

Local water officials call for reforms at state agency

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Local water officials are calling for changes in the way the California Department of Water Resources is run following a massive billing error that could cost Central Coast water agencies more than \$9 million next year.

The Central Coast Water Authority, comprising eight member agencies in Santa Barbara County, could be on the hook for as much as \$9.4 million in addition to the money they had already budgeted to pay DWR in fiscal year 2015.

"The failure of DWR to properly set up its expenses for the upcoming year is outrageous," Bill Rosen, president of the Goleta Water District board of directors, said at Thursday's meeting of the Central Coast Water Authority. "It puts everyone in a terrible bind."

"Our board was incredibly upset," said Richard Shaikewitz, who represents the Montecito Water District on the Central Coast Water Authority board. "We're planning for the worst case, and trying to reserve what we can."

Ray Stokes, executive director of the Central Coast Water Authority, said he is working closely with the Department of Water Resources to minimize the impacts of the mistake on local agencies, including using bond funding to cover the costs, or spreading out the charges over a longer period of time.

Meanwhile, he is pushing for reorganization of the Department of Water Resources.

"I'd like to see increased and enhanced financial reporting, not only for DWR personnel, but for state water contractors, so that we can see if they are going over what was anticipated in the budget," he said.

Mr. Stokes also called for appointment of a chief financial officer and more oversight for the Department of Water Resources.

The Central Coast Water Authority contracts to buy water from the State Water Project, and contractors statewide support the Department of Water Resources.

Mark Cowin, director of the Department of Water Resources, says the agency underestimated its operating costs for fiscal years 2013 and 2014 by about \$125 million and under-billed the contractors.

Unanticipated maintenance, elimination of state furloughs, salary increases and hiring to fill vacant positions were among the reasons for the miscalculation, Mr. Cowin says.

The Department of Water Resource informed contractors last month that it would tack the additional cost onto their 2015 bills. The amount will be divided among Central Coast Water Authority's member agencies based on their water allocation for the year.

The additional charges come as the agencies have responded to the drought by spending extra money to import supplemental water.

The added costs could be devastating to a small district like Carpinteria Valley Water District, representative June VanWingerden said Thursday.

"We're encouraging people to use less water," she said. "When you use less water, you have less water sales, so you have less income."

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