

# Former STPUD board member questions raising rates

Letter to the publisher,

I would like to apologize for an article I wrote last month entitled, "Hats Off to S.T.P.U.D.". The words I used in the article were misleading. I wrote, "The District is in a position to give its customers another zero percent rate increase." What I failed to say was, "They may or may not give us another rate freeze this year."

The purpose of that article and this article is to praise South Tahoe Public Utility District. The district is a \$50 million organization and their financial management is "AAA". There is not a better-run organization in the basin and that is why it would be very easy for them to freeze the rates again.

As you know, the district gave us some relief last year with a zero percent rate increase. They did it because the economy and the unemployment rate were bad. Well, things are still bad and I am hoping they will give us another break. I will be at the public meeting on May 6 to voice my opinion.

Capital improvements projects (CIPs) are put on hold when the rates are frozen. If the district does not get a 4 percent rate increase, then one or two of the 11 current CIPs will be put on hold. Some of these CIPs include: three BMP and erosion control projects, a 12-inch water line on Lake Tahoe Boulevard, two booster station upgrades and two water tanks.

Some of us would like to see the Iroquois Booster Station project put on hold along with the Grizzly Mountain Booster Station project and the Cathodic Protection Assessment project for a total budget reduction of \$2 million. If this were to happen, then the STPUD board could vote for a rate freeze.

The water district told me that a 4 percent rate increase would raise the average bill by less than \$10. This doesn't sound like much by itself, but when we add the increases for food, gasoline, electricity and gas, the number get real ugly real fast.

When I was on the board last year, we froze the rate in 2009 with plans to increase the rates in 2010 to 4.5 percent. We did this because we thought the economy and the unemployment rate would be better in 2010. It looks like we will have to wait another year for the economy to rebound. Another rate by the STPUD board would be a clear message that they sympathize with our community.

Please join us on May 6 at 6pm at the public meeting at the water district.

**Ernie Claudio, South Lake Tahoe**