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Gaines urges investigation of EID

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Assemblyman Ted Gaines, R-Roseville, has sent the following letter to the Joint Legislative Audit Committee urging the state auditor to investigate the financial management practices of the El Dorado Irrigation District.

“I am concerned about EID management practices and proposed rate hikes and want to do all I can to advocate for ratepayers,” Gaines said.

The letter follows:

“On behalf of the hard-working taxpayers and constituents (I) represent in El Dorado County, I respectfully request that the state auditor conduct a thorough audit of the current financial management practices of the El Dorado Irrigation District.

“My constituents and I are deeply concerned about the spending practices of the current district management, which may constitute an inappropriate use of public funds.

“Recent local media accounts and complaints from constituents have made it evident that the district has acted in recent years without regard to taxpayers or the needs of residents. Open Records Act requests detailed in media reports have shown that district management has not only run up costly debt, but may have spent irresponsibly and at an unsustainable level.

“In October 2003, the Board of Directors of the El Dorado Irrigation District voted to incur \$166 million in variable-rate bonds to finance capital improvements over a five-year period.

“But at a time when the housing market was declining and the national credit crunch took hold, the district voted to convert this financing into riskier and more expensive alternative debt financing, while also issuing additional debt. Local ratepayers are now on the hook for \$400 million in debt, which is an astronomical sum for El Dorado County.

“At the same time, the district expanded its workforce by 70 percent, tripling labor costs from \$11 million to \$34 million. Worse, at a time when California is facing a pension crisis that threatens to cripple the state budget, the district voted to grant a retroactive retirement benefit increase for all district employees from 2.0 percent at 55 to 2.7 percent at 55.

“Officials at every level of government must be held accountable for how they spend the people’s money. The apparent mismanagement of the El Dorado Irrigation District impacts not only the wallets of the working families ... with significant rate increases, but also the taxpayers of California as a whole.

“I believe a thorough state audit is essential to restoring the public trust in their government. On behalf of the El Dorado (County) constituents ... I look forward to your favorable consideration of

this essential audit request.”

Gaines represents the 4th Assembly District in the California Legislature, which includes portions of El Dorado, Sacramento, Placer and Alpine counties.

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