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BOARD OF SUPERVISORS
EL DORADO COUNTY

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Still Finding Gold In El Dorado County

January 15, 2010

Board of Directors
El Dorado Irrigation District
2890 Mosquito Road
Placerville, CA 95667

Re: Request to Suspend Rate Increase

Honorable Directors of the Board:

The El Dorado County Chamber of Commerce requests that the El Dorado Irrigation District suspend the rate increase activity for 90 days.

Most EID customers received official notices regarding the proposed increase between the Christmas and New Year's holidays, which notices started a 40-day process, as specified in Proposition 218.

During the requested 90-day suspension period, the Chamber additionally recommends that the EID Board select a nine to twelve member Blue Ribbon Panel to study not only the proposed rate increase, but also the existing financial structure of the District. Questions for the panel to consider should also include:

1. How was the \$394 million in borrowed funds spent?
2. How were the Facilities Capacity Charges funds spent and how much was collected?
3. How do EID's overhead costs compare to other similar sanitation and water districts and other local government entities in El Dorado County?
4. What cost savings measures can be implemented?

El Dorado Irrigation District services nearly 100,000 customers on the Western Slope and is a vital component of economic activity in the County.

Ratepayers across the District deserve more time and more information before they should be asked to agree to a 5-year 80% rate increase.

Best Regards,

Kirk Bone, President
El Dorado County Chamber of Commerce

KB:lts

EL DORADO COUNTY CHAMBER OF COMMERCE

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