

Jessica,

On September 15, 2014 the City of Weed was damaged by the Boles Wildfire. It destroyed 143 homes, 2 churches, the library, the community center, and office buildings. The City lost 150 of our 1,000 customers for water, wastewater, and solid waste service. This has resulted in a significant reduction in our water usage and a similar significant reduction in our revenue. Yet while revenue may be down, expenses are not. We still retain a wastewater treatment plant that costs the same to operate today as it did on September 14th. We still have the same linear feet of water main and sewer main installed as before requiring the same effort and expense to properly maintain these lines. In fact, we now have expenses we did not have before. For example, the fire was so intense that it bubbled the asphalt in our roadways. Then we drove fire trucks over the bubbling asphalt. This cracked or otherwise damaged the roadways. We have done a pavement analysis and know that we are faced with more than \$800,000 in roadway repairs. We have received from the State of California a California Disaster Assistance Grant to pay for 75% of this cost, but the City must provide a 25% match. In calculating all of the matches for infrastructure restoration the City estimates its cost to exceed \$700,000, or 10% of its entire general fund budget in each of the next two years. Additionally, we are seeing a reduction in property tax and anticipate both a reduction in sales tax revenue (from a reduced population) and lower funding from the state for roadways (distributed on a per capita basis).

We have some years ago established a rate structure that encourages conservation by increasing the rate as consumption increases. We have also adopted the 2013 California Building Code which requires the installation of low-flow and other conservation devices in all new construction and all remodels.

If we are mandated to reduce consumption by yet another 25% over and above the reductions we have seen do to the loss of customers, the impact will be devastating to our community.

As a small community, nearly 80% of our budget is personnel. To handle the loss of revenue we will have to reduce from 28 FTE to 26 FTE, and those estimates assume that we can find within reserves or with short term lending the ability to cover the additional capital expenditures. An added 25% reduction in revenue would result in our having to terminate additional personnel.

Enterprise revenue was, prior to the fire, approximately 40% of all of our revenues from every source. A 25% reduction on top of the loss revenue from the fire, could easily result in an overall reduction within one year of 20% of the City's revenue and require a reduction in staffing of 9-10 individuals rather than 2.

Some consideration of the individual situation of various communities across a very broad spectrum. Those of us who have made significant strides in conservation are not starting from the same position as those who have not. And a few of us need to be viewed in light of the reductions which we have implemented, either voluntarily or involuntarily, over the last four years of drought.

Ron Stock
City Administrator

City of Weed, CA