthly surcharge on their water bills until the pipeline is fully financed.

That decision, however, has yet to be made by the board.

The district also has plans to increase the amount of groundwater it pumps and treats to also offset the amount of imported water it buys.

The 30-year plan, Royer said, is now under environmental review.