



15 Months after NOR Water Board Members are Elected – It's Time to Integrate Water Service



All Customers of NORMWD will see a Rate Reduction – Oildale Mutual Ready to Move Forward – Waiting on NORMWD to Act and Save Millions

The conflict between Oildale Mutual Water Company (“Oildale”) and North of the River Municipal Water District (“NOR”) has been well-documented. The voters in Oildale did get involved and in November 2012 overwhelmingly elected three new members to the NOR Board of Directors – by better than 2-1 margins! The new directors promised an end to wasteful spending, costly litigation and duplication of services.

So what has happened? Well, good news so far. After many months of study, analysis and independent consultant review, the Boards of both North of the River Municipal Water District and Oildale Mutual Water Company have both voted to proceed with integrating retail water service in Oildale under one cost-effective, experienced and efficient water company. Oildale Mutual is ready to integrate operations and anxiously awaits NOR's Board moving forward on saving customers over \$70,000 per month.

On March 4th, a public meeting was held by board members and management from both entities in order to field comments and

answer questions related to the integration. Now it is time to act, NOR customers should be benefiting from streamlined services and lower water bills – like those enjoyed by Oildale Mutual customers!

“Good news on the decision to combine retail water service; however, failure to complete the integration is costing customers \$70,000 PER MONTH!”

– Bill Purkiser, OMWC President

A quick reminder: The most recent litigation in the long-running dispute between the two water entities was terminated by mutual agreement with the signing of a tolling agreement in 2012 – after the election – and stipulated that the two parties agree to meet at least monthly during the term of the tolling agreement to

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engage in good faith settlement negotiations.

In pursuit of that goal, each entity appointed two members of their respective boards to serve on ad hoc committees charged with considering, negotiating, and recommending the most effective, cost-saving options for future operations. Early in the process, Kern Citizens for Sustainable Government (KCSFG) offered to serve as a facilitator with respect to these discussions. Meetings continue to occur with the ad hoc committees and independent consultants on at least a monthly basis. These consultants have fully investigated the legal, financial and practical considerations of integration of retail water service in Oildale.

The report of the independent consultants has been released to the public. **The study shows that following integration of retail water services, over the next five years, savings would total at least \$4.25 million dollars – that's \$850,000 per year or \$71,000 per month!**

Immediate savings will be muted somewhat by integration expenses including the absorption of unusual and expensive contracts awarded to two NOR employees which require them to be compensated for eighteen months beyond their employment in addition to full health and retirement benefits totaling nearly half a million dollars – just to these two individuals.

However, real savings will be realized with the integration in the future by eliminating duplicative services, equipment and employees and foregoing hundreds of thousands of dollars in

legal bills. All NOR retail customers will be charged according to OMWC rates. This will result in savings of 1-10% for residential and considerably more savings for non-residential customers. In addition, Oildale Mutual Water Company's expenses will decrease \$750,000 over the next five years!

Oildale Mutual Water Company, a private company which has been in business since 1919, helped form NOR Municipal Water District, a public agency, in 1969 in order to procure state water project water for the Oildale community. NOR was formed to provide a *wholesale* water supply and served this function well until entering into a small *retail* water business right in the middle of Oildale Mutual's service territory.

Legal costs and conflicts have ensued for several decades with voters finally upending the NOR Board of Directors in the November 2012 election, in favor of candidates promising reforms, efficiency and elimination of wasteful spending.

Oildale board president Bill Purkiser was extremely pleased with the consultants' findings and is ready to move forward with saving customers money. "This consolidation will stabilize expenses, create a productive working relationship with our water wholesaler, NOR and **ultimately save the customers money.** We are pleased that our elected leaders decided to act in the best interests of **all** the citizens in Oildale, but we hope that the Directors of NOR Municipal Water District will act quickly on the integration, as delays are costing the people of Oildale a lot of money."

7th Standard Water Consolidation Nearly Completed!



For years California has encouraged larger water purveyors like Oildale Mutual to consolidate with smaller water companies in order to provide more reliable, efficient and cost effective water supply. In response, Oildale Mutual recently absorbed the operations of 7th Standard Mutual. The consolidation of companies like 7th Standard Mutual and Oildale Mutual will

result in greater efficiency, better service and higher quality water. Oildale Mutual is pleased to partner with 7th Standard Mutual and has welcomed these new customers to the family of shareholders as construction has moved forward at a brisk pace, and is nearly completed!

The Worst Drought in Decades – Time to Seriously Conserve Water!

As most of our customers know, Governor Brown has declared a statewide drought emergency and is asking all Californians to reduce their water use by 20 percent. Our state is experiencing a severe drought and will have a very difficult time meeting the water demand this year.

In fact, last year (2013) was the driest year in recorded history for many areas of California, and forecasts predict an equally dismal dry spell for 2014. Water conservation is always important in our state and local community, but this year more than ever, we cannot afford to waste any water.

Oildale Mutual General Manager Doug Nunneley encourages our customers to re-think their water usage, “When using water please keep in mind - use only what you truly need and no more than that. Every drop of

water really is precious, this year especially.”

Please visit www.saveourh2o.org for tips on cutting water use both indoors and out. We thank all of our customers for their commitment to water conservation during this drought.



Water Conservation Tips to Use NOW!

- Keep a pitcher of water in the refrigerator instead of running the tap till the water's cold.
- After exercise, use the remaining water in your water bottle to water your plants or pour it in the dog's bowl.
- Rinse fruits and vegetables in a bowl then pour the water on your lawn or plants.
- Run your clothes washer and dishwasher only when full.
- Fix leaky toilets. Put food coloring in your toilet tank. If it seeps into the toilet bowl without flushing, you have a leak.
- Upgrade older toilets with water-efficient models.
- Put a bucket in the shower and use the water you collect to flush toilets or water your lawn and plants.
- Use an efficient, water conserving shower head.
- Use a commercial car wash that recycles water.
- If you use pesticides or fertilizer on your lawn, research non-toxic, eco-friendly alternatives.



*Water tips courtesy of wateruseitwisely and other sources.

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