

COUNTY OF SONOMA
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July 15, 2011

Donita Proctor
2600 South Fitch Mountain Road
Healdsburg, CA 95448

Subject: Fitch Mountain Water District Comments

Dear Donita,

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First, I want to thank you for attending and testifying at the County Board meeting on the July 12th, regarding the Fitch Mountain Water District rate increases. This has been a difficult issue for all but nonetheless a very important action by the Board on behalf of the Fitch Mountain customers.

At the May 3, 2011 community meeting held at the City Council Chambers in Healdsburg, there were several questions raised about the Fitch Mountain Water System that required further research or action. The following represents the latest information available:

Leak detection

The data for this year (2011) showed a significant increase from the previous year, raising concerns that water passing through the Healdsburg meter was leaking from the Fitch Mountain pipelines. The public in attendance at the Healdsburg meeting believed that their usage had not increased to any substantial degree and therefore we were asked to investigate the possibilities of leakage with the contract operator, Russian River Utilities ("RRU"). County staff has conducted several meetings with RRU since the public meeting and have worked together to institute a systematic approach to investigate potential water losses. The actions taken to date include:

1. Monitoring of the two master meters to confirm that the Healdsburg readings of volume are accurate.
2. The entire distribution system has been inspected for surface detection of leakage. Generally, significant water line breaks or leaks will migrate quickly to the surface regardless of the soils or terrain, even under pavement. RRU did not observe any leakage with the exception of a minor leak (2-inch Galvanized line) that is not believed to have any appreciable effect on line losses.

Further analysis is required, and RRU has been tasked to complete the following by July 30th:

- Pressure test the McDonough system to confirm that no significant leaks exist or to isolate sections where there could be leaks.
- Compare Healdsburg billing vs. customer usage. The customers' meters were just read, so RRU will have three billing cycles to obtain an accurate assessment of any differences in usage.

- Resolution of the 2" galvanized distribution line. RRU discovered an old line that serves two properties that was not recorded in the system. RRU is considering a couple of options to replace the line or serve the customers from another point. There is a complication that needs to be worked out in that this old line is not protected by an easement. A cost estimate for repairs will be included with the preferred option.

It is our hope that the leak issue will be resolved by the above low-cost actions, but if these efforts do not bring resolution then a leak detection service would be hired for a comprehensive evaluation. Such evaluations can be quite costly and as such RRU would have to get additional pricing information within a week of the completion of their evaluation.

Billing rate

Several customers expressed confusion and concern related to the method of billing. Bills are based on thousands of gallons of water usage. These customers were of the belief that the billing system rounds up and therefore, gives an erroneously high bill. Based on the reports generated by the handheld meter readers, the Auditor's staff has verified that they do not round the meter readings up. Instead, they round down to the nearest thousands. In addition, RRU has confirmed that the actual meters only have the capability of reading in 1,000 gallon increments. The Fitch Mountain Water District ordinance states that customers are charged for water based on 1,000 gallons of usage. The following table gives examples between customer water usage and billing:

<u>Water Usage (per 1,000 gal.)</u>	<u>Billing (per 1,000 gal.)</u>
1.00	1.00
1.25	1.00
1.50	1.00
1.75	1.00
2.00	2.00
2.25	2.00
2.50	2.00
2.75	2.00
3.00	3.00

And so on . . .

This is the billing system that has been in place from the time that the County took over the system administration in the early 1990's.

Alternative System Ownership and/or Operation

Based on the discussion of the high costs for the system under County ownership, the customers asked County staff to investigate the possibility of the City of Healdsburg taking over the operation or absorbing it into their system. Additionally, staff was asked to discuss a "privatizing" of the system through an agreement with the current operator, Russian River Utilities. Staff spoke with the City Manager of Healdsburg, but she indicated very little interest for various reasons. She confirmed what Supervisor McGuire indicated at the meeting that even if the City was interested in taking over the system there would be a fairly lengthy and costly "due diligence" period to evaluate the condition, infrastructure, and the fiscal health of the system. It is doubtful that this option will yield positive results.

However, our discussions with RRU have been very positive. RRU is interested in the potential for privatization of this system and have indicated that they would submit a proposal in August for us to begin an evaluation. Once that is complete, we will share the proposal and the evaluation with you and other customers for consideration at a second community meeting.

Fire hydrants

There was a concern expressed related to the condition of the hydrants in the community because the fire department found that one was not functioning properly. As it turned out, the cause for the faulty hydrant was a valve failure in the system itself. RRU has advised us that the valve has been replaced. County staff met with the Fire Chief, Mark Aston, to discuss hydrant testing. He was able to obtain a one-year agreement with the Healdsburg Fire Department to perform the work and monitor the costs for such efforts. They have indicated that they would absorb the operating costs this year, but would be exploring other options in the future. Forestville Water charges the fire district for hydrant maintenance while the Bodega Bay and Camp Meeker Fire Districts perform the maintenance and testing at no charge to the water systems, so there may be some room for negotiations next year.

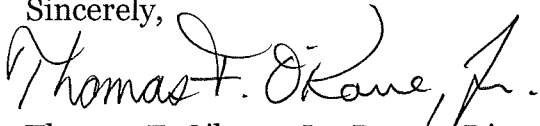
Customer requests

There were three customers at the May 3rd meeting who spoke to staff individually about their water bills being too high. Only one person took us up on the offer to have their service tested for a leak. RRU responded within a few days and found that the customer did indeed have a leak and was notified.

Staff frequently deals with requests for "accommodations" when a customer has a broken line or other unexpected water usage. The policy is to reduce the water charges to the first tier (lowest unit cost) for the first-time there is a broken line and the repair is done in a reasonable amount of time. However, no allowance is granted for similar situations after this first event. From time to time, we also get some unusual requests for accommodations such as the current one where the toilet in a rental property had the tank flapper open for a number of days when no one was present. We intend to decline accommodation in this situation, which is generally the policy of water utilities. These accommodations cost all the customers. However, since this is your system, we would like to get feedback from the customers to see what the general feeling is.

I hope that this information is helpful and is satisfactory in answering or beginning to answer the various questions that arose at the public meeting. Thank you for your participation.

Sincerely,



Thomas F. O'kane, Jr., Deputy Director
Engineering Operations