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January 26, 2017

CHARLES R. BREHMER, PRESIDING JUDGE KERN COUNTY SUPERIOR COURT 1415 TRUXTUN AVENUE, SUITE 212 BAKERSFIELD, CA 93301

RE: December 5, 2016 Grand Jury Report

Dear Judge Brehmer:

Frazier Park Public Utility District submits the following responses to the Grand Jury Report, dated December 5, 2016 pursuant to Penal Code section 933.05.

FINDINGS:

F1. The source of water for the FPPUD are three wells identified as: Well #4 and Well #6 located at 4001 Park Drive; Well #5 located at the end of Montana Trail; and two active springs known as Pine Canyon and Sam Young. Continuous chlorination is provided to all water produced from these active sources. The well water supply is drawn from aquifers located in a canyon surrounded by mountains. The springs are located uphill from the community, and secured to prevent possible contamination. The FPPUD has 12 water storage tanks (11 currently used) and booster pumps located throughout the community.

RESPONSE: The District agrees with the finding.

F2. The FPPUD has been selling water to LOWMWC for approximately a year, to determine if the FPPUD's system can meet the extra demand. Currently water is being trucked to Lake of the Woods from FPPUD.

RESPONSE: The District disagrees partially with the finding. The FPPUD only sold water to Lake of the Woods Mutual Water Company for approximately five, non-consecutive months. Currently water is trucked as needed.

- **F3.** The FPPUD's "Lower Cuddy Creek Water Demand Study", covering the communities of Frazier Park and Lake of the Woods to create a regional water entity, produced the following information:
 - a. Combined total of 1,704 connections; peak hour demand ranges between 1,050 to 2,800 gpm.
 - b. For estimation purpose, an additional 300 connections could be added if the regional entity were to be created, bringing the total number of connections to 2,004.
 - c. Annual water demand for the regional entity; 561 acre-feet with the additional 300 connections.
 - d. Combined maximum monthly average daily demand; 350-933 gpm.
 - e. Pumping records for the past six years for FPPUD system indicate that the maximum monthly daily pumping demand is 360 gpm. This was met by drawing water from wells, springs, and from storage tanks.
 - f. The FPPUD has 2.1 million gallons of storage and pumps a maximum of 16.06 million gallons in a given month.
 - g. Consulting civil engineers completed a study to form a regional water entity. This would include new pipelines to Lake of the Woods, additional storage tanks, and booster pumps, at a projected cost of \$16 million.

RESPONSE: The District agrees with the finding, based on information provided by Dee Jaspar & Associates.

F4. Before the annexation process is completed, FPPUD will have to complete a new rate study.

RESPONSE: The District agrees with the finding.

F5. The FPPUD is working to develop a Sustainable Groundwater Management Authority (SGMA) and the Financial Assistance Application Submittal Tool (FAAST) Planning Grant Application; a Memorandum of Understanding (MOU) with all parties involved will have to be completed.

RESPONSE: The District agrees with the finding.

- **F6.** In the July 2016 Monthly Manager's Report:
 - a. Water pumped 10,384,200 gallons.
 - b. Water sold 6,454,394 gallons.
 - c. With a lag (water loss) 33.43%.
 - d. In June 2015 the lag 20.34%.
 - e. Six year average lag (2009-2014) approximately 20%.

RESPONSE: The District agrees with the finding.

F7. According to the consulting civil engineer, the difference between water pumped versus water sold is likely a combination of losses due to pipe breaks and metering inconsistencies. Other factors, as stated by the GM, are not accurately measuring water in the storage tanks and the variable nature of the two springs feeding into the water system.

RESPONSE: The District agrees with the finding.

- **F8.** Monthly bills from FPPUD may be difficult to read and understand by the water users:
 - Meters are usually read monthly and are recorded to the nearest hundred cubic feet (CCF).
 - b. Bills are calculated and charged in gallons of water used.
 - c. Users must convert from CCF to gallons (one CCF is equal to 748 gallons) to understand their bills.
 - d. The computer will estimate water usage when the meter cannot be read.

RESPONSE: The District agrees with the finding.

F9. The FPPUD's website is unable to accept online payments.

RESPONSE: The District agrees with the finding.

F10. The FPPUD's website is not kept up-to-date with current board agendas and approved minutes.

RESPONSE: The District disagrees partially with the finding. Generally, it was kept up to date, but due to technical malfunctions, it was incorrect on a few occasions.

F11. About two years ago, the FPPUD discovered an illegal tap was used to steal water from a main water line fed by one of the springs.

RESPONSE: The District agrees with the finding.

F12. The FPPUD is using district staff to complete the process of adding Well #6 to the water system (See Appendix A).

RESPONSE: The District agrees with the finding.

- **F13.** The FPPUD board voted to increase water rates after the Rural Community Assistance Corporation completed and presented a rate study at the September 2016 board meeting:
 - a. New base rate for ¾ inch service meter \$55 a month.
 - b. New usage fee \$2.60 per 1000 gallons.
 - c. The rate study will allow FPPUD to seek State funding \$16-20 million.
 - d. The rate study was funded by the State of California.
 - e. Under Proposition 218, rate increase hearings are scheduled.

RESPONSE: The District agrees with the finding. Please see attached Rate Study.

F14. The Committee visited the October 20, 2016, FPPUD Board Meeting and observed the following: no salute to the flag, the meeting ran according to Robert's Rules of Order, and District Policy. Agenda item #3, Public Comments, lasted over one hour due to discussion about the pond and other topics (See Appendix F, as an example).

RESPONSE: The District disagrees partially with the finding. The committee visited the Board Meeting on October 13, 2016.

F15. The FPPUD board is working on updating the District Bylaws and Regulations, as well as the Board Member Conduct Policy.

RESPONSE: The District agrees with the finding.

F16. All FPPUD board members have completed the required Ralph M. Brown Act and other leadership training.

RESPONSE: The District agrees with the finding.

F17. The FPPUD Board will be appointing a new member to fill the vacant seat on the Board of Directors.

RESPONSE: The District agrees with the finding.

F18. The consulting civil engineer stated that the pond in Frazier Park had several years of low water in the late 1970s and early 1980s due to drought conditions. Today the spring that feeds the pond is almost dry, therefore water inflow is less than outflow and evaporation. Well #4 and Well #6, which are located closest to the pond, draw water from an aquifer that is located about 250 feet deep and has been stable for years. The pond is fed by a spring. A solution to the dry pond is to line the bottom of the pond to stop percolation and limit the outflow (See Appendixes C, D, and E).

RESPONSE: The District partially disagrees with the finding. The FPPUD is not responsible for the pond; It is under the jurisdiction of Kern County Parks and Recreations. The District cannot comment on a solution.

RECOMMENDATIONS:

- **R1.** The Frazier Park Public Utility District should upgrade their website to provide for online payments. (Finding 9)
 - **RESPONSE:** The recommendation will be implemented. The District has purchased a website, and hopes to implement online payments by the end of 2017.
- **R2.** The FPPUD should keep the website updated with current board meeting agendas and minutes. (Finding 10)
 - **RESPONSE:** The recommendation has been implemented. The District has purchased a new website which enables the Clerk of the Board to upload Agendas and Minutes in a timely manner.
- **R3.** The FPPUD should make the water bills user friendly. The meter readings and billing information should be consistent, either gallons or cubic feet, but not both. (Finding 8)
 - **RESPONSE:** The recommendation has been implemented effective February 2017. Meters will be read in cubic feet, and billed per 100 cubic feet.
- **R4.** The FPPUD should better inform the public of all district activities. The use of the local newspaper, sending quarterly newsletters, website, and posting meeting agendas around the community (post office, library, etc.) would keep the community better informed. (Findings 2, 5, 10, 13, and 14)
 - **RESPONSE:** The recommendation has been implemented. The FPPUD already posts in the required locations. In 2017 we agree to explore additional locations. The new website will allow posting of additional information.
- **R5.** The FPPUD should complete the feasibility study concerning the annexation of Lake of the Woods and the formation of a regional water system. The final decision must be made by a majority of affected eligible voters. (Findings 3 and 4)

RESPONSE: The recommendation has been implemented. District Engineer Dee Jaspar conducted a groundwater availability study, and published it on August 27, 2015. The residents of Frazier Park were polled and results counted at the Board Meeting on April 28, 2016. The result was 334 votes in favor of annexation, and 122 votes against. Based on the opinion of the majority of the responders, the Board voted to move forward with the process of annexation. The final decision was already made by the Lake of the Woods public shareholders, with a vote of 10,050 shares for annexation, and 1,500 shares against. During the LAFCo process residents of Lake of the Woods will be given a period to submit comments.

R6. The FPPUD should place and enforce a time limit on public comments during regular board meetings (See Appendix F, as an example). (Finding 14)

RESPONSE: The recommendation has been implemented. The Board already had a public comment time period established, limiting comments to five minutes. A timer has been purchased so the time limit can be more strictly enforced.

R7. To address community concerns, the FPPUD should consult and work cooperatively with the Kern County Parks and Recreation Department, to research and develop solutions to the pond issue. (Findings 1 and 18)

RESPONSE: The recommendation has been implemented. The District is not responsible for the pond, however, the FPPUD has been working with Kern County Parks and Recreations, and will continue to do so. Anything the County asks of the District can be brought before the Board for a vote.

Respectfully,

Brahma Neyman

FPPUD Board President

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CC: FOREPERSON

KERN COUNTY GRAND JURY

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