

Alec Destry

From: "Alec Destry" <xode@netzero.net>
To: "Davis, Bruce" <bdavis@sbccounty.gov>
Sent: Friday, December 08, 2006 9:18 PM
Subject: Water bill questions.

Today, I found out that different geographical locations that are operated by the same San Bernardino County water and sanitation division pay different rates for their water service. In particular, while I pay 3.22 per hundred cubic feet of water used, someone living in Spring Valley in Victorville would only pay 0.50 for that same hundred cubic feet of water used. Why is this? This sounds really fishy to me. Please let me know.

Incidentally, I never did receive a reply back from the assessor regarding my request to add the billed owner name to the delinquent unsecured bills that are listed on my property record. As I stated before, this behavior is sooooo typical of government officials, namely simply ignore anything that they find inconvenient, regardless of how legitimate that thing might be, just because they can. So, could you please get a response from the assessor regarding this?

Alec Destry

From: "Davis, Bruce" <bdavis@sbccounty.gov>
To: "Alec Destry" <xode@netzero.net>
Sent: Tuesday, December 12, 2006 2:25 PM
Subject: RE: Water bill questions.

Good question,

Each water district operated by the county must pay it's own way. The costs of operating the separate districts vary substantially, and so to the charges passed on to the customers. Each district operates with a separate budget so that every community pays it's own costs - no supplements of any costs are available in water districts of the county. Therefore it does not surprise me that there are vast differences of prices between districts. To sum it up, you pay the cost of getting water at your tap. Spring Valley pays theirs.

As to your second issue, perhaps the new assessor will be more attentive to your question, Bill Postmus will be taking the office of Assessor on January 8th. I would suggest that you contact him after that date.

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Alec Detry

From: <xode@netzero.net>
To: <bdavis@sbccounty.gov>
Sent: Tuesday, December 12, 2006 7:58 PM
Subject: RE: Water bill questions.

You still haven't answered my question. Let me be more specific. Considering that Spring Valley pays 0.50 per hundred cubic feet of water used, I now find it impossible to believe that it costs 3.22 to get a hundred cubic feet of water to me, considering that Spring Valley is not very far from me geographically, that their water is pumped up from local wells and delivered to them, just as it is to me, and that they pay the same rates for electricity to pump the water as I do. So, again I ask: why is this? Further, could you please give specific facts this time, instead of the generalities that I already know about (because I have already heard it from you time and again) such as "each district operates with a separate budget so that every community pays it's own costs" and "To sum it up, you pay the cost of getting water at your tap. Spring Valley pays theirs."

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Alec Destry

From: "Beyeler, Jared" <jbeyeler@sdd.sbcounty.gov>
To: <xode@netzero.net>
Cc: "Benitez, Manuel" <mbenitez@sdd.sbcounty.gov>
Sent: Thursday, December 21, 2006 12:32 PM
Attach: Mr.Destry.pdf
Subject: Water Rate Questions: Mr. Destry
Mr. Destry,

Per your phone conversation with Mr. Benitez, a letter is attached with this email answering your questions regarding water rates in Landers as compared to Spring Valley Lake. Should you have further questions or concerns, please contact my office.

Thank you,

Jared Beyeler

Staff Analyst I
County of San Bernardino
Special Districts Department
Water/Sanitation Division
(760) 962-1515 Office
(760) 962-1575 Fax

**In addition to this email, a hard copy will mailed to you.

SPECIAL DISTRICTS DEPARTMENT

COUNTY OF SAN BERNARDINO
PUBLIC AND SUPPORT
SERVICES GROUP



WATER AND SANITATION DIVISION
12402 Industrial Blvd., Building D, Suite 6
Victorville, CA 92395
PO Box 5004 • Victorville, CA 92393
(760) 955-9885 • (800) 554-0565
Fax (760) 955-9685

CRESTLINE SANITATION DISTRICT
24516 Lake Drive
Crestline, CA 92325
PO Box 3395 • Crestline, CA -2325
(909) 338-1751
Fax (909) 338-5306

THOMAS L. SUTTON
Director

MANUEL M. BENITEZ
Deputy Chief

December 20, 2006

Mr. Alec Destry
1330 Alta Avenue
Landers, CA 92285
760-364-4107

Re: Water Rate Questions

Mr. Destry:

I hope the information contained in this letter will help explain the difference in rates between County Service Area (CSA) 70 Improvement Zone W-1 (Landers) and CSA 64 (Spring Valley Lake).

The cost of pumping water is the key driver of rates, and the cost to pump water is affected directly by:

- 1) Electrical costs (how much electricity does it take to pump the water that can then be available for delivery), and
- 2) Water loss (some areas experience higher water loss than others)

Actual unit cost of pumping water in FY 2005/06 was \$158.51 in CSA 70 W-1, and \$45.48 in CSA 64.

In addition to the cost of pumping water, other expenses are incurred by district operations/administration that larger districts are able to take advantage of, such as economy of scale.

To use specific examples, CSA 70 W-1 serves 447 customers (FY 2006/07 Budget) and CSA 64 serves 3,579 customers. The economy of scale concept is shown in the following table:

Description	CSA 70 W-1	CSA 64
Source of Supply	\$246	\$103
Utilities	\$83	\$47
Depreciation	\$147	\$10
Transmission & Distribution	\$304	\$138
Support & Administrative	\$525	\$200

MARK H. UFFER
County Administrative Officer

NORMAN A. KANOLD
Assistant County Administrator
Public and Support
Services Group

Board of Supervisors
BILL POSTMUS First District DENNIS HANSBERGER Third District
PAUL BIANE Second District GARY C. OVITT Fourth District
JOSIE GONZALES Fifth District

Mr. Alec Destry
December 20, 2006
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CSA 70 W-1's depreciation, or plant assets and equipment replacement costs, is significantly higher because their fixed assets are similar in value to CSA 64's. For example:

Plant Assets and Equipment	CSA 70 W-1	CSA 64
Historical	\$2,709,410	\$2,275,343
Un-depreciated	\$1,538,001	\$848,822
Customers/Connections	447	3,759

Also consider spreading replacement burden among 447 users versus 3,759 users (see table above). The result is the huge disparity in depreciation charge shown above.

You also inquired concerning the facilities charge and whether depreciation is included. I have contacted our Budget and Fiscal Division and they have confirmed that depreciation is calculated into the facilities charge.

Should you have further questions regarding your water service, please contact my office at 760-962-1515.

Sincerely,



Manuel M. Benitez, Deputy Chief
County of San Bernardino
Special Districts Department

cc: Thomas L. Sutton, Director
Bruce Davis, 3rd District Chief of Staff