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# Mountain Democrat



## EID eyes rate hikes today

By Michael Raffety | Editor | November 22, 2009 12:31

Despite cutting staff 20 percent in the past year the economic downturn is still leaving the El Dorado Irrigation District with financial shortfalls and the ratepayers are to be left holding the bag of shortfalls.

The biggest shortfall is the lack of new home construction and the consequent revenue from hookup charges. Those charges helped finance bonds used to upgrade sewer plants, water lines and replace worn sections of the 22.5-mile El Dorado canal and flume, the district's prime source of drinking water.

Now management will be proposing today to send ratepayers a 45-day notice that the district will raise rates 35 percent in 2010, 15 percent in 2011, 5 percent in 2012, 5 percent in 2013 and 5 percent in 2014.

That means a person with a \$50 bimonthly water bill would pay \$67.50 in 2010, \$77.63 in 2011, \$81.51 in 2012, \$85.58 in 2013 and \$89.86 in 2014. All told, that represents an 80 percent increase in five years.

A \$100 sewer bill, assuming EID applies the same percentage rate hike regimen to sewer rates, would come out at \$180 bimonthly after five years.

Though EID is projecting spending 20 percent less than it had originally budgeted for 2010, that isn't enough to meet the debt-to-revenue ratio required by the contract with its bond holders.

At least two directors at the last meeting favored cutting \$1 million off the \$40 million budget.

Other factors affecting the budget are a potential lawsuit from the California Sportfishing Alliance and health benefits for retirees.

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