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## Irrigation district works on restructuring its debt

[clocke@sacbee.com](mailto:clocke@sacbee.com)

Published Tuesday, Feb. 09, 2010

El Dorado Irrigation District officials moved Monday to restructure the district's debt after approving scaled-back rate increases last week.

District officials over the past month announced a number of steps to boost revenue and cut costs in an effort to minimize rate hikes while maintaining the required debt coverage.

Customer outrage over the rate hikes initially proposed – water and sewer rates would have increased about 80 percent in total over five years – has drawn the attention of state Assemblyman Ted Gaines. The Roseville Republican has asked the Joint Legislative Audit Committee to order an audit of the water district's finances. The committee is scheduled to consider the request Feb. 17.

Steve Davey, Gaines' chief of staff, said the request was prompted by complaints the assemblyman received about the rate hikes.

Strong grass-roots opposition to the initial proposal ultimately prompted board members to come back last week with a "Plan B."

Following a hearing Thursday, the board approved an 18 percent increase in water and sewer rates for 2010, instead of the 35 percent originally proposed. It approved a 15 percent increase for 2011, and 5 percent increases for each of the following three years.

The board stipulated, however, that the 2013 and 2014 increases would be revisited.

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Call The Bee's Cathy Locke, (916) 773-6866.