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EID Board adopts new rate structure

Placerville, CA... El Dorado Irrigation District (District) Board members unanimously approved a new rate structure for the District at the close of the March 30 public hearing, continued from March 23. The structure, which includes drought rates, will go into effect April 1. At their March 23 meeting, the Board declared a stage 1 drought, so the drought rates associated with that stage will also be effective April 1.

“We’re satisfied that the new structure meets the conservation requirements that we must comply with,” said Board president George Wheeldon. “We need to recover at least 70 percent of our water revenue from rates charged for the amount of water consumed. Under the old structure, we received only about 54 percent of our water revenue from consumption rates, with the remainder coming from the fixed bi-monthly charges. The new structure decreases the fixed charge for 97 percent of our customers and reorganizes the three tiers for consumption rates. The end result is that customers have more control over their bills. The less they use, the less they pay.

“And I emphasize that this structure is revenue neutral, as the Board directed. That means it is not intended to bring in more revenue over what we projected for 2009 when we adopted the budget late last year.”

Analysis by District staff showed that failure to adopt a conservation rate structure could put the District’s ability to secure state grants for needed projects in jeopardy. And it could also endanger the District’s Central Valley Project contract with the Bureau of Reclamation. The contract is for water the District takes from Folsom Reservoir, primarily to serve customers in the western part of the service area.

The drought rates are slightly higher than the non-drought rates in each of the three tiers and also include an 89-cent surcharge every two months. The surcharge helps cover the higher costs of enforcing the District’s water waste regulation and expanded customer outreach during drought. The rates are needed “to help keep the District whole as water use drops,” said EID finance director Mark Price. “Charging a little more for less is a tough decision for water utilities, but as use drops so does the revenue we need to operate our system, including the treatment and delivery of water.”

He added, “Our calculations show that for the majority of our residential customers, the total amount they pay throughout the year will go down or stay about the same. We’ve presented this information to the Board at the past several meetings. And it’s true even with the drought rates in place, if customers can cut their use to help us achieve a 15-percent reduction in consumption across the District.”

The 15-percent reduction in water use is the target during a stage 1 drought, as outlined in the District’s Drought Preparedness Plan, adopted by the Board in February 2008. “We know many of our customers already practice water conservation,” Price said. “And we’re hoping they can increase their efforts so we can reach the target.”

The voluntary water-conservation actions that the District recommends during a stage 1 drought are listed on the EID website and are included in a special mailing being sent to all customers over the next two weeks. Customers can also call and request written copies. And they can calculate their likely bills under the new rates using the on-line calculator on the website or by calling and asking for assistance from the District’s utility billing staff.

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For more information, contact Deanne Kloepfer at 530-622-4513. Visit EID’s website at www.eid.org.