

# CCWD board plows ahead with double-digit hikes

By Nick Baptista / The Valley Springs News / September 15, 2023

Calaveras County Water District customers can expect double-digit increases the next three years in their bills.

The CCWD Board of Directors voted 3-2 Wednesday night on a motion by Jeff Davidson in favor of a five-year rate plan. His motion called for yearly rate increases of 22, 12, 13, 7 and 7 percent for water rates and 12, 12, 12, 6 and 5 percent for wastewater rates.

After five years under Davidson's motion, customers will see the base rate for water go up a total of 76.8 percent and wastewater rates will be 56.4 percent higher.

Davidson, Scott Ratterman and Russ Thomas voted in favor of the five-year plan, while Cindy Secada and Bertha Underhill voted against.

Shouts of "Recall, recall" from the audience echoed in the board room after the motion passed.

The board's vote capped more than three hours of testimony from CCWD customers that yearly double-digit rate increases were uncalled for and would force some to move from the county.

The public came out in force to show their opposition to the proposed rate increases. The CCWD boardroom was packed with the audience spilling out into the nearby entry way and sidewalk. The meeting was delayed for about 15 minutes as CCWD staff grappled with the sound system so those outside the boardroom could hear the proceedings.

More than forty people commented during the public hearing portion of the meeting including two Calaveras County supervisors – Martin Huberty and Benjamin Stopper.

Both supervisors said they had received hundreds of phone calls and emails from upset constituents. Huberty asked the CCWD board to "rethink" the rate hike proposal, while Stopper said the board should "listen to the people" and go for only a one-year rate increase at this time.

One CCWD customer from West Point said the proposed rate increases would push their water and sewer bill higher than their mortgage.

Written protests from property owners that could have derailed the rate hikes fell short of the 50 percent plus one threshold.

In all, more than a quarter of CCWD water customers submitted written protests to the rate hikes and nearly a third of wastewater customers did likewise.

Several speakers said the protest process was flawed and the public should have been given more time to submit their letters. Not allowing renters to participate in the protest process was also criticized.

An earlier motion by Secada and seconded by Underhill to go for only a two-year rate hike plan was rejected by Davidson, Ratterman and Thomas.

Davidson argued a longer plan was needed to show the district has the funding to carry out necessary capital improvement projects.

The sharp increase in rates was necessary, according to CCWD staff and its consultant, because expenses had surpassed current revenue thus placing the district's current credit standing in jeopardy.

If the district's credit rating fell, it would be more difficult to get loans for construction projects and those loans would be at higher than normal rates.

Many of the people who testified at the public hearing were elderly, or disabled, and on fixed incomes. They told the board the water and sewer rate increases would force them to forego paying for food or medicine.

Another common theme at the hearing was CCWD with its double-digit rate hike was piling on to already huge increases in food and gas prices, utility fees, skyrocketing home insurance rates and the recent county landfill fee raise.

Steve Baum of Valley Springs said the children of Calaveras County would also suffer if the proposed rate increases were implemented by the board.

The median household income in the county is \$70,000 a year, he said, and CCWD water and sewer fees should account for 10 percent of that total.

The county already has a 13.58 percent poverty rate, according to Baum, “and you need to think about that.”

In areas such as West Point, 60 percent of the children are in economically disadvantaged households and the rate increases would put further hardships on those families and others like them, he added.

CCWD staff salaries and benefits also came into question with speaker saying personnel costs need to be trimmed before rates should be increased.

“Upon careful examination, Mr. Minkler (CCWD General Manager Michael Minkler) is feeding the CCWD board information in a way that is not completely correct. He has negotiated contracts with the unions and staff that have substantial increases, but those contracts are stepped over several years. Instead of a reliance on grants for projects, which is how CCWD successfully operated so far, he wants to use ratepayer fees for expansion and improvements.

CCWD staff said the rate fee plan took a conservative approach and did not rely on additional income from growth or grants.

In forming his motion, Davidson said he believes the district will realize additional funding in grants and that is why he was trimming the increases in the later years.

Board members also said they have the option to re-evaluate the district’s financial circumstances each year and implement rate increases that are lower than the maximum amount authorized by Wednesday night’s decision.

The first rate increase is set to start on Oct. 16 with the subsequent increases set for July 16 of 2024, 2025, 2026 and 2027.