

# Mountain Democrat

Placerville, California

## EID's water rates go up next month

By [Dawn Hodson From page A1](#) | January 13, 2016

Despite objections from a large crowd of ratepayers, the El Dorado Irrigation District Board of Directors approved rate increases that go into effect Feb. 1.

Voted on at Monday's meeting was a 5 percent increase in potable and recycled water rates this year; a 5 percent increase in potable, wastewater and recycled water in 2017; a 4 percent increase in potable, wastewater and recycled water in 2018; and a 3 percent increase for potable, wastewater and recycled water in both 2019 and 2020.

In 2016 that translates into an average increase of \$2.50 a month for potable water customers and an average increase of \$2.25 for dual-plumbed customers.

At the same time the board gave itself leeway by agreeing to review, on a quarterly basis, whether the rates should be adjusted downward depending upon changes to revenues and expenses.

The board also approved revising the Small Farm and Agriculture with Residence water rate to include Tier II potable water pricing and approved a five-year agreement with the city of Placerville that includes the new water rates.

Placerville treats its own wastewater but buys its water from EID.

Approval of these measures attracted a boisterous crowd of more than 100 people with the majority opposed to any rate increases or changes in the rate structure although some EID board supporters attended as well.

Most of the criticism focused on whether those on a fixed income could afford the new rates and whether compensation and benefits at the district are too generous, especially in the case of the general manager and counsel. Others suggested reducing expenses by deferring spending on capital improvement projects, not replacing the district's fleet of vehicles as early or even selling the EID building.

Many at the meeting centered their criticism on charts that compared EID's rates with other water agencies in the region, saying the information wasn't relevant.

During the presentation on the need for the rate increases, EID Finance Director Mark Price discussed charts that showed EID water rates fell below average compared to other regional agencies; EID's sewer rates are also lower when compared with other agencies that do tertiary treatment of their wastewater.

Bolstering Price's data was Paul Raveling, a retired software engineer. On his own he conducted a survey of 335 California service areas and found that, based on EID's proposed new water rates, 26 percent of those surveyed charge less than EID and 73 percent charge more. He also sampled 177 service areas that proposed rate changes and found that on average they increased rates 10.5 percent while EID proposed a 4 percent increase.

Those explanations did little to temper the angry crowd, which complained the rate increases were caused by board members spending money like "drunken sailors."

Longtime board critic Ed Willyard suggested that Directors George Osborne, Bill George and Dale Coco be recalled while Richard Boylan threatened a "day of reckoning" come the fall election.

Small farmers in the area also complained about the changes in the Small Farm and Agriculture with Residence water rate, saying it will make it increasingly difficult for them to survive, especially in light of the drought and the state mandated water conservation. In light of that, Renee Hargrove, executive director of the El Dorado County Farm Bureau, asked the board to consider smaller incremental increases for farmers.

Board supporter Doug Leisz, a member of El Dorado County Citizens for Water, said the agency needs to continue spending to repair and maintain its infrastructure. At the same time he urged the board to examine changes to the small farm rate to keep that segment of the county economy viable.

Greg Boeger of Boeger Winery also applauded the board, saying the county is fortunate to have EID because of its role in providing a reliable supply of water. "The management and directors have done a good job, especially in light of the drought," he said.

Adding to the debate were comments from board members with Director Greg Prada saying projected revenue for the agency doesn't justify a rate increase in 2016 or 2017, especially as he believes EID will be able to sell more of its excess water this year. Director Alan Day, agreed, saying no rate increase is needed and the agency is facing a wall of debt from all its capital improvements expenditures.

In response, Director Coco said the additional revenue from the rate increase would help pay down the debt and prevent future rate increases. The board could always ratchet down the rate increases if the revenue is not needed, he continued. Coco suggested they be reviewed quarterly.

Director Osborne added that using the revenue to pay down debt helps EID improve its credit rating, which, in turn, lowers the cost when it does have to borrow to fund major capital improvement projects. Directors Osborne, George and Coco voting for the new water rates along with a quarterly review of their necessity. Voting no were Prada and Day.

Seeming to agree with the board's actions were the majority of EID's ratepayers as only about 1 percent filed a protest letter. Fifty percent plus one of ratepayers needed to object for the rate increases to have failed. At the start of the board meeting, it was announced that only 415 water protest letters, 211 wastewater protest letters and 41 recycled water protest letters had been received by EID; a handful more was delivered at the meeting.

#### **Compensation conversation**

In another item before the board, some directors were hoisted on their own petard.

At the December board meeting Director Osborne asked staff to prepare information on how much compensation board members receive, suggesting it should be limited to no more than \$20,000 a year.

Currently board members receive \$1,250 a month as a stipend. They are also eligible to enroll in district-provided healthcare insurance. EID pays the lowest-cost HMO plan premium for board members and 89.45 percent of the premium for their eligible dependents although effective Jan. 1 of this year the percentage paid by the district for dependent healthcare coverage dropped to 85 percent.

Board members are also eligible to enroll in district-provided dental and vision insurance with EID paying the entire plan premium and 89.45 percent for their eligible dependents. Again, starting Jan. 1 of this year, the percentage paid by the district for dependent healthcare coverage was reduced to 85 percent. Board members are also eligible to participate in EID's medical reimbursement program to a maximum of \$5,000 per year of medical, dental and vision costs not covered by insurance as well as healthcare insurance premium costs not paid for by the district.

All board members are covered by a life insurance policy that provides a death benefit of \$20,000 with the district paying the premium. District-related expenses such as for cell/Internet use, attendance at conferences and other expenses related to their duties are also covered by EID.

In 2015 total compensation for Osborne was \$22,385; for Prada it was \$27,960; for George it was \$20,284; for Coco it was \$23,404; and for Day it was \$42,413.

Director Prada called discussion of board compensation "petty" and "an attack on one member in particular."

Director Day, who received the most compensation, explained it was so high because he and his family are enrolled in EID's healthcare program.

Surprisingly, when members of the public weighed in, some who had previously criticized the \$2.50 extra on their water bills suggested increasing the "salary" of the board members to \$100,000 a year so as to attract more people to run for the office.

The board did vote on a motion to limit compensation to the stipend and up to \$5,000 a year for eligible medical reimbursements. It failed with Directors Osborne and Coco voting yes; Prada and George voting no and Day abstaining.