

Fresno, state officials discuss ways to reduce water project's burden on ratepayers

By George
Hostetter

City and state officials Friday held what they called a productive meeting on funding options for the proposed upgrade of Fresno's water system.

The goal is to reduce the project's financial burden on ratepayers.

"An important first step has been taken," Mayor Ashley Swearengin said at City Hall.

Assembly Member Henry T. Perea said he is "optimistic" that officials can deliver a system that is both effective and affordable. He said the latter is especially important for low-income and middle-class customers.

Council President Oliver Baines and Council Members Esmeralda Soria and Steve Brandau attended the meeting. Representatives from the offices of Gov. Jerry Brown and several of the Valley's state legislators were there as well.

Friday's meeting was spurred by Brandau's news conference earlier this month. He said he would not vote on Swearengin's proposed \$429 million project until City Hall had exhausted every chance to reduce the cost to ratepayers.

Swearengin said nothing firm in the way of financial commitments came out of the meeting. She said key players over the next two weeks will explore potential sources of grants and low- or zero-interest loans. This could lower the project's borrowing costs, reducing the hit to ratepayers who will foot the bill.

An exploration of two or more weeks almost certainly means the City Council won't tackle the project next Thursday when the Proposition 218 protest vote ends. There is no reason for council members to take the voting plunge on a high-profile project with Brandau temporarily on the sideline and funding details still uncertain. There's even less reason for Swearengin to gamble at this time on one of the most important pieces of legislation in her six years in office.

This Proposition 218 protest vote gives ratepayers and property-owners an opportunity to voice their opinion of the wisdom of rate hikes needed to pay for the project. As of 5 p.m. Thursday Jan. 29, the city had received 38,872 protest ballots that could be deemed valid. However, they have yet to go through the validation process.

If 66,674 valid protest ballots are received by the deadline of 5 p.m. next Thursday, the proposed rate hikes die. The city received thousands of protest ballots per day in late December, but the number has dropped to several hundred per day.

Swearengin has said the project, which includes a new surface water treatment plant in southeast Fresno, is vital to a secure future for the city. She said water rates will rise but would remain reasonable compared to rates in other large California cities.

City officials estimate the monthly bill for the typical single-family residence would go from about \$25 today to about \$50 in five years.

Critics agree that the city's water system needs an upgrade but worry the proposal is too big and expensive.

It was all but inevitable that the news conference after Friday's meeting would be short on substance. The officials

had met behind closed doors for the first time. Government seldom moves fast. Swearingin and Perea used tactful language to suggest folks at the negotiating table were sizing up rivals, risks and rewards.

Three points from the news conference add yet more nuance to an issue dominating City Hall politics:

- Swearingin said the only project under discussion was the one that costs \$429 million and has been in the public arena for weeks. She gave no indication that anyone stormed out of the room in disgust. That could suggest state officials at this point are cool to delaying the new surface water treatment plant to an unspecified date far in the future, an idea championed by some of Swearingin's critics.
- Swearingin and Perea stood side-by-side when others grabbed the microphone. They had fought each other without mercy in the 2008 mayoral election. Standing with those two was Soria, somewhat of a skeptic of the mayor's plan when she was on the campaign trail last fall and in considerable political debt to Perea for his support in her narrow victory over Cary Catalano.

Also standing with Swearingin and Perea was Brandau, who has seen his profile at City Hall jump in the wake of his successful call for this water summit and who counts among his political base a large chunk of constituents that seldom sees a tax or fee hike it likes. All these ambitious politicians were in a row before the council chamber doors, smiling as if a solution to Fresno's water drama is in sight and they'll grab it as a group.

- Swearingin and the City Council in summer 2013 passed a rate plan for an expensive water-system upgrade with hardly any public protest and little hint that additional sources of non-ratepayer funding might be out there. Then former Fresno County Supervisor Doug Vagim got angry. One of the results was Friday's array of political firepower dramatically pursuing ratepayer relief and the political glory that would come from success. Baines was asked if this state of affairs might be viewed as proof that Vagim did a valuable service for Fresno. Said Baines: "The entire process did a service to the city of Fresno."

Contact George Hostetter: ghostetter@fresnobee.com, (559) 441-6272 or [@GeorgeHostetter](https://twitter.com/GeorgeHostetter) on Twitter.

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