

LIVE OAK SPRINGS WATER COMPANY NEWSLETTER

February 2013

Improved Infrastructure from Bulk Water Sales

Live Oak Springs Water Company is pleased to announce that it will once again be selling trucked bulk water for construction.

“Why is this good news?” you may ask. Resources to operate and improve the water company are very limited. Live Oak Springs Water Company has less than 100 customers. All revenues are generated from the sale of water to its customers. We have an ample supply of water available for the additional sale of bulk water to construction projects. When this happens, funds become available for repairs and improvements. The need for a rate increase is minimized.

After bulk water was sold for the new Border Patrol Station in August and September, 2011, \$40,000 in upgrades, improvements and repairs were made to the water company. New fire hydrants and pumping stations increased our fire suppression capability. This was critical during the “Old Fire” last June.

CalFire has since upgraded its computerized information, including new fire fighting resources at Live Oak Springs. It has published a Community Defense Plan for Live Oak Springs, which is available on our website:
<http://www.liveoaksprings.com/images/CommunityDefensePlan.pdf>

Although Live Oak Springs Water Company was entitled to apply for a 30% rate increase in 2012, we did not, because we earned additional money from selling the bulk water.

We are working with a professional hydrogeologist to determine exactly how much excess water is available to sell. The Draft Source Capacity Study is available online:
<http://liveoaksprings.com/loswatercompany/sourcecapacitystudy.html>

Our first commitment is to provide a reliable supply of safe drinking water to our customers and keep an adequate supply on hand for fire suppression.



Two storage tanks in RV Park

Water Storage Tanks for Bulk Water Sales

We have installed three-12 thousand gallon water tanks for the sale of construction water for the new SDG&E substation in Jacumba.

Two of the tanks are located in the Recreational Vehicle Park. They are connected to Well Number One. This well is off-line and does not supply potable water (for drinking) to our residential customers. It is strictly used for construction or irrigation and does not distribute water through the potable water supply system. Sale of this water does not affect residential water supply.

The third tank is installed by the pond. This is excess surface water and does not affect the residential water supply.



One storage tank by the pond

History of Improvements

Since the Najor family bought the resort and the water company in 1982, ongoing repairs and improvements have been made to the water company. Live Oak Springs Water Company started its operation in the 1920's and required many upgrades.

Over the years, without ample revenues from the customer base, the Najors invested over \$300,000 in personal funds to keep the water company viable. While losing money, they continued to maintain, reliable, safe drinking water to their customers.

After many years of subsidizing the water company, without requesting a rate increase, the rates were ultimately raised to keep up with the cost of running the water company.

Construction projects in the area provide an opportunity for the water company to continue improving and thrive.

The sale of excess water for construction, when done properly, allows the water company to make needed repairs and improvements without additional rate increases to its customers. Without the sale of bulk water, an estimated 30% rate increase will be necessary to meet the high costs of running the water company.



Outstanding Water Quality

Our water quality is tested monthly by Clinical Laboratories of San Bernardino. We have had good clean potable water without any contamination since 2007. Testing indicates a high quality of drinking water.

The system is chlorinated, as required by the County of San Diego Environmental Health Department. We keep the chlorine at minimal levels, to ensure the water's safety, without compromising the health of our customers.

New Pumping Station

Plans for the installation of a new pumping station will be one of the first improvements added as funds become available. This will be especially good news for customers at the top of the hill, no longer depending exclusively on the fluctuations of a gravity-fed system.

Q & A

The questions below are actual questions recently submitted by water company customers.

Question: Is a generator connected? How fast will it turn on during a power outage?

Answer: There are no generators connected. We have a portable generator which we can use during an emergency. Storage tanks supply water during power outages for up to 2 days.

Question: Who owns the roads if the bank takes over the Live Oak Springs Resort property?

Answer: Paved roads are owned and maintained by the County of San Diego. The unpaved, neighborhood roads are owned by the neighborhood and maintained by the neighborhood.

Question: Pressure on the hill is bad lately.

Answer: The first new system to be added when funds are available will be a new pumping station. We hope to have enough bulk water sales to start this by the end of the year.

Question: Please keep the water customers informed.

Answer: Hopefully this newsletter will begin to answer your questions and open the dialogue between customers and management.

Question: Is it possible to lower rates if the water company gets a contract to sell bulk water?

Answer: We do not anticipate lower rates. However a water contract will produce enough revenue to prevent an otherwise necessary 30% increase in rates.



Send Us Your Comments

We are very interested in your comments and are committed to answering your questions.

Please call Nazar Najor at 619-889-8666 or email, nazar@liveoakssprings.com.