

Press Release

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FPUD looks at sharing costs with other water agencies

FALLBROOK – How many times have we split an order of fries to save a couple of bucks? Or borrowed a pen because we don't have one sitting around?

To save ratepayers some money, the Fallbrook Public Utility District is looking at sharing operational costs with three other North County water agencies.

On Monday, by a 4 to 1 vote with Director Archie McPhee voting no, the FPUD board of directors directed general manager Keith Lewinger to continue to investigate ways the four agencies could share costs.

The four agencies: Valley Center Municipal Water District, Yuima Municipal Water District, Rainbow Municipal Water District and FPUD, have identified several areas where they could potentially combine resources.

Those areas could include things like sharing expensive equipment each district only uses once in a while, or purchasing that equipment together. They could also include administration of certain jobs where one agency has a full-time qualified employee and the other agency doesn't, such as human resources personnel, an IT administration staff, or traffic control staff.

Other possibilities include sharing vehicles, vehicle repair, lab equipment, or qualified staff for testing to see if customers' water meters are working properly, leak detection in other areas, or checking that backflow prevention systems are working safely.

Having four agencies working together could also benefit the group when applying for collective grants, searching for builders or contractors, or specialized expertise and consultation for complicated projects.

The agencies have been motivated to investigate the cost-sharing idea because each has been impacted by rising costs of water, coupled with declining water sales. Also, due to the poor economy, each agency has taken significant steps to cut costs, such as postponing new building projects, not hiring new employees as existing ones either quit or retire, and squeezing and cutting budgets in as many areas as possible.

“Our board agreed this is a great way to save dollars when each of us is stretched pretty thin,” said general manager Keith Lewinger. “But we all realize there’s a limit to how far internal cost-cutting can go. We can’t impair our ability to operate safely and effectively.”

The three other agencies have talked with each of their boards and have also received favorable responses to move forward with the discussions.

Eventually, the concept could expand to the four agencies’ forming what’s called a “services joint powers authority.” The new formation would provide a structural umbrella.

Under this umbrella, the joint authority could either coordinate services between the agencies wanting to share a particular service. Or the joint authority could actually provide the service directly, if that proved to be beneficial from a cost standpoint.