

EID Reports



Summary of the November 23, 2009 EID Board Meeting

El Dorado Irrigation District — serving people, agriculture, businesses, and the environment in El Dorado County since 1925

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Board Adopts 2010 Budget—Additional \$1 Million Cut in Expenses and Proposed Rate Increase Included

Wheeldon and Fraser Sworn In; District Receives Award from Boys and Girls Club

Placerville, CA . . . During their November 23 meeting, El Dorado Irrigation District (district) board members adopted the 2010 budget prepared by staff. The budget includes \$1 million in expense reductions over and above the more than \$7 million already cut from the 2009–2010 budget that the board adopted late last year. General manager Jim Abercrombie will announce the new cuts before the end of this year.

The budget includes proposed rate increases of 35 percent for water, wastewater, and recycled water services in 2010, 15 percent in 2011, and 5 percent in 2012, 2013, and 2014.

The board directed staff to prepare and mail a Proposition 218 notice for all customers that explains the proposed rate increases and also to set dates for at least two public meetings on this matter in January. These meetings will be in addition to the final public hearing in late January or early February when the board will make a decision on the rate increases.

Finance director Mark Price presented the budget to the board, saying that despite the significant reductions in expenses during 2008 and 2009, projected revenues for the 2010–2017 budget horizon will not meet debt coverage obligations required by the district's bond covenants.

"As I explained at the budget workshop two weeks ago," Price said, "staff made a number of cuts in expenses, including \$6 million in reduced personnel costs and \$1.4 million in materials and services line items. In fact, our 2010 budget is less than the 2009 budget. Still, we expect a revenue shortfall for each of the next five years unless we adopt rate increases."

"Part of the reason for the projected shortfall is related to the depressed housing market," Abercrombie said. "We forecasted \$14 million in new hook-up charges for 2009, and it's clear that we won't see more than \$1 million. The picture is just as bleak over the next several years."

The district is legally bound by its bond covenants to bring in net revenues that exceed debt service costs by 25 percent. Projected revenues fail to achieve this mandate. "I'm committed to finding an additional \$1 million in expense reductions in this already lean budget to keep the rate increase from being even higher," Abercrombie said. "But no one foresaw the significance of this recession, and it's hurting all of us."

Board director George Osborne, who asked staff to schedule the extra public meetings in January, said that he wants to present a list of "all our major capital improvement projects over the past five years and also note how many of those projects are mandated by state and federal governments." In a statement echoed by other board members, he said EID customers should know what the district has done and must do to keep water and wastewater services safe and reliable and how much it costs.

In addition to the notice that will be sent to all customers, the district will establish a Proposition 218 webpage containing tables of estimated bills, information on district expenditures for capital improvements and other projects, and feature articles on the day-to-day work district employees accomplish to provide reliable services.

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Fraser and Wheeldon sworn in to third terms

Judge Eddie Keller delivered the oath of office to George Wheeldon and John Fraser, who are beginning their third terms on the EID board of directors. Wheeldon, the current board president, represents Shingle Springs and most of the Bass Lake/Cameron Park area. He was unopposed in the November 3 election. Fraser, who is the current vice president of the board and who overcame a challenger in the election, represents the west Placerville/El Dorado/Diamond Springs portion of the district's service area.



From left to right: Board president George Wheeldon, Judge Eddie Keller, board vice president John Fraser.

District and retired EID recreation director receive recognition from Boys and Girls Club



Left to right: Sly Park ranger Dan Hernandez, Sly Park superintendant Cheri Jagers, Dennis Schneider, Don Pearson, EID water resources manager Liz Mansfield, and Gordon Vicini.

Gordon Vicini and Dennis Schneider of the El Dorado County Boys and Girls Club presented awards to the district and Don Pearson, retired EID recreation director, for the ongoing "Day at the Lake" program the district hosts at Sly Park Recreation Area for members of the club. Vicini said beginning nine years ago with Pearson's active support, park staff every summer work with the club to bring up to 150 children to Sly Park for boating and swimming activities. "Without the backing of community partners like EID," Vicini told the board, "we wouldn't have a successful program." He said that more than 1800 children in the county participate in the club, with hundreds enrolled in the after-school program.

In other business, the Board —

- Awarded a \$960,000 construction contract to Crosno Construction for the Rancho del Sol water tank project and approved additional funding for special inspection services, utility fees, and staff time related to the project. The tank is needed to ensure reliable service to customers in the Rancho del Sol area near Pollock Pines and also for fire suppression purposes. Low bidder Crosno, based in Arroyo Grande, California, specializes in water storage tank construction.

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