

WESTHAVEN COMMUNITY SERVICES DISTRICT

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WCSD NEWS

MAY 2008

TO: Westhaven CSD Customers

FROM: Westhaven CSD Board of Directors:

Edith Doe - Finance Officer
David Hankin
Pete Nichols - Safety Officer
Greg Smith - President
Bill Verick - Vice President

Westhaven CSD Staff:

Cynthia Anderson - Secretary / Bookkeeper
Richard Swisher - Manager / Operator
Jamie Vincent - Operator

Dear Westhaven Neighbors and Friends,

This newsletter accompanies our Annual Water Quality Report and provides an opportunity for us to share other information about WCSD activities over the past year.

Changes to the Board of Directors and Staff

In August 2007 eight-year Board member Courtney Blake resigned and was replaced by David Hankin. In December Edith Doe filled the seat vacated by the untimely death of Tim McKay in June 2006.

In September 2007 eight-year Secretary/Bookkeeper Annette Leshner resigned and was replaced by Cynthia Anderson.

2008-2009 Operating Budget and Water Rates

The District's operating budget for the upcoming fiscal year is scheduled for public comment at the May 21 Board meeting and final approval in a public hearing at the June 18 Board meeting. The budget is written to provide for the estimated costs of operating the water system, including reserve funds for short-term emergencies as well as long-term water system infrastructure replacement. This next year's budget reflects a slight increase over last year's operating costs and a significant increase in employees' wages. For 2008-2009 the increase in wages will be funded from reserves. See further discussion on the next page.

At the April 16 meeting the Board reviewed a draft budget that included a \$0.99 (1.65%) increase in average monthly water bills and approved the proposed rate structure linked to the budget, as follows:

Base Rate	Increases from	\$37.27 to \$38.13	per month, billed in advance.
Commodity Rates	Range from	\$6.88 per 1,000 gallons to \$9.98	per 1,000 gallons in four steps.
Estimated Average Bill	Increases from	\$59.95 to \$60.94	

Some examples of how bills could increase:

1,000 gallons / month (gpm)	from \$44.11 to \$45.01	6,000 gpm	from \$84.47 to \$85.59
3,000 gpm	from \$58.82 to \$59.80	9,000 gpm	from \$114.23 to \$115.53

The proposed budget will be discussed again at the May 21 meeting, which begins at 7:30 p.m. at the Fire Hall on 6th Ave.

California State law provides water service customers the right to protest water rate increases. If more than 50% of the District's rate payers submit written protest, the increases cannot be implemented. Please plan to attend the June 18 Board meeting and participate in the public hearing. JUNE 18 - WESTHAVEN FIRE HALL - 446 6TH AVENUE - 7:30 PM

EXCELLENT WEBSITES FOR WATER EFFICIENCY

www.H2OUSE.org www.cuwcc.org

WCSD 2009-2010 BUDGET AT A GLANCE

EXPENSES BY CATEGORY	08-09	09-10	Change	% of Total
Waterworks Payroll	37,187	39,203	2,016	21.4%
Management Payroll	29,482	31,019	1,537	16.9%
Debt Service	26,400	26,400	0	14.4%
Clerical Payroll	16,232	17,135	903	9.4%
Capital Reserve	9,230	15,000	5,770	8.2%
Administrative and General	9,795	11,265	1,470	6.2%
Treatment	7,740	8,060	320	4.4%
Office Expense	7,310	7,675	365	4.2%
Insurance (Liability & Workers Comp.)	7,604	6,954	(650)	3.8%
Accounting & Legal	5,950	6,000	50	3.3%
Pumping	4,360	4,550	190	2.5%
Operating Reserve	550	3,000	2,450	1.6%
Distribution	3,865	2,805	(1,060)	1.5%
Meter Reading	1,823	1,925	102	1.1%
Billing	1,845	1,845	0	1.0%
Water Source	280	200	(80)	0.1%
<u>TOTAL EXPENSE</u>	169,653	183,036	13,383	

At the April 16 Board meeting, the Board approved merit increases to WCSD employee wages in addition to the usual annual cost-of-living allowance (COLA). For several months a subcommittee of the Board had been investigating levels of compensation in other small Humboldt County water systems, specifically as compared to WCSD's wages for 20-year employee Swisher and 8-year employee Vincent. Both hold certifications for Water Treatment Grade 3 and Water Distribution Grade 2, as well as having attended many hours of specialized trainings over the years. The subcommittee reported finding local wages ranging from \$22.50 to \$29.56 / hr. for employees with qualifications and responsibilities similar to Swisher's and \$18.50 to \$19.34 / hr. for those similar to Vincent. Wages for positions requiring similar certifications in the more urban areas of California range from \$27 to \$34 / hr. Following the subcommittee's report, the Board concluded that the WCSD needed to raise wages, not only in fairness to our employees, but also in preparation for the inevitable necessity of hiring well qualified people to replace current employees. A decision was made to increase current wages for all three District employees by \$5.00 / hr., effective with the April pay period and then to apply the budgeted 2.3% COLA to the new wages in the 2008-2009 budget. The overall effect raises Swisher's hourly wage from \$16.88 to \$22.38, Vincent's from \$11.96 to \$17.35 and Anderson's from \$12.39 to \$17.79.

Rather than raising the average monthly water bill \$5.95 to fund the wage increases, the Board decided to hold the proposed increase at \$0.99, as shown in the proposed budget before the raises. Instead, for this next fiscal year only, the raises will be funded by decreasing the annual contributions to reserve funds by the \$21,520 needed. However, the reserve fund contributions play a vital role in the District's long-range financial planning and fiscal health, and responsible fiscal management will preclude their reduction beyond the first year. It is inevitable that the costs of safe and reliable water service will continue to increase along with all other living expenses, and small systems like ours will always bear a disproportionate part of the burden. But, would you really want to live anywhere else?