



The Waterfront

ANNOUNCEMENT: To reduce costs, all EID employees will be taking 40 hours of furlough between July 2 and December 31. District headquarters in Placerville will be closed on the the following Fridays: **July 15, August 19, September 16, October 21, and November 18.**

Focus on Safety Pays Off

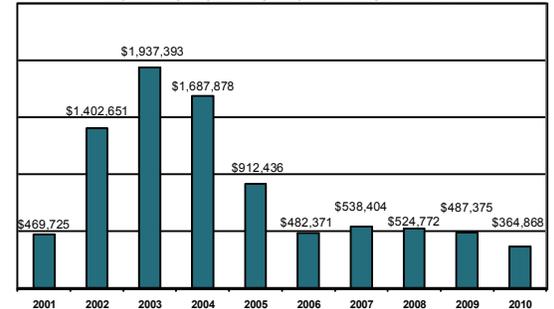
One of EID's guiding principles is "100 percent safety" and our continued focus on safety has produced some concrete results. The District has not experienced a lost-time injury since December 15, 2009—as this newsletter goes to press, that's a total of more than 550 days. According to Vicki Hoffman, EID's human resources director, injuries requiring medical attention are down 35 percent from 2009. Workers' compensation premiums are at a 10-year low, resulting in a premium reduction of \$1.5 million since 2003. "These statistics are positive indicators of the success of the District's ongoing training and safety efforts, which contribute to the containment of operating costs and workers' compensation premiums and translates into savings for ratepayers," said EID General Manager Jim Abercrombie.

The human resources department, through its safety programs, tracks numerous safety statistics, including lost-time injuries, injuries requiring medical attention, avoidable accidents, and unavoidable accidents. Safety performance measures are important key indicators which gauge the level of safety awareness and adherence to District safety standards. Lost-time injuries and injuries requiring medical attention involve incidents which require medical care and/or referral into the District's workers' compensation program.

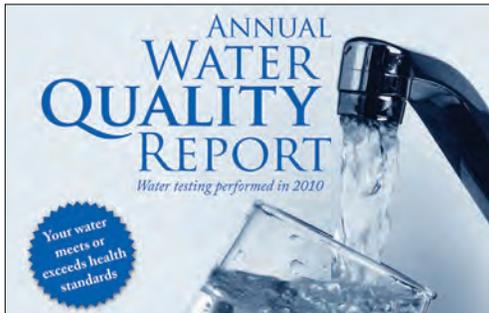
District employees strive to be vigilant and work with a strong focus on safety. Their sustained safety efforts continue to provide safe, reliable cost efficient services to the public.



WORKERS' COMPENSATION PREMIUM PER YEAR



At top: EID workers use harnesses and fall restraints while pulling grating for access at a treatment plant



The 2010 water quality report is here. Every community water system like EID is required by law to provide its customers with a water quality report by July 1 of each year. All EID customers will receive the report by mail. The report lists the regulated contaminants detected in treated water and the level at which they were found for the preceding calendar year.

EID's 2010 annual quality report includes a wealth of information and shows that once again your water meets or exceeds state and federal health standards.

You can also download the report from our document library at www.eid.org.

Drain Etiquette

Painting projects can generate a lot of waste that needs to be properly handled. The following recommendations can help guide you in some best practices.

DON'T

- Don't pour oil-based or latex waste paint or clean-up materials onto the ground.
- Don't clean paint equipment in storm drains or pour paint into storm drains, ditches, street gutters, catch basins or dry wells.
- Don't put liquid paint, solvent or clean-up waste in garbage cans or dumpsters.
- Don't pour oil-based paints or solvents down inside drains that are connected to the wastewater collection system. Store and discard at a hazardous collection site.

DO

- Allow paint solids in used solvents to settle. Pour off the clear portion and reuse.
- Allow small amounts of paint to solidify in the can, then, place in trash.
- Dispose of solvents at a permitted hazardous waste management facility.
- Pour latex cleanup water down an inside drain, (toilets and sinks) that is connected to the wastewater collection system for treatment.
- Use the least toxic cleanup solvent available.

If you have usable excess paint, think about donating it to a local high school theater department. If you can't donate it, excess paint should be disposed at a household hazardous waste drop-off facility. Go to the El Dorado County Hazardous Materials Program web page (www.co.el-dorado.ca.us/HazardousMaterials) to learn where you can dispose of hazardous waste. To search for a hazardous waste disposal site near your zip code, go to earth911.com.



Jim Abercrombie

Message from the General Manager

Back in early 2010, EID made commitments to try to reduce costs in order to lessen the rate impacts on our customers due to significant impacts of the recession. To achieve this we took the actions listed below.

- **Negotiations with employees:** On March 29, 2010, the board approved a new contract with the employee association that will save between \$2.2 million and \$2.8 million in personnel costs over the next 4 years. Savings are achieved through wage freezes, changes in the retiree pension and health benefits for new employees, and other actions.
- **More dollars for hydropower:** In April of 2010, we completed negotiations with buyers to improve the price we are paid for the hydropower we generate. Under a new contract, we project \$6 million to \$10 million power revenue per year; much more than the \$3.5 million estimated in the 2010 budget.
- **Savings from debt restructure:** In late February, 2010, we completed the process of restructuring some of our debt payments, leveling them off over the life of the debt. This conserves cash during 2010-2012 and reduces our payments an average of \$4 million in each of the next two years.
- **Defer capital improvement projects:** The board adopted a new capital improvement schedule in late February of 2010 that cuts the costs of the 5-year program by almost one half.
- **At least \$1 million more in cost cuts:** The general manager completed a reorganization in March of 2010 for savings of \$1.3 million. This action included laying off 14 employees and outsourcing the district's laboratory testing functions to a private firm that is currently renting EID's lab facility.

- **Hold public workshops:** The 2012 Capital Improvement Plan (CIP) is being prepared and workshops will be held in September/October before the CIP is approved.
- **Internal financial control test:** We have established a new internal financial control test. It requires that our projected annual revenues will cover annual operating expenses and debt payments, even if the district receives no new hook-up revenues. This will prevent the district from becoming overly reliant on new hook-up fees in the future.
- **Reductions in workers' compensation expenditures:** Continued reductions of premium costs resulting in approximately \$1.5 million savings over the past 7 years.
- **Operating budget reductions:** Under-spent 2010 operating budget by approximately \$4 million.
- **Flat operating budget:** Even with substantial increases in electrical, fuel, and chemical costs, which comprise a substantial portion of the operating budget, the 2011 budget that was adopted by the board was flat compared to the 2010 budget.
- **Special report on capital expenditures:** This report reconciled capital expenditures against bond proceeds, new hook-up revenues, rates, and other funding. It was completed in August of 2010.
- **Cost-of-services study:** Draft completed in May 2011. In conjunction with a community-based ratepayer advisory committee and an independent expert well versed in accepted standards, the draft results will be presented to the board in June and to the public in July/August.

These commitments and accomplishments will guide EID financial management well into the future. They are aimed at ensuring that the district continues to deliver safe, reliable services in a financially responsible way.

The News—Briefly

Water Treatment Plant Tours



Keep your calendar open in August and September for tours of the El Dorado Hills water treatment plant. Learn how EID treats and distributes water to homes and businesses in our service area.

Each tour is limited to 25 guests (priority to District ratepayers) and lasts from 9:30 a.m. to 11:30 a.m. To make a reservation for a tour, email jmurphy@eid.org or call 530-642-4408.

Tours will be held on the following Wednesdays:

August 10, August 24, September 14, and September 28.

Capital Improvement Plan Update Presented to Board

In April, the EID Board of Directors received a status report on the first quarter 2011 capital improvement plan (CIP). Highlights of the completed projects during the first quarter included the Flume 9 replacement, which consisted of 142 feet of degraded wooden flume replaced with precast concrete flume sections, removal of hazardous rock and trees, installation of rock anchors and wire mesh drapery, as well as installation of subsurface drainage. The flume project is part of the District's long-term rehabilitation program for the 22.3-mile El Dorado Canal, which delivers drinking water to customers throughout the District's service area and supplies water to generate renewable hydroelectric power. This project came in \$100,000 under budget estimates.

As a requirement of the FERC Project 184 license, a new conical fish screen was installed on the Alder Creek diversion

Q & A: Redistricting

Left to right:
General Counsel
Tom Cumpston and
Communications and
Community Relations Director
Mary Lynn Carlton; Camino
public outreach meeting;
Placerville redistricting
committee meeting



Why is EID required to redistrict and how frequently must it be done? Every ten years when new federal census data becomes available, EID has a mandatory legal duty to re-evaluate its division boundaries. Our obligation is to use the census data to ensure that population is evenly distributed among the District's five divisions and that the division lines also take into account the criteria specified by California Elections Code 22000(a): 1) topography, 2) geography, 3) cohesiveness, 4) contiguity, integrity, and compactness, and 4) community of interests of the District. We know that in the last 10 years Division 5, which encompasses El Dorado Hills, has grown more rapidly than the rest of the District, so much of our effort will be focused on that portion of the District to ensure through this process that El Dorado Hills as well as all areas are fairly and equally represented.

What exactly is the District's process for redistricting?

By law, the EID Board of Directors has the ultimate responsibility for making all redistricting decisions. However, the Board has established a three-fold process that features a citizens' advisory committee, extensive computer work by EID staff, and outreach to the public.

The most technical and time-consuming part of the process to date has been adapting the census' population data to EID's boundaries. The census data are organized by units called "census enumeration blocks." About 2700 of these units overlap EID's boundaries, but their borders do not necessarily match up to ours. The many "holes" inside our service area complicate this situation. Overall, nearly one quarter—650 blocks—lie partly within and partly outside EID. For each of those blocks, an appropriate portion of the total population needs to be assigned to the territory within EID, and there is no single solution that suits all 650 blocks. The same problem will occur when new lines for director divisions are considered: unless those division lines follow the census tract boundaries exactly, there will need to be a second round of analysis to ensure accurate population counts within each division.

The rest of the computer work is pretty straightforward. Using mapping software, we are analyzing how proposed division boundaries compare to key factors like school district, fire district, and other governmental boundaries; EID's water service zones, recycled water customers, and sewer service areas; natural dividing lines like roads and rivers; and the County General Plan's Community Region, Rural Center and other land-use designations.

Working with the advisory committee, we have reviewed this information and developed and tested various redistricting

proposals against the legal criteria. Besides vetting options with the Redistricting Advisory Committee, we are holding community workshops to ensure that other members of the public also have opportunities to participate in the process.

Who is on the Redistricting Advisory Committee, and how can the public get involved? As I mentioned earlier, we have selected five members to be on the committee who represent all five of our divisions, and the committee is meeting monthly. Committee selection criteria included being a respected individual with long-term residence and community involvement; no past or present EID connections, except as customers; expertise and / or interest in the subject matter; and diversity in EID services received and water rate classifications.

Committee members are Maryann Argyres, Division 1; John Winner, Division 2; Judge Patrick Riley, Division 3; Judge Denny Davis, Division 4; and Bob Luca, Division 5. I serve as project manager and liaison between the committee and EID's staff. Committee member biographies may be found on our web site at www.eid.org on the redistricting web page. We believe that our committee members fit the criteria established very well and are pleased to have such a renowned group of dedicated individuals representing the citizens in this process.

There are lots of other ways for members of the public to get involved, too. We have held two evening public workshops, and have two more scheduled for late July. I am giving monthly updates to the EID Board at its public meetings. The redistricting page at the EID web site has a large and growing body of information and maps for people to review and a form for submitting written comments. Interested people can sign up to receive e-mail alerts every time the redistricting web page is updated.

What is the time line for the process?

We estimate that there will be four to six Redistricting Advisory Committee meetings, the four public workshops I mentioned, and my monthly interim status reports to the Board, culminating in the presentation of final redistricting options in the August 22, 2011 Board meeting.

Some people have asked why the City of Placerville is included in the redistricting process when many city residents are not direct customers of EID. Can you tell me more about this?

Yes, it is true that the City of Placerville is included in the process. Although the city is a wholesale EID customer, it is part of EID's service area and has been since EID was formed more than 80 years ago. The United States Constitution's Equal Protection

REDISTRICTING, *continued from page 3*

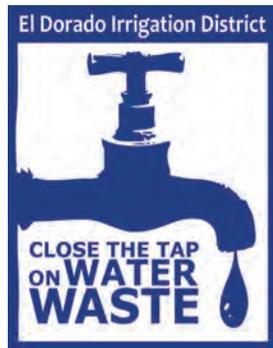
Clause requires that every qualified voter within EID’s service area must have a vote of equal weight for our Board of Directors, because they are all affected by EID’s powers, policies, and actions. The “one person, one vote” standard applies regardless of whether the voter is a wholesale water customer, a retail water/recycled water/sewer customer, or not presently a customer at all. The El Dorado County Local Agency Formation Commission (LAFCO) governs all changes to EID’s service area, so city residents could legally be removed from EID’s electorate only if LAFCO approved a proposal to de-annex the city from EID.

Will EID’s redistricting be effective in time for the 2011 EID Board elections? No, it won’t. State law bars all changes of division boundaries within 180 days of a Board election, and unlike most agencies, EID has off-year elections. Therefore, the new division boundaries could have been effective for the 2011 Board elections only if they were adopted by the EID Board by May 11, 2011. The detailed census data was not available until March 8, and the extensive analysis needed to adapt the data for EID’s use made it infeasible to meet that deadline.

You may be surprised to learn that the little plastic stickers on fruits and vegetables can be a big problem for sewer pipes and even the wastewater treatment plant. They can get stuck in your garbage disposal or drain and can clog up filters and screens at the wastewater treatment plant. Even plastic food wraps seem to make their way down the drain.



You can prevent this sticky pollution by removing plastic produce stickers and wrappers and putting them in the garbage before you wash and peel your fruits and vegetables.



EID’s water waste regulation (Administrative Regulation 1041) is in effect all year under all conditions. The regulation gives the District the ability to enforce prohibitions against water waste.

To read the regulation, go to the District’s water efficiency web page at www.eid.org and click on the “Water Waste Regulation” icon.

2011 REGULAR BOARD MEETINGS

January	February	March	April	May	June	July	August	September	October	November	December
10	Cancelled	14	11	—	13	—	8	—	11 (T)	14	12
24	28	28	25	23	27	25	22	26	24	—	—

Board meetings generally occur on the second and fourth Monday of each month. The first October meeting takes place on a Tuesday.



Coach Lane (top) and Flume 9 (below) projects

CIP, *continued from page 2*

dam. The District diverts 15 cubic feet per second from Alder Creek into the El Dorado Canal for power generation. This project was completed for \$232,000, a savings of \$71,000.

The completed Coach Lane sewer line project replaced 1,700 feet of old, degraded sewer line with new 6- and 8-inch PVC pipe. Final paving on the project was completed in June. According to EID Senior Engineer Tim Sullivan, “Outreach efforts to keep businesses notified during each step of the project really contributed to the project’s success.”

Other ongoing CIP projects include the Reservoir 1 and Reservoir A water treatment plant chlorine conversions, and several sewer lift station upgrades. Upcoming projects will include improvements to the Mother Lode force main, Camp 2 bridge, additional flume repairs, and engineering/environmental studies associated with the District’s wastewater discharge permits.

Maintaining a reliable, efficient water distribution system and sewer collections system to ensure adequate service capacity now and in the future is a major focus at EID. Every year we take a look at long-term needs to maintain and improve our infrastructure. This planning process, which extends out five years, results in CIP projects. These long-term projects include budget estimates for everything from treatment plant upgrades and pipeline improvements to flume replacements and sewer collection system repairs, and much more. To read about other CIP projects, go to the District’s document library and read the 2011–2015 CIP.

The Waterfront is written and designed by EID’s Communications and Community Relations Department.