

WESTHAVEN COMMUNITY SERVICES DISTRICT

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WCSD NEWS

APRIL 2010

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TO: Westhaven CSD Customers

FROM: Westhaven CSD Board of Directors:

Greg Smith - President
Bill Verick - Vice President
David Hankin - Finance Officer
Michael Moon - Safety Officer
Steven Phipps

Westhaven CSD Staff:

Richard Swisher - Manager/Operator
Jamie Vincent - Operator
Sarah Jordan - Secretary
Bookkeeper

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 December 2009 Board member Edith Doe resigned and was replaced by Steven Phipps

2010-2011 Operating Budget and Water Rates

The District's operating budget for the upcoming fiscal year is scheduled for public comment at the May 19 Board meeting and final approval in a public hearing at the June 16 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 modest increase in contributions to reserves. See further discussion on the next page.

At the April 21 meeting the Board recommended a draft budget that included \$4.35 (6.5%) increase in average monthly water bills and approved the proposed rate structure linked to the budget, as follows:

Base Rate Increases from **\$41.51** to **\$43.86** per month, billed in advance.

Commodity Rates Range from **\$8.28** to **\$11.99** per 1,000 gallons per month in 4 steps.

Estimated Average Bill Increases from **\$66.78** to **\$71.13**

Some examples of how bills could increase:

1,000 gallons/month from \$49 to \$52 6,000 gpm from \$95 to \$101

3,000 gpm from \$66 to \$70 9,000 gpm from \$128 to \$137

For specific information about your bill and how it could change

call WCSD Manager Richard Swisher at 677-0798

The proposed budget will be discussed again at the May 19 and June 16, 2010 meetings.

Both meetings are scheduled to begin at 7:30 PM at the Fire Hall on 6th Avenue.

California State law provides water service customers the right to protest water rate increases.

If more than 50% of the District's water customers submit a written protest, the increases cannot be implemented.

Please plan to attend the June 17 Board meeting and participate in the public hearing.

JUNE 16, 2010—WESTHAVEN FIRE HALL—446 6TH AVENUE—7:30 PM

WCSD 2010-2011 DRAFT BUDGET AT A GLANCE

EXPENSES BY CATEGORY	09-10	10-11	Change	% of total
\$39,464 - Waterworks Payroll	39,203	39,464	261	19.9%
\$30,769 - Management Payroll	31,019	30,769	(250)	15.5%
\$26,400 - Debt Service	26,400	26,402	2	13.3%
\$17,310 - Capital Reserve	14,615	17,310	2,695	8.7%
\$17,188 - Clerical Payroll	17,135	17,188	53	8.7%
\$11,248 - Employee Benefits	5,700	11,248	5,548	5.7%
\$9,140 - Operating Reserve	6,275	9,140	2,865	4.6%
\$8,385 - Office Expense	7,675	8,385	710	4.2%
\$8,120 - Treatment	8,060	8,120	60	4.1%
\$6,174 - Insurance (Liability & WC)	6,954	6,174	(780)	3.1%
\$6,095 - Administrative and General	5,565	6,095	530	3.1%
\$6,000 - Accounting & Legal	6,000	6,000	0	3.0%
\$4,765 - Pumping	4,550	4,765	215	2.4%

\$3,005 - Distribution	2,805	3,005	200	1.5%
\$1,925 - Meter Reading	1,925	1,925	0	1.0%
\$1,845 - Billing	1,845	1,845	0	0.9%
\$200 - Water Source	200	200	0	0.1%

This next year's operating budget proposes a total increase in expenses of \$12,109. The 2008-2009 budget decreased contributions to reserve funds by \$21,520 to be able to fund wage increases without increasing water rates. Last year's budget took a \$11,110 step toward restoring those contributions to prior levels. This year's proposal increases reserve fund contributions by \$5,560, with the hope of restoring funding in 2011-2012 to the prior levels of \$20,000 to Capital Reserves and \$12,000 to Operating Reserves. The Board is discussing providing retirement benefits for the Manager and Operator, which would increase annual employee benefit costs by an estimated \$4,743 or \$1.73 per customer per month. Employee cost of living adjustments (COLA) have normally been calculated annually and based on information from the US Social Security Administration. This year's Social Security Administration COLA is 0%, therefore no change is proposed in employee wage rates.

With approximately \$126,000 in capital reserves, the District is facing the prospect of long-term infrastructure replacement on several fronts. More than 5 out of a total of nearly 7 miles of water mains are over 40 years old and of inadequate diameter. Bringing this distribution system up to modern standards represents a daunting task for a district of our size.

Last year's newsletter discussed the deterioration of the roof-support structure on our 25-year-old 100,000-gallon treated water storage tank. In April 2009 we submitted a pre-application to the California Department of Public Health requesting \$400,000 in American Recovery and Reinvestment Act (ARRA) funding for the purpose of constructing a new 83,000-gallon tank and replacing the existing tank's roof with an all-aluminum roof. Ours was ranked 907th out of a total of 2,026 projects submitted for ARRA funding. Only projects ranked 1st – 75th were funded. We are now working toward acquiring grant and loan funding for the tank and distribution system upgrades.

This year our focus has shifted to construction of an additional water treatment process to reduce the formation of Disinfection Byproducts (DBPs) in the treated water. We have been aware of the DBP issue for some time and have been searching for affordable means of addressing the problem. One of our projects submitted last spring to the ARRA grant program was an ion exchange filter designed specifically for DBP precursor removal in source water such as ours. The estimated cost of the project was \$400,000, mainly due to the high cost of the proprietary technology involved. This project ranked 337.

On April 15, 2010 we were informed by the California Department of Public Health (CDPH) that we are in violation of the Maximum Contaminant Level standard (MCL) for the DBP Haloacetic Acids (HAAs) in the drinking water.

You will find the official Notice of Violation on the back of this page. This is a Tier 2 violation, less severe than a Tier 1 violation and does not constitute an emergency. Nonetheless, it signifies a problem that we must address.

HAAAs, along with Total Trihalomethanes (TTHMs) are DBPs, which are formed by the reaction of chlorine with organic compounds, also called DBP precursors, and they persist through the water distribution system. The chlorine is added to the water to inactivate disease-causing pathogens that may be present in untreated surface water. Generally speaking, our DBP levels are higher in the winter months due to increased levels of precursors in the source water and longer residence time of the water in the distribution system. These precursors are often grouped for reference as Total Organic Carbons (TOCs). The source of TOCs is the natural forest litter and stream biota, and they are dissolved in the water at higher levels when it is raining. Quoting from the CDPH-mandated language in the notice of violation:

- *Total organic carbon (TOC) has no health effects. However, TOC provides a medium for the formation of disinfection byproducts. These byproducts include Trihalomethanes and Haloacetic acids. Drinking water containing these byproducts may lead to adverse health effects, liver or kidney problems or nervous system effects, and may lead to an increased risk of getting cancer.*

We are required to sample quarterly at a point thought likely to represent the longest residence time in the distribution system. Samples are taken from our Sampling Station #3, which is west of Highway 101 and north of 6th Ave. The MCL for HAAs is 60 parts per billion (ppb) and 80 ppb for Trihalomethanes. Compliance with the MCL is based on the running annual average (RAA) of the quarterly sampling.

We began quarterly sampling in 2006. Since 2006 our running average for TTHMs has always been below the MCL, but the average for HAAs has exceeded the MCL 12 out of 14 times. Our latest result for HAAs, sampled in February, was 410 ppb, which increased our running average from an almost-acceptable 71.6 ppb to an un-ignorable 154.1 ppb. Below is a table summarizing sampling results since August 2006.

<u>DBP</u>	<u>MCL ppb</u>	<u>RANGE ppb</u>	<u>AVG ppb</u>	<u>TOTAL</u>	<u>TOTAL EXC. MCL</u>	<u>RAA EXC. MCL</u>
TTHMs	80.0	10.0 – 140.0	68.1	14	3	0
HAAs	60.0	12.0 – 410.0	108.3	14	12	10

For conditions such as ours, there are two generally accepted approaches to reducing or eliminating DBPs.

One approach is to change from chlorine disinfectant (in our case sodium hypochlorite) to chlorine dioxide or to chloramines (a mixture of chlorine and ammonia). Chlorine dioxide is applied as a compressed gas, and while it tends to produce lower levels of DBPs, it is unstable, hazardous to work with and may produce other DBPs. Disinfection with chloramines has drawbacks as well, including deterioration of both water quality and disinfectant residuals in the distribution system and the possibility of forming other DBPs.

A second and, in our case, more practical approach focuses on reducing TOCs before adding chlorine to the water. This would have the added benefit of reducing the overall amount of chlorine required. One way to reduce TOCs is by using an ion exchange process such as the one we attempted to fund last year. A more common and initially less costly process used for TOC removal is filtration through activated carbon. While the activated carbon process is expected to have operation and

maintenance costs higher than those of the ion exchange process, mainly due to the costs of re-activating the carbon, the initial construction and installation costs of carbon filters would be much less than that of the ion exchange process. We are currently investigating the activated carbon option.

If you are concerned about DBPs in your tap water, you can greatly reduce or eliminate them using a carbon filter of your own at a cost many times less than that of bottled or delivered water. Please call WCSD Manager Richard Swisher at 677-0798 with your questions about DBPs or any other aspect of the WCSD water system.

Some good news is that here in Westhaven we are fortunate to have water sources of fundamentally good quality that are able to provide the basis for excellent drinking water. That being said, the complexities of water treatment requirements along with a steady stream of emerging information about health the effects of ever more obscure contaminants will continue to challenge the operational and financial resources of this very small water system.

Ongoing discussion of these and other problems will continue at the WCSD's regular monthly meetings, usually on the third Wednesday of each month, at 7:30 pm at the Westhaven Firehall at 446 6th Avenue. All meetings are open to the public, and we encourage you to attend.