



Summary of the January 26, 2009 EID Board Meeting

El Dorado Irrigation District — serving people, agriculture, businesses, and the environment in El Dorado County since 1925

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Board directs staff to send Proposition 218 notice on proposed changes to EID's rate structure

Private water lines will be accepted into EID's system

Placerville, CA . . . El Dorado Irrigation District (District) Board members have directed staff to send a notice to all customers regarding potential changes in the District's rate structure. During their January 26 meeting, the Board set Monday, March 23, 2009 as the date for a public hearing on the proposed rate changes. The hearing will begin at 6:00 pm in the District's customer service building, located at 2890 Mosquito Road in Placerville.

"Our proposal is aimed at promoting water conservation and giving our customers more control over their bills," said Mark Price, head of the District's finance department. "The proposal decreases the bi-monthly charge for most customers and increases the amount paid for actual water use. As a result, the more a customer conserves, the lower the bill."

Price also said that the proposal is revenue neutral, as the Board requested. "It is designed not to bring in more revenue from water sales than we projected in the 2009 budget. Instead, it is meant to capture about 70 percent of water revenue from water-use rates, which complies with federal and state mandates for conservation pricing. Currently, we receive a little more than 53 percent of our water revenue from water consumption and just under 47 percent from fixed charges."

As an example of how the schedule will affect EID customers, most single-family residential water customers now pay a basic charge of \$30.74 per two-month bill. The new rate proposal drops that basic charge to \$19.08—a decrease of nearly 37 percent.

The charge for the water that a single-family residence uses would cost \$0.00964 per cubic foot for the first 1500 cubic feet used and \$0.01164 per cubic foot for the next 3000 cubic feet used. For all water used above 4500 cubic feet, the charge would be \$0.01364 per cubic foot.

The proposed decrease in the basic charge added to the water-use rates means that if single-family residential customers consume 3,000 cubic feet of water during the two-month billing period—which is about average for EID residential customers—their bills will actually decrease between five and ten percent, or around \$3.00 to \$6.00. If customers lower their water use, their bills will decrease even more.

"Next week, we'll send our customers a notice, which will include a table showing the proposed rate schedule and contain other information about the changes," Price said. The notice will also explain how customers can protest the proposed schedule and will list the time and date for the public hearing.

Board decides to accept private water lines into the District's system

The Board directed staff to accept privately owned water lines that are currently attached to EID's infrastructure into the District's overall water distribution system. The decision was reached after two years

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of work by the District's in-house private water line task force concluded that this action would be beneficial to both private water line owners and the District.

"We will be taking responsibility for operating and maintaining more than 300 private water lines," said Tom Cumpston, the District's general counsel and head of the task force, "and that won't happen overnight. Our best estimate is that more than 42 miles of pipe are involved, owned by approximately 1,000 EID customers. It will take many years before we'll complete the work needed to make sure all of the lines are up to standard and are not detrimental to our system and the current owners of the lines."

Cumpston said the District will soon send a letter to customers who are potentially affected by the decision. "Most customers who own private lines and have been in contact with us are looking forward to having us take responsibility for the lines. But some of the issues are complex, and we want to send the letter to make sure that customers understand what this action means for them."

Tom McKinney, head of operations at the District, added that staff has assigned preliminary priorities to all known private lines and compiled a short list of top-priority projects, based on known concerns such as substandard lines that have the potential to cause extensive damage should they break. "That list will change as work is completed and new information becomes available," he said. "Each year, we intend to ask the Board for funding to tackle the most pressing cases."

As Cumpston and McKinney explained during a December 2008 workshop and again during the January 26 Board meeting, private lines attached to the District's system have long created problems for their owners and EID. Major concerns include—

- Some property owners do not know they are served by private lines that they must maintain.
- Many private lines are of substandard construction.
- There is no distinction between District and private lines for purposes of regulation and liability in the event of contamination.

Most of the private water lines in question are located in the Placerville, Diamond Springs, and Camino areas.

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