

William Miller

17395 Oak Road
Atascadero, CA 93422

October 11, 2017

Garden Farms Community Water District
Board of Directors
17005 Walnut Ave
Atascadero, CA 93422

Re: Protest against water rate increase.

Dear Directors:

Please allow me to offer my thanks for your efforts on behalf of the customers of the GFCWD. I know your compensation is minimal in comparison to the time you spend keeping the water flowing.

While I was not surprised that the District had proposed a rate increase, I was a bit taken aback by the magnitude of the increase. We have all faced periodic increases in our utility bills, but a 100% increase is unprecedented. I am wondering what crisis at the Garden Farms Community Water District could precipitate such a huge rate increase.

I feel it is an obligation as a citizen to withhold complaints unless I am willing to learn the background on the issue. I feel it is a right as a customer and constituent to have access to certain information to allow me to participate in that process.

I occasionally look at the agendas for meetings posted at the payment box on Walnut. The plastic holder is cracked and yellowed and located at ankle level, so this is difficult to see. I therefore have turned to the district web-site to look for agendas and meeting notes. I was not surprised to see that after the untimely passing of our loyal secretary, Rob Kimmel, there was a period where the web-site was not updated. I became disappointed when months turned into years and the web-site remained fallow.

The stagnation of the web-site has bothered me for some time, but it became a critical issue when my notice of the 100% increase in rates arrived in the mail. I looked again

to the web-site to see why it could be that this large a rate increase would be necessary but there was again no of information past 2014.

I put together a list of documents I would like to review and submitted it to the district. I included the list in a letter asking the district to postpone the decision based in part on the fact that the information any citizen would need to assess their support or lack thereof of this proposed increase is not readily available.

I received two replies from Marcia Joyce informing me of the following:

1. The web site had been revived.
2. She had attached a copy of the annual budget to the email. There was no attachment.
3. That if I desired any additional information there would be a minimum \$100.00 charge.
4. That Marcia is the safety officer of the district (not sure the relevance).
5. That I would subsequently receive a spreadsheet analysis of the rational for the rate increase (it never arrived).

I looked again at the web site. There are now minutes for most of 2017 but no further back. The minutes purported to be for February of 2107 are actually a duplicate for March of 2017.

I do applaud the district for reviving the web site. I feel it is the best method to keep the public informed. I noticed at one point that Facebook was proposed and agreed to as the only alternative to the district web pages but I disagree with the concept of using any social media platform for official business. I do not have access to Facebook as is also true for many of our neighbors.

I do request that the web site be updated to include minutes back to 2014. These were formerly posted and should again be posted. I also suggest that every item listed on the page: "Information provided upon request" be posted on the site without further request.

I also would like a clarification on if I will be charged \$100.00 for my request for information. The section of the P&P manual that Marcia cited applies to "entities." Am I an entity?

I request that the District prepare a table comparing the rates of nearby water districts with the rates in Garden Farms after the proposed increase might be adopted.

I would also like to suggest that some of the wording in the letter announcing the increase be avoided in the future. The letter calls on customers to provide input to the Board, but then, in the second-to-last paragraph, states that the only way the community can avoid the rate increase is if a majority object in writing. It seems contradictory to ask for input and then declare the decision is final unless a majority of residents put pen to paper against the idea. Why ask for public input if the decision is already made?

In reviewing the available minutes and financial information, I have come up with these conclusions, questions or requests:

1. Could the district please review my requests for information from my original letter and make certain I receive either the information or a written reason it cannot be made available?
2. It is stated in the district letter of 8/14/17 that cell-site lease revenue has been used to defray shortfalls in operating revenue. Later it states that cell-site revenues "provide for capital expenditures." These are contradictory statements. I know from my time on the board that it was an rule, unwritten I believe, that cell-site lease revenue was to be held for capital improvements, but that has been going on for some years now. At what point does the District have enough cash reserves and can unfetter some of these funds to defray costs for water to delivery to customers? I would hope the district has some idea of what the actual condition is of our infrastructure, how soon it is likely to need repair and what those repairs might cost. I know these conditions and costs can only be estimated, but they should be accounted for. Does the district have this kind of long range planning? If so, could it be posted to the web-site or otherwise provided? If not, I suggest the district develop such a long range financial plan prior to raising water rates.
3. I suggest the district hold on raising water rates until the financial audit for the most recent fiscal year be made public.
4. I'd like to see the district analyze and compare the costs of water delivery to surrounding districts as compared to the rate increase proposed.
5. I see no indication that the district has performed either an internal audit of operating costs or any attempts to reduce same. Has this been done? If so, may I see the results? Without introspection and control over costs, they will rise.
6. How much does the district spend on electricity? Has any consideration been made to reduce electrical costs by procuring bids and analyzing ROI on solar electric?
7. I see that the rate increase proposed comes out to \$.040 per cubic foot for base rates and \$.021 for over base rates. This seems backwards. With this structure,

at a certain point, the more water you use, the cheaper it becomes. This does not encourage conservation nor provide baseline allowances for basic needs.

8. Please update the web site with the missing minutes back to 2104.
9. Please update the web-site with all information on the 'Upon request' page. This will benefit customers, agencies, staff and Directors as a handy, accessible repository for useful information.

I am requesting that the Directors postpone the first reading of the rate increase resolution until the following is accomplished

1. The questions posed by all residents be answered as best as possible.
2. The FY2016/2017 financials be released.
3. Some sense is acquired of the costs of future repairs.
4. An internal audit is performed to assure that the district is operating efficiently.

Thank you for your consideration.

Sincerely,



William Miller