



**For Immediate Release**  
**May 22, 2009**

## **EID Board to Meet in Special Session**

### **Discussion will center on lifting the stage 1 drought declaration and a resolution opposed to state borrowing of local property tax revenues**

**Placerville, CA...** The El Dorado Irrigation District (district) board of directors will hold a special meeting on Wednesday, May 27, 2009, to consider lifting the stage 1 drought declaration that has been in effect across the district's service area since March 23. The board will also consider a formal resolution opposing recommendations that would allow the state to borrow local property tax revenues.

The meeting will begin at 9:00 a.m. in the board room of the district's customer service building at 2890 Mosquito Road, Placerville.

Board president George Wheeldon called the meeting following the May 22 announcement of a decision by the Bureau of Reclamation (reclamation) to allocate 100 percent of contracted water supplies to entities—like EID—that divert water for municipal purposes from Folsom Lake. The district holds a reclamation contract for water that is delivered to the El Dorado Hills and Cameron Park areas from the lake.

Reclamation's projections earlier this year curtailed the amount of water EID could draw from the lake, first by 50 percent, then by 45 percent, and until the May 22 announcement, by 35 percent. "The potential for a sizeable curtailment in our contract allotment was a major reason we declared the stage 1 drought in late March," Wheeldon said. "Our contract at Folsom Lake is crucial to our overall water supplies. The severe cutbacks reclamation was projecting put us at risk of water shortages during our peak-use periods in summer."

Wheeldon said that the district's service area received "quite a bit of rain after we declared drought, but we can't count on such good fortune every year." He cautioned that much of the state still faces very dry, drought-like conditions, and many large reservoirs are below their historical average storage levels. "If California goes into a fourth dry year, we could very well see a reduction in our Folsom Lake supplies because the lake is part of the statewide Central Valley Project," Wheeldon said. "We need to take that and other factors into account as we discuss the merits of lifting the stage 1 drought declaration."

### **Resolution opposes state borrowing of local property taxes**

The second item on the special meeting agenda is a resolution that voices opposition to recommendations by the California Department of Finance and the state Legislative Analyst's Office (LAO) to trigger Proposition 1A (from 2004). That action would let the state borrow 8 percent of any county's local property tax revenues. The LAO's proposal would shift much of that burden to water and wastewater districts under the reasoning that they have more flexibility to cut back their programs or increase their revenues through rate hikes.

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Wheeldon, who sponsored the resolution, pointed to an example of the consequences when the state takes local revenues. He noted that in 2004 and 2005, the state took and did not repay \$10.4 million of the district's property tax revenues. Under Proposition 1A, borrowing is allowed and must be paid back within three years.

"I don't know what the state thinks local entities like ours should do in the meantime," Wheeldon said. "The LAO says we can cut programs. But water and wastewater districts are among the most highly regulated industries in the country. We're governed by a multitude of laws, regulations, and permit processes that cost our customers millions of dollars every year. We can't renege on our mandated regulatory obligations. And in these difficult economic times, the last thing we want to do is raise rates. But that's just what the proposals by the LAO and others would force us to do.

"Quite simply, instead of the state raising taxes, they're telling us to do it for them through rate increases."

Members of the public are welcome to attend the meeting. Comments are limited to five minutes per speaker. The agenda item summaries prepared for the meeting and the resolution are available on the district's website at [www.eid.org](http://www.eid.org), or copies can be requested by calling 530-622-4513 or 916-965-0930.

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