

Bill Wadsworth
3660 Church Street
Occidental CA 95465



July 1, 2015

Water Resources Control Board
PO Box 100
Sacramento, California 95812-0100

Subject: Comment letter: conservation pricing

Dear Board,

I want to call to your attention a problem of lax enforcement by the Enforcement Section, Division of Water Rights (Division). I am a water ratepayer who has led an effort in my community, Occidental, since 2003 to get our unconstitutional water rates, which flagrantly fail conservation pricing standards, corrected. Our lack of success has been caused by lenient permit wording interpretations and outright enforcement failings by the Division. If the Board's water permit terms and conservation-pricing regulations are not enforced, the new regulations coming out of these workshops will not be effective. We draw attention to our experience so that the lax enforcement culture in the Enforcement Section can be corrected. Staffing levels may be part but not all of this problem.

Enforcement failures regarding conservation pricing. We were able to get the State Water Board (SWB) in 2008 to place Term 14 on the Occidental Community Service District's permit 21214, which required our board to implement water conservation pricing by July 1, 2009. Now, six years later our rates, which recover 74% of our revenue from the excessive monthly service charges, have not been changed. By recovering most of the revenue from the service charge our district can offer very low volumetric rates, which discourage conservation. This problem continues due to the below permit enforcement failures:

- ***Enforcement is crucial if conservation pricing is to be implemented.*** To avoid having to implement conservation pricing the OCSD board has not used its water permit for six years. OCSD made a deal with the Sonoma County Water Agency (SCWA) to use that agency's water rights to divert water from the Russian River, OCSD's water source, in order to avoid implementing conservation pricing called for by Term 14 of OCSD's permit. The Division told us they did not have any authority to cause OCSD to bring its rates into compliance with Term 14 until it had failed to use its permit for five years. On 4/23/14 after the 5-year period lapsed, the Division sent a letter to OCSD threatening to propose revocation of OCSD's permit if they didn't comply with Term 14 within 45 days. OCSD failed this deadline and on 12/18/14 the Division wrote them another warning letter with a thirty-day deadline. In spite of these enforcement

ultimatums, as of 7/1/15 OCSD has not come into compliance with Term 14 of its permit and no recent action has been taken by the Division. We ask, "How many more years must we wait to see Term 14, conservation pricing, enforced? This enforcement failure makes us think that the Enforcement Section clearly does not have the will to enforce Term 14.

- ***Failure to enforce clear wording in Term 14.*** Term 14 of OCSD's water permit requires OCSD to implement conservation pricing that complies with the California Urban Water Conservation Council's (CUWCC) Best Management Practice #11, Option 1, if an alternative method was not approved by 6/18/08. OCSD failed this requirement but the Division has allowed OCSD to continue to submit alternative methods for the past six years. OCSD has submitted around 10 submissions and amended submissions under both Option 1 and Option 2, in which they reported variable costs as fixed costs in various clever ways, which included misappropriated expenses.

We challenged these rates by pointing out the incorrectly assigned expenses, and the rates were rejected by the Division. Had we not pointed out the various incorrect assignments the Division staff would not have had the information to identify these failings and likely would have approved some of the rate submissions.

There has been much busy work by the Division's staff that looks like enforcement, but the OCSD board has been able to avoid bringing their rates into compliance with Term 14 for six years. OCSD's rates flagrantly fail the CUWCC's Option 1, which requires that rates not recover more than 30% of the revenue from the service charge. OCSD's rates recover 74% of the revenue from the service charge. This allows our board to offer low volumetric rates, which don't reflect the true cost of the water. Such low volumetric rates fail the AWWA and CUWCC conservation-pricing definitions.

We ask that the SWB 1) sufficiently staff the Division so that effective enforcement can take place, 2) correct the lax enforcement culture that exists in the Enforcement Section of the Division, 3) require rates to not recover more than thirty percent of the revenue from a service charge before being approved as conservation pricing.

Sincerely,



Bill Wadsworth
707 874-3348