

Bay Point water bill increases heading to court

By Sean Maher Contra Costa Times San Jose Mercury News

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The ongoing battle between many Bay Point residents and the water company that serves them will make its way into a courtroom in a few weeks.

Bay Point, home to more than 21,000 people and about 4,800 water customers, has a struggling population facing devastated housing prices, with about a third of its residents living below the poverty line. It's also among the few communities in the Bay Area served by a private water utility -- Golden State Water.

That company's executives are asking state officials to approve a rate hike for Bay Point and a handful of other communities across the state. They argue that maintaining the aging infrastructure and making capital improvements to give customers better service is expensive and necessary, and they are legally allowed to pass some of that cost on to their customers.

In Bay Point, Golden State is asking to raise rates about 14 percent between 2013 and 2015.

The average bill for a Bay Point resident would increase from \$60.91 to \$68.61 next year and \$70.81 in 2015, according to the application.

The case is in the hands of Administrative Law Judge Richard Smith, who works for the state Public Utilities Commission and who for several months has been traveling across the state, visiting communities where the increases are proposed to gather evidence and hear local opinions on the issue.

That will culminate in a series of hearings beginning April 30 and going through May 11. No local residents or groups have registered as parties to the case, but testifying on their behalf will be the state's Division of Ratepayer Advocates and The Utility Reform Network, or TURN, a California utility watchdog group.

TURN has argued that Golden State is making more money than ever and has no need for higher rates. According to TURN's website, "Golden State parent company American States Water recently announced \$15.6 million in profits for the quarter ending in September, compared with \$6.7 million in the same quarter in 2010."

On the other side of the argument, Golden State's local district manager, Paul Schubert, said the water system is aging and repairing or replacing it is a vital, pressing expense.

"Part of the balance here is capital investment: At what level do we need to replace infrastructure?" he said. "Can you delay that? Yes, but then you're just kicking the can down the road."

Meanwhile, Bay Point neighborhood organizer Val Mojica is trying to rally residents to send letters to the PUC demanding the rates be kept the same or even reduced.

In a form letter he's circulating, hoping residents will copy-and-paste it in emails to the PUC, Mojica writes: "Water rates in Bay Point are twice what other, more well-to-do cities in Contra Costa County pay for water. The rates for water in Bay Point are already high and any increase would result in great sacrifice for the people of this city."

The decision Smith will have to make is specific, he emphasized: He can only decide whether he thinks the expenditures Golden State wants to make are reasonable. When he reaches that decision, he'll write a recommendation to the commission itself, which will have the final say.

The commission is still accepting public comments, which may be sent by email to public.advisor@cpuc.ca.gov or by mail to the Public Advisor's Office, 505 Van Ness Ave., San Francisco, CA 94102.

Contact Sean Maher at 925-779-7189. Follow him at [Twitter.com/OneSeanMaher](https://twitter.com/OneSeanMaher).
