

Opinion: Unable to understand logic of STPUD's water rates

By Steve Jacobs

I am extremely upset and frustrated with South Tahoe Public Utility District. As a consumer and full-time resident of this community, I believe many of us are being victimized by STPUD's current water policy. I believe their current water rates are unfair, inequitable and should be illegal.

If you do not yet have a water meter: If you do not yet have a water meter, you will continue to be billed at the "flat-rate" of approximately \$200-plus per quarter (for both water and sewer). As soon as STPUD gets more funding, they will eventually install a water meter at your house. Once you have a water meter, you will then be charged based on your water usage.

If you already have a water meter: If you currently have a water meter (or when STPUD eventually installs one for you), you will be charged for every drop of water you consume. I am a full-time resident and I recently received my latest quarterly bill (water and sewer) for almost \$500. This is up from the flat rate of \$200-plus. There are only two people in my household, and we have landscaping but no lawn areas. (Note: For more details about my water situation see below). So I am now being charged $2\frac{1}{2}$ times the amount of a flat-rate customer.

But it is not just me. One of my neighbors lives alone and received a bill for almost \$800 (she has a lawn). Her neighbor who has a family of four and lawn area received a bill for over \$900.

The problems: People without water meters will continue to pay the flat rate while many of us with meters will pay

substantially more. This is not equitable and the district openly admits that their current rate system is unfair. STPUD says that California law requires the district to charge metered customers for their water based on volume consumed. And while this is true, there is no state law that establishes the actual rate that STPUD has elected to charge us. The problem is STPUD has set the water rates way too high.

To determine how much to charge for water, STPUD hired a consultant. And, of course, STPUD needs a certain amount to support their operations. However, both the consultant (as stated in the consultant report) and STPUD (in my conversations with customer service and according to Dennis Cocking, STPUD public information officer) admit that the current water rate disparity is unfair and inequitable when applied to their customer base. This inequity is especially amplified in our community where we have such a high percentage of second homes. In order to keep the rates "revenue neutral," STPUD has to set water rates substantially higher for those of us who live here full time and use a "normal" amount of water. Second homeowners (with properties that sit mostly vacant) use little water and will pay far less. The result is those who already struggle financially to live here full time will now subsidize those who can afford to have a vacation home at the lake.

Also, in my view, people with a reasonable amount of landscaping and who water responsibly should not be penalized. Our water comes directly out of the ground, and if you water your lawn or your plants you recycle most of that water back into the environment. It would be different if we were in a drought situation. But we are not in a drought, and from my understanding we probably never will be, as there is plenty of water here in the Tahoe basin. While it is everyone's responsibility to use water conservatively, I do not think it is right that STPUD wants us to live like we are in a continual drought.

Possible solutions: While I question the cost-benefit of the multimillion dollar water meter installation program, ultimately I believe it is a good thing to have meters in order to encourage people to use water wisely. However, the laws and policies relative to water usage need to be established and applied fairly and impartially. STPUD'S current water rate policy clearly does not meet this test. Here are some possible solutions:

1. It is my understanding that some current STPUD board members are in favor of raising rates even higher. Prior to establishing user rates, I believe STPUD needs to take a hard look at every aspect of their operation to ensure they are doing everything possible to minimize waste and maximize operational efficiency. Over the past years, most companies in America have cut back staff and have streamlined operations. I do not see that STPUD has ever made any effort to do this. They are a monopoly; they are supposed to be working for us (the public) and not just protecting their own interests. STPUD needs to evaluate staff compensation packages, staff levels, and implement infrastructure cost controls.

2. I believe STPUD should immediately increase the fixed portion of the water bill (the meter charge) and substantially decrease the consumption rate (to near zero) until such time that all of their customers have water meters. This would comply with state law, and would alleviate much of the inequity and class disparity for residents and second-home owners. In the distant future, when everyone has water meters, an equitable volumetric rate among the entire customer base could be considered.

3. I believe STPUD should immediately establish a tiered usage, seasonally adjusted base rate so people can afford to water their landscaping in the summer. (Tiered rates are commonly used by many utility companies.) People should not be penalized for having a reasonable amount of landscaping that is watered intelligently and conservatively. Plants are good

for our environment, and the water used to keep plants healthy is mostly returned back into the ground from where it originated. Also, water used for irrigation is relatively cheap to provide since it does not need to be sewage processed or pumped over the hill to Nevada.

4. I believe that STPUD should delay volume-based billing for a period of one year for each of their customers after that customer has a water meter installed. My understanding is that this is permitted by state law. Excerpt follows... "(B) Notwithstanding subparagraph (A), in order to provide customers with experience in volume-based water service charges, an urban water supplier that is subject to this subdivision may delay, for one annual seasonal cycle of water use, the use of meter-based charges for service connections that are being converted from non-volume-based billing to volume-based billing." For this one-year period, STPUD bills should indicate to their customers the actual dollar amount for the metered rate versus the non-metered rate. This would allow customers the opportunity to learn and prepare for the differences between the two billing systems.

My water situation (for comparison): In my case, I have a water meter at our house. So, STPUD charges for water based on their current metered rate, and as a result my latest quarterly bill (for sewer and water) has jumped from \$150 to almost \$500. There are only two people in my household and we use water very conservatively. We have low-usage water fixtures and appliances (1.6 gpf toilets, low-flow showers, sink aerators, high-efficiency dishwasher, etc.), and we have a landscaped yard with native plants (no lawn areas) that is on a low-flow drip irrigation system that is on a timer.

STPUD says that, with current water rates, over the course of an entire year the total amount that a metered customer pays will equal the amount paid by a flat-rate customer. This is simply not going to be true for anyone with landscaping that needs to be watered in summer.

Please let me know your thought: I have tried to put the facts and my beliefs together on this issue. If I am in error on anything, I apologize and please let me know. I am interested in hearing readers' input on these ideas.

I encourage everyone to call the district (530.544.6474) and let them know your ideas; or better yet, attend a STPUD board meeting and express you thoughts.

Thank you.

Steve Jacobs is a resident of South Lake Tahoe.