

El Dorado Hills group fights plan to hike water rates

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Learning in mid-December that the cost of water and sewer service may sharply increase in the new year is sure to dampen the holiday spirit. But some El Dorado Hills residents say they are even more concerned that El Dorado Irrigation District customers awash in holiday mail may have overlooked notices of proposed rate increases.

Suspicious of the timing of the notices and upset about the series of rate increases that would start with a 35 percent hike this year, a group of citizens is encouraging ratepayers to submit letters of protest to block the increases.

"A loose confederation is working together to give voice to 40,000 residents of El Dorado Hills," said John Thomson, president of the Bass Lake Action Committee, a protest supporter.

Although the group calling itself Citizens Against Rate Extortion was launched by El Dorado Hills residents, Thomson said they are reaching out to the 100,000 customers in the district through their Web site at stopeid.org.

"EID, with its money and its power, has been able, in some people's eyes, to push the ratepayers around," he said.

District board members say the increases are necessary to meet bond obligations. The district has relied heavily on charges for new hookups, and the revenue gap is attributed largely to the near standstill in housing construction.

The board proposes a 35 percent increase in water and sewer rates for the current year, followed by a 15 percent increase in 2011 and increases of 5 percent for each of the next three years.

District officials said notice of the proposed rate increase was mailed to customers as soon as possible after the board adopted its 2010 budget Nov. 23.

Under Proposition 218, the Right to Vote on Taxes Act, approved by California voters in 1996, public agencies must reject an increase if written protests are submitted by a majority of landowners.

The opponents' Web site includes a letter-of-protest form and alerts people to district-sponsored workshops as well as the Feb. 4 rate hearing. If adopted, the proposed rates would become effective Feb. 8.

John Raslear, chairman of the Four Seasons Civic League, said his group joined the protest because many residents of the Four Seasons development, for people age 55 and older, are retired and would be hit particularly hard by the increases.

But Paul Raveling of the El Dorado Hills Citizens Alliance said he is not prepared to take a

position without better understanding the implications of rejecting the rate increases. The alliance's board has not yet discussed the issue, but Raveling said a unanimous vote is required for the group to take a position.

"We risk shooting ourselves in the foot," he said, arguing that if the district defaulted on its bond obligation, any future financing would carry a much higher price tag.

Raveling, who has done some "number crunching" for Citizens Against Rate Extortion, estimated his own monthly costs for water and sewer would rise about \$30, an amount he could afford.

Placerville-area resident Doug Leisz, a member of the advocacy group El Dorado County Citizens for Water, said anger about the proposed rate hikes isn't limited to El Dorado Hills residents.

Leisz said he would prefer an assessment to cover specific capital projects. Although ratepayers would bear the cost, the assessment would end when the project was completed.

"The tendency, once you get a flow of money from rates, is to find a way to use whatever income stream you have," he said.

But Leisz said Citizens for Water is satisfied that the district is working to reduce its reliance on new hookup charges and pursue financing methods that would reduce ratepayers' vulnerability.

If protests prevented new rates from going into effect, district counsel Tom Cumpston said in an e-mail, the board's options to avoid violating the bond covenants would be to try to cut \$13 million from its \$43 million operating budget, reinstate the rate-increase process, or some combination of the two.

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