



Customers affected in Santa Maria, Orcutt, Sisquoc, Nipomo and some surrounding areas

Golden State to hike water rates 9.9 pct.

By Brian Bullock / Staff Writer / bbullock@santamariatimes.com | Posted: Monday, January 24, 2011 12:00 am

The cost of watering a lawn, washing a car or taking a shower will be going up for Golden State Water Company customers in the Santa Maria Valley and Nipomo, but not as much as expected.

In a decision handed down by the California Public Utilities Commission last month, water rates in Orcutt, Lake Marie Estates, Tanglewood, Sisquoc and Nipomo will increase by 9.9 percent over the next two years.

If that seems steep, Don Ward, water committee chairman of the Orcutt Area Advisory Committee, said it could've been much worse.

"We had hundreds of people who came to the meetings and we had some speakers set up, and I think it bore results. We did better than other service areas in the area," said Wall, who has been keeping an eye on water rates for his Orcutt neighbors since 1992.

A year ago, Golden State Water Company applied to the PUC to increase rates for its northern Santa Barbara and southern San Luis Obispo county customers by 25.3 percent in 2011 and 2.7 percent in 2012.

Golden State Water said the 28.1 percent increase proposal was developed by combining a rate increase with operation, maintenance and expansion expenses.

"What we do is develop a rate-based system to pay off all of these projects. That's how that rate was developed," said Ken Petersen, general manager of the Santa Maria service area.

Golden State Water's application claimed the increases were necessary to cover approximately \$10 million in improvements it has made in the Santa Maria service area between 2000 and 2008. It also planned \$14 million in maintenance and improvements over a three-year period between 2010 and 2012.

The PUC decision allows Golden State Water to upgrade its wells and delivery system, adding new wells in Sisquoc, Lake Marie and Tanglewood, and replacing some pipes.

The company can then recoup "actual constructed costs" once the wells and pipes are put into service. That means rates can go up during the duration of the two-year contract as the new wells and pipelines come online.

The proposed rates would have increased the bill for a residential customer with a five-eighths-inch meter using 15,708 gallons of water by around \$11.55 per month in 2011 and an additional \$1.56 per month in 2012. Golden State Water noted that the increase would come out to less than a penny per gallon.

Instead, after a year-long process that included two public meetings in Santa Maria, the PUC decided on the 9.9 percent increase over two years, a bargain compared to rate hikes in other service areas.

Rates in Bay Point, a suburb of Pittsburg, Calif., will spike 36.1 percent over the two-year period. Ojai's rates will go up 26.2 percent and Los Osos' rates will increase 26.1 percent.

"What we did was basically say, "Hey, raising rates 28 percent in this economy is crazy,"" Wall said.

The 9.9 percent increase over two years equals an increase of \$3.33 a month for the average family, according to John Dewey, community education manager for Golden State Water.

The Santa Maria service area has more than 13,200 customers in Santa Maria, Orcutt, Sisquoc, Nipomo and some surrounding areas.