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Sacramento County again boosts water rates for 53,000 customers

By Brad Branan

Sacramento County supervisors raised water rates on Tuesday for the fifth year in a row, which means residents soon will be paying more than twice what they did in 2007.

The rate hike applies to about 53,000 customers of the Sacramento County Water Agency, most of whom live between Elk Grove and Rancho Cordova. The increases are needed to pay for improvements to a pair of plants that will deliver more water to southeastern Sacramento County and the East Bay, and for higher operational costs, county officials said. A downturn in other revenue also played a role.

The problem for the county: As it started projects to improve water delivery, its primary means of generating revenue, impact fees, has dropped dramatically. Development fees that once made up 63 percent of agency revenues now account for 15 percent, according to county staff.

The latest increase will take effect July 1 and add \$5.50 to the monthly bill of a typical residential customer, who will pay \$62.79 a month.

That compares with the \$28.80 monthly bill the same customer was paying in the 2006-07 fiscal year.

The rate-hike proposal drew the anger of Supervisor Don Nottoli, who has most of the agency's customers in his district.

"This cannot continue," he said. "I don't want to sit up here and raise rates year after year."

Nottoli and other supervisors said they were concerned that higher rates will hurt residents in hard economic times.

Yet Nottoli said he saw little choice but to approve the increase. That's because the county would risk defaulting on its bond agreements if it doesn't collect a certain amount of money for bond payments, he said.

The board voted 5-0 for the increase.

The county received 57 letters from customers opposing the increase. Nottoli quoted one letter saying the higher rate would be catastrophic for a family on a fixed income.

Cory Koehler of the Rental Housing Association of Sacramento Valley spoke against the increase. He said eviction notices are running at an all-time high, and the industry can't afford higher costs.

Two projects are driving the higher costs – the Vineyard Surface Water Treatment Plant and the Freeport Regional Water Project.

The county needs to pay about \$417 million for bond debt it issued 2003 and 2007 for the projects.

East Bay Municipal Utility District and Sacramento County officials are collaborating on the projects, which will use water from the Sacramento River and protect groundwater. The projects will serve the growing area between Elk Grove and Rancho Cordova, as well as the East Bay.

The Vineyard Surface Water Treatment Plant will take water from the Sacramento River and deliver it to customers in the two areas. The plant is scheduled to open in November, which will mean higher operational costs, another reason for the hike approved Tuesday.

The agency's operational costs are expected to go up \$5 million in the fiscal year starting July 1.