

# CIRCLE OAKS COUNTY WATER DISTRICT

BOARD OF DIRECTORS

RECEIVED

MAY 28 2004

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Dear Grand Jury Members:

As the new president of the Board of Directors (BOD) of the Circle Oaks County Water District (COCWD), I am writing to respond to the queries put forth in the Napa County Grand Jury 2002 - 2003 Water Report (pages 41 - 65). I want to thank you for the opportunity to respond. First, I want to apologize for the delay in responding, but during the past year at least four Directors, including the president, resigned, leaving much unfinished business. Historically, it has been difficult finding volunteers willing to serve. The BOD has lacked a consistent quorum since mid-2003, and at the March meeting of the Napa County Board of Supervisors a new Director was

appointed to again provide a quorum (3 directors). A subsequent election will be held to attempt to bring the BOD back to five Directors. Responses to specific queries or issues are itemized below.

Page 43, line 9: The COCWD budget used for the report was listed as the 2000-2001 budget. A more current report could have been provided, as the BOD annually puts together and approves a new fiscal budget. Upon request, we would be happy to provide a more recent operating budget.

Page 49, line 5: Shortage of treatment plant capacity was another cause for the moratorium. Additionally, now that the BOD has recently reestablished a working quorum, it has begun reviewing the moratorium issue in order to develop a plan to meet all flow/storage/treatment plant requirements so that the moratorium can be removed or modified as soon as possible.

Page 49, line 10: Compensation paid to the Directors has historically been \$100 per Director per regular meeting (to encourage participation). No compensation is provided for emergency meetings. The operating contract with Phillips and Assoc. actually reduced operating costs when compared to those incurred by employing a full-time general manager.

cc to his  
for web page

Page 49, line 16: At the March 31<sup>st</sup>, 2004 meeting, the BOD reviewed and approved a new budget for the current year which includes allocations for emergency and capital reserve funds. In addition, the BOD reviewed the current single water rate (\$6.50/1000 gal) and determined it may need adjusting. The general manager is currently running the calculations to determine a possible new rate, which may incorporate a multi-tiered rate structure to encourage water conservation.

Page 61, Recommendation 1: The COCWD agrees in concept with the recommendation.

Page 62, Recommendation 2: The COCWD agrees with the recommendation. In fact, the BOD discussed the concept of the conversion of the current single water rate into a multi-tiered rate structure to encourage water conservation (please see above).

Page 63, Recommendation 3: No response was requested.

Page 63, Recommendation 4: The COCWD annually prepares and approves an operating budget, and undergoes an audit at the end of each year. I am unsure as to why inquiries to the COCWD went unanswered, but we would be happy to provide operating budgets and audits for any of the past several years, if needed. Historically, as mentioned in this report, the COCWD has operated at a loss, and has not had funds for emergencies or capital improvements. Several years ago the BOD moved to increase water rates to discontinue operating losses (as stated in the report), but did not factor in funds for emergencies or capital improvements due to intense public pressure to keep rates minimal. As mentioned above, the BOD began addressing the allocation of such funds at their March, 2004, meeting. Since there are currently no capital reserve funds, it has been difficult to upgrade the water system and remove or modify the moratorium. This issue is now being actively revisited by the BOD this spring.

I hope the above information addresses the main concerns of the Grand Jury. I might add that we are in the process of setting up a web site to provide users with up to date information concerning the COCWD. It should be fully functional within a few weeks, and should help to improve communications between the COCWD and the community.

Please do not hesitate to contact me if additional information is desired.

Sincerely yours,



Ronald S. Tjeerdema, PhD, DABT  
President