

STPUD ups rates; salary increases not decided

By Lesia Witkowsky

Water and sewer bills for South Tahoe Public Utility District customers will be going up July 1.

The board on a 5-0 vote made it official June 5.

Water rates will increase 6.5 percent for each of the next four years, with the fifth year being 5 percent. The base pay for people on water meters becomes 80 percent of the bill, with 15 percent being based on use. Sewer rates will be 6 percent higher each of the next five years.

About 20 people were in the room Thursday, with a few speaking from their seats. Many spoke about water meters and their legitimacy.

Residents are concerned that a lot of people in this town are on fixed wages and it is not easy for them to start spending more money for basics like water and sewer. A few also discussed the fact that meters will cost money to implement and were concerned with the fairness of everyone having to pay more money for water even if they barely use any, for example people who own homes here, but live full time in other cities.

Eric Schafer, board president, said how in a global sense meters encourage conservation by showing water consumption and therefore there are valid reasons for using them. Because meters are state mandated, the board has no choice but to ensure they are installed. They are also the best way to reduce water consumption because flat rates are hard to leverage pressure on customers to reduce water consumption, Schafer added.

He also reminded people that the staff recommendation was for higher water and sewer rate increases.

“We carry the burden of responsibility on whether or not we do the right thing. It’s a brutal cost, but if you’re trying to make sure of maintaining the system as it is or better, and make sure we don’t have something that causes more significant increases down the road, then do the 9.5 percent,” Schafer said. “If we’re not doing enough, I think you need to relook at it and think about doing what’s right and not what the notice say. I’m going to vote for this not because I believe it, but because I want my vote to at least be what is called for. It’s not my recommended approach, but that’s what I’m going to do.”

The notice he refers to is Proposition 218, which required a 45-day protest period. If 50 percent plus one ratepayers were to have filed a protest to the proposed rate increases, the district would not have been able to go forward no matter what the board wanted to do.

Water rate received 305 protests, or 2.17 percent of customers; sewer 342, or 1.88 percent of customers; and metered rate structure 260, or 1.85 percent.

The board has been discussing the possibility of raising rates since last fall. And the five have never been on the same page as to what the district should be asking of its ratepayers.

It’s been a case of does aging infrastructure get replaced now or sooner versus can ratepayers afford to pay more when so many still have not recovered from the economic downturn.

Board member Jim Jones agreed with Schafer that not enough money is being collected, especially when it comes to long-term equipment replacement.

Member Kelly Sheehan said, “Perhaps had there been smaller consistent rate increases, we wouldn’t be faced with the

thought of a 9 percent increase or a 6 percent increase.”

Randy Vogelgesang, another board member, said, “It is our duty to carry out the wishes of the ratepayers to the extent that we can and still have a functioning district. In an ideal world we’d go with constant rates forever, but that includes capital improvement.”

Besides rate increases, the board approved the 2014-15 budget that takes effect July 1.

There are no cost of living increases for employees, but raises are not out of the question.

“Negotiations are under way with our union represented employees for a new MOU, since the current two-year contract expires in July of this year,” General Manager Richard Solbrig told *Lake Tahoe News*.

The board discussed the latest proposal from the union in closed session at the end of the meeting, but no decision came from it. It’s likely the salary question won’t be resolved until July.

Regular step increases for employees who are not at the top of the pay scale will be given.

No changes have been made to other employee benefits.

Kathryn Reed contributed to this story.