

Commentary:

Water Rate Increase Proposal – A Different Take

by Ursula and David Partch

City staff, together with consultants Bartle Wells Associates, presented a proposal to increase water rates from January 1, 2009 through June 30, 2011 to the Willits Water Resources Committee on July 10, 2008. The same proposal will be voted on by the City Council at their next meeting. We have been working with city government since May 2007 to encourage a responsible, comprehensive, and sensible approach to the Willits water challenges. We feel that the rate proposal and the associated long-term budget for the water enterprise fund are deeply disappointing for two main reasons:

1. The timeline underlying the proposal defers water system upgrades and maintenance that are necessary immediately to provide a safe and healthy water supply for Willits – and their related costs – three or more years into the future. For example, the proposed rates do not reflect repair or replacement of the main and some smaller Willits water holding tanks, which has been a maintenance project of highest priority for over one year. A failure of the tanks would jeopardize water delivery to the vast majority of water customers in Willits. The proposed rates also do not reflect any funds for a water conservation incentive program. Leading water experts such as the Pacific Institute state that lowering water usage without a required change in lifestyle is the cheapest possible water supply. Water conservation also would make our water supply much safer in times of drought because our reservoirs would not be drawn down as much ahead of a drought and we would relatively painlessly use less water during a drought. We have repeatedly pointed out to the City Council that a successful water conservation program requires a three-pronged approach: a) incentives to implement water-saving techniques, such as the purchase of water efficient appliances, b) outreach and education on how to implement water conservation measures, and c) a rate structure that encourages water conservation. A successful water conservation program will not even begin for more than 3 years under the proposed rate structure.
2. The proposed water rate structure does not nearly do enough to encourage water conservation and it continues to charge disproportionately higher fees to the vast majority of water users who use less than the average. Proponents of a tiered water rate structure such as the one in front of the City Council like to say that this structure encourages conservation since water users who use more have to pay higher rates. However, here is an example under the proposed rates: residential water users who consume 10 units (approximately 7,500 gallons) per month or 20 units (approximately 15,000 gallons) per month will pay \$6.80 per unit of water consumed in fiscal year 2009/10. In comparison, a residential water user who uses 5 units (approximately 3,750 gallons) per month will pay \$8.50 per unit of water consumed and a residential water user who uses 3 units (approximately 2,250 gallons) per month will pay \$11.75 per unit of water consumed. This sounds like quite a discount for high-water users and not an incentive to conserve water.

There are other reasons for concern in the rate proposal, such as that the City will provide a \$400,000 loan to the water fund to be repaid over 10 years. We feel that the City of Willits cannot afford to provide such a loan without jeopardizing necessary core services.

We have presented our comprehensive approach to the Willits water challenges to the City Council on various occasions, including a water workshop in February 2008. We have advocated a strong water conservation program, a fair water rate structure, sensible additional water supply, and watershed restoration measures. We have presented our simple and fair water rate structure proposal to the Water Resources Committee and to city staff. Our proposal is designed to distribute the water cost evenly according to usage so that everyone pays the same amount per unit used, whereas the current and proposed rate structures de facto subsidize heavy water users – i.e. the more you use, the cheaper each unit of water becomes. We have checked into the water rate structure in other cities in California and have found a variety of structures implemented, including simple and fair versions similar to our proposal. The rate structure recommended by city staff to the City Council is not the only option and it does not promote fairness and a safe water supply.

We understand that it can cause anxiety to change a model we all are used to. We agree that water rates have to be increased if the City wants to act fiscally responsibly. Moreover, water rates will have to be increased again when additional costs for urgently needed capital improvement and maintenance projects are determined. We would like to continue to work with city staff and the City Council to implement a comprehensive approach to the Willits water challenges, which includes a sensible, fair rate structure. Let's not wait 3 years to come up with a sensible approach. Although we agree that an increase in fees is necessary as soon as possible to avoid serious deficits in the water budget, we are convinced staff's current proposal is flawed. If we cannot agree on a fair rate structure that encourages water conservation now, let's set the new rate structure for January to July of 2009 only, in order to give us more time to discuss this properly.