
Times are Tough, So We All Get to Pay More!

By Linda Sutter June 11, 2026

With many economists warning of economic uncertainty, rising consumer debt, increasing bankruptcies, and mounting pressure on working families across the nation, Crescent City residents recently received another financial blow.

City Manager Eric Wier and city officials moved forward with significant water and sewer rate increases despite studies acknowledging that Crescent City is a severely disadvantaged community.

The irony is difficult to ignore.

The very consultant hired to evaluate the City's water system described Crescent City as a "severely disadvantaged community" with a median household income of just \$35,340.

According to the Water Rate Study, prepared by the Rural Community Assistance Corporation (RCAC), Crescent City's median household income is less than 60 percent of the statewide median income.

RCAC specifically noted that the City qualifies as a severely disadvantaged community.

For those unfamiliar with RCAC, the Rural Community Assistance Corporation is a nonprofit organization that provides technical assistance to rural communities throughout the western United States. RCAC was funded through the State Water Resources Control Board's SAFER Program to prepare the Crescent City water rate study at no cost to the City.

Yet despite acknowledging the economic realities facing local residents, the study recommends nearly doubling the average residential water bill in the first year.

The average residential water bill would increase from \$22.49 per month to \$46.18 per month, a 99.74 percent increase.

The water study and sewer study reveal an important distinction that residents should understand.

The sewer system faces genuine financial challenges.

The sewer study identifies significant debt obligations, including approximately \$1.7 million annually in debt service payments associated with the City's State Revolving Fund loan.

The study projects declining financial conditions if rates remain unchanged and warns of future deficits.

The water system presents a different picture. According to RCAC, the Water Fund was projected to have approximately \$2.87 million in working capital at the end of Fiscal Year 2026. The report further states that

the City's minimum reserve target was approximately \$2.25 million.

In other words, the Water Fund was projected to exceed its minimum reserve requirement by more than \$620,000. That raises a reasonable question:

If the Water Fund already exceeds its reserve target, why is such a dramatic increase necessary?

RCAC's own report provides another clue:

The report states that operational revenues had generally covered expenses in previous years. The study further acknowledges that much of the projected financial pressure is tied to future capital improvement projects rather than immediate operational emergencies.

Even more noteworthy is RCAC's admission that it did not conduct an independent capital replacement analysis, but relied instead upon capital improvement information provided by City staff.

In plain language, RCAC accepted the City's project assumptions when calculating future revenue needs.

The report states that the City plans to spend an average of approximately \$3.3 million annually on capital projects, with many of those projects dependent upon future grants and loans.

RCAC further warns that grant funding should not be assumed during the current economic climate.

That means a substantial portion of the proposed rate increases are tied not to today's operations, but to future projects and reserve accumulation.

This distinction matters. No one disputes that water and sewer infrastructure must be maintained. Pipes age. Pumps fail. Tanks require rehabilitation. Responsible planning is essential.

However, residents are also justified in asking whether a community with a median household income of \$35,340 can realistically absorb water and sewer increases of this magnitude.

The studies repeatedly emphasize sustainability. Yet sustainability applies not only to infrastructure, but also to the people paying the bills. A utility system is not sustainable if the community it serves cannot afford to remain in their homes, operate small businesses, or absorb repeated increases in the cost of basic necessities.

The question facing Crescent City is not whether infrastructure should be maintained. It should.

The question is whether the burden has been allocated in a manner that reflects the economic realities of the people who live here.

When the City's own consultants describe Crescent City as a severely disadvantaged community, local officials should carefully consider whether rate structures designed on spreadsheets translate into realities that working families, seniors on fixed incomes, and small businesses can actually afford.

Public infrastructure exists to serve the public.

The public deserves a full and transparent discussion about whether these increases are truly necessary, whether all projected projects are essential, and whether every available alternative has been exhausted before asking residents to pay substantially more for two of life's most basic necessities: water and sewer service.