

FRAZIER PARK PUBLIC UTILITY DISTRICT and LAKE OF THE WOODS MUTUAL WATER COMPANY

To Merge or not to Merge



Logos of Frazier Park Public Utility District and Lake of the Woods Mutual Water Company
Taken from www.frazierparkpudca.gov and www.lakeofthewoodswater.com

SUMMARY:

The Frazier Park Public Utility District (District) supplies water to about 2,834 residents with approximately 1,300 water connections in the community of Frazier Park. The District uses two springs, four wells, and 11 water tanks. The five-member Board of Directors ensures that this utility provides fair, equitable, and timely service to the residents and plans constructively to meet the residents' needs for tomorrow. The District has overcome past challenges of water integrity.

The District has a neighboring utility, Lake of the Woods Mutual Water Company (LOW). Lake of the Woods has relied on the District for water in the past.

The District and the LOW are in the process of completing a multi-year merger. The Frazier Park Public Utility District has more debt per water connection than Lake of the Woods. This needs to be addressed during merger proceedings.

PURPOSE OF INQUIRY:

The last review of the District was completed by the 2021-2022 Kern County Grand Jury. The 2025-2026 Kern County Grand Jury (Grand Jury) decided to review the District to see at what stage the annexing and consolidation with the LOW was at in the merging process. The LOW is a mutual¹ water company; thus, it has never been reviewed by the Grand Jury. The annexing process was started in 2014, at the request of the California State Water Resources Control Board.

¹ A mutual water company is privately owned by the subscribers.

METHODOLOGY:

The Grand Jury made two separate trips to Frazier Park to interview staff of the Frazier Park Utility District and the Lake of the Woods Mutual Water Company. The Grand Jury also drove by a few of the water wells of both utilities that are currently in service to get an idea of the geographics involved.

DISCUSSION OF FACTS:

- A. The District has 1,303 water connections serving approximately 2,700 people.
- B. The LOW has 401 water connections serving approximately 900 people.
- C. The District is currently undergoing a water rate and fee adjustment as per Proposition 218.
- D. Proposition 218 restricts local government's ability to impose taxes, assessments, and property related fees. The final proposal will be considered by the Frazier Park Utility Board of Directors at a public hearing currently scheduled for Saturday, May 23, 2026.²
- E. A previous attempt was made in 2023 to replace well #5 which is failing with well #7. Well #7 was drilled but failed due to poor water quality and low yield.
- F. The District is pursuing eminent domain to drill another new water well, well #8. This is intended to replace well #5.
- G. The new well is critical for domestic water use and firefighting capability.
- H. Nitrates in the water have been a problem in the past with Lake of the Woods Mutual Water Company.
- I. Merger talks were started because LOW runs out of water during periods of drought. During lean water years, water must be trucked in for the residents.
- J. The District is actively seeking grants to offset the merger cost.

FINDINGS:

- F1. A state grant of \$1,014,892 has been received to merge the two systems. This requires some laying of pipe and a few connections.
- F2. In the proposal for the merger, it is written that the LOW customers will not bear any of the District's debt.

² Location of hearing will be at the Frazier Park Recreation Building, 3801 Park Drive, Frazier Park, CA.

- F3. The District is using eminent domain to obtain the site for well #8.
- F4. The Eminent Domain process was started on January 8, 2024. A Prejudgment Possession was obtained on January 22, 2024; trial is set for April 12, 2027.
- F5. The Nitrate issue has been mitigated by the LOW through mixing lower Nitrate wells with higher Nitrate wells, to bring the levels to government standards.
- F6. Routine monthly expenditures under \$3,000 require two board member signatures; three Board members' signatures are required on checks over \$3,000.

RECOMMENDATIONS:

The 2025-2026 Kern County Grand Jury recommends:

- R1. The District and the LOW continue to participate in the merger talks. (Finding F1)
- R2. The LOW customers should not be liable for any pre-merger debts incurred by the District. (Finding F2)
- R3. The District should make every effort to obtain an easement or complete the eminent domain process before April 12, 2027. (Finding F3)
- R4. Two or three board member signatures required for routine monthly expenditures is excessive and micro-management. The board should revisit this policy by June 30, 2026. (Finding F6)

Comments:

The Grand Jury would like to thank staff members of Frazier Park Public Utility District and Lake of the Woods Mutual Water Company for their time meeting with the Grand Jury and answering questions.

NOTES:

- The Frazier Park Public Utility District and Lake of the Woods Mutual Water Company should post a copy of this report where it will be available for public review.
- Persons wishing to receive an email notification of newly released reports may sign up at: www.kerncounty.com/grandjury
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.kerncounty.com/grandjury

RESPONSE DEADLINE:

- **REQUIRED WITHIN 90 DAYS FROM:**

Frazier Park Public Utility District Board of Directors
Findings: F1 to F6
Recommendations: R1 to R4

- **REQUESTED WITHIN 90 DAYS FROM:**

Lake of the Woods Mutual Water Company Board of Directors
Findings: F1, F2 and F5
Recommendations: R1 and R2

**RESPONSES ARE REQUIRED PURSUANT TO PENAL CODE §§933(c)
AND 933.05:**

- **PRESIDING JUDGE
SUPERIOR COURT OF CALIFORNIA
COUNTY OF KERN
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301**
- **FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

Reports issued by the Grand Jury do not identify individuals interviewed. Cal. Penal Code §929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

§933. Findings and Recommendations (Excerpt)

No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every election county officer or agency head for which the grand jury has responsibility pursuant to section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices.

As used in this section "agency" includes a department.

§933.05. Responses to Findings (Excerpt)

- (a) For purposes of subdivision (b) of Section 933, as to **each** grand jury **finding**, the responding person or entity shall indicate one of the following:
 - (1) The respondent agrees with the finding.
 - (2) The respondent disagrees wholly or partially with the finding; in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

- (b) For purposes of subdivision (b) of section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:
 - (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

- (c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

- (f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.