Is the District doing anything proactive to shape the outcome of the BDCP? Yes, the District is part of a regional water resources coalition called the North State Water Alliance, whose mission is to lobby, advocate and influence statewide policies that have the potential to severely impact water rights and resources, especially in the mountain counties and other areas of origin. We are hopeful that through our efforts, we will be able to have a positive impact on the plan and other Delta planning efforts, in order to protect our water rights.

What other Delta planning efforts are underway? Legislation in 2009 created the Delta Stewardship Council, and tasked it with creating a Delta Plan that is also intended to meet the co-equal goals of Delta ecosystem restoration and a reliable water supply. The Delta Plan was scheduled to be completed last January 1, but it has fallen behind schedule. Five of seven sequential draft plans and a 2,000-page draft environmental impact report have been released for public review and comment. As with the BDCP, EID is actively participating in the Delta Plan’s development, both individually and as part of several broader coalitions. We are particularly concerned that the final Delta Plan will reach far beyond the Delta itself to likewise threaten EID’s ability to maintain and enhance its water rights, and to impose costs on our customers to mitigate Delta conditions we are not responsible for.

Is there anything else underway that could affect our water rights and business? The proposed State Water Bond would also affect the Delta and our local interests, although it looks like a vote on that bond will again be postponed past this November.

The Delta Plan and the State Water Bond are both topics that those talks sometime in the near future.
On March 26 the EID Board of Directors voted on a resolution to change the District’s rate structure, resulting in a four-year plan of rate changes. This action was taken after a very detailed cost-of-services study was conducted to review the District's rate structure. I am pleased to report that there was a very low-protest response from our customers—only about two percent. What this tells me is that customers value our excellent service, quality, and reliability and they are not willing to risk jeopardizing service and reliability levels.

With these new rates approved and a new rate calculation methodology in place that more accurately determines the cost for service, I am confident that we will not only have the needed resources to continue to provide excellent service to our customers, but we’ll also be able to keep paying down the debt. While no one likes to see rate increases, I truly believe that our customers know that we have reduced our expenditures and staff significantly before coming to them to ask for the changes. As always, we will continue to look for cost efficiencies in the future years.

I am proud to report that when we compare our operational key performance indicators to metrics established by the American Water Works Association (AWWA), the results are pretty impressive. In terms of regulatory compliance indicators, in 2011 we had no violations in water and hydro operations and only three “paper” violations in wastewater operations. From a water service reliability standpoint, we had only 1.73 unplanned water outages per 1,000 accounts lasting less than four hours, better than the median of 2.83 outages. In terms of the number of water system outages per 100 miles, in 2011 we had only 30 outages, which is better than the top AWWA standard of 31.7 outages.

In the wastewater area, we only had 1.92 sanitary sewer overflows (SSOs) per 100 miles of pipe as compared to less than five SSOs. This standard of comparison was negotiated in a settlement agreement as a result of a lawsuit that had been filed against EID by California Spawning Protection Alliance for alleged violations of the federal Clean Water Act because of SSOs from the District’s wastewater collection system. The District was able to negotiate a standard of compliance that allows the number of SSOs to be limited to 100 miles of pipe as compared to less than five SSOs. This standard of compliance assures that customers can have a reliable wastewater system.

The District continues to reduce salary and benefits costs.

Unfilled Positions Create Savings

In an effort to minimize the costs, the District is not filling the thousands of positions when a position becomes vacant. As a result, the District has realized a half million dollars in savings from unfilled positions so far this year.

Health Insurance Cost Sharing

Beginning on January 1, 2013, EID employees and retirees will begin paying at least a 10% cost share for their dependents’ health insurance. This change is expected to save the District and its ratepayers approximately $430,000 in 2013.

The News—Briefly

New Rate Structure Effective April 1, 2012

For Most Customers

A new four-year rate plan was approved after 12 extensive public briefings to the Board and two public outreach meetings between August 2010 and November 2011.

The District has taken a number of steps to control costs and increase rate revenue since the economic downturn began in 2008. In addition to other cost-cutting measures, the operating budget has been reduced by 8 percent, the staff cut by 30 percent, and negotiated wage and benefit concessions have been reduced in wage freezes, furlough days, and the implementation of a two-tier pension plan.

The proposed bi-monthly rate changes vary according to the type of services and usage which customers have and are not communicated as a specific percentage change. In 2012, some customers’ rates will go up and others will go down.

Rate calculators are available on the District’s website at www.eid.org for customers to calculate their individual rate changes, as well as other information.

The District is changing from a rate structure designed to collect 70 percent of rate revenues from commodity (usage) charges, and 30 percent from fixed fees known as base charges to a 50-50 formula. The cost-of-service study highlighted the need to increase base charges to provide more stable annual revenues to meet operating costs and debt service obligations, particularly in wetter years.

District Continues to Reduce Salary and Benefits Costs

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Q & A: Bay Delta Conservation Plan—What It Means to EID

EID’s Communications and Community Relations Director, Mary Lynn Carlton, talks with EID Deputy General Counsel Brian Pfeulan (far left) and General Counsel Tom Cumpston.

I have heard a lot about the Bay Delta Conservation Plan (BDCP) lately. Can you tell me about it?

The BDCP is a habitat conservation plan and natural communities conservation plan under the federal Endangered Species Act and the California Natural Communities Conservation Plans.

When completed, the BDCP would provide the basis for the issuance of endangered species permits for the operation of the state and federal water projects that pump water out of the Delta and export it to other parts of the state. The heart of the BDCP is a long-term (50-year) conservation strategy that sets forth actions needed for (1) ecosystem restoration in the Delta, and (2) water supply reliability for those that export water from the Delta. These are known as the "co-equal goals.’’

Who is participating in the development of the BDCP?

The BDCP is being prepared collaboratively by state, federal, and local water agencies, state and federal fish and wildlife agencies, environmental organizations, and other interested parties.

As an upstream water agency that has senior, area-of-origin water rights, EID is actively monitoring the development of the BDCP. We are working, along with other similar agencies, comment on aspects of the BDCP that may affect EID’s water rights and other interests.

Why does the District have to be concerned about the BDCP? We’re a long way from the Delta.

The two co-equal goals of the BDCP—restoration of the Delta ecosystem and water supply reliability for Delta exporters—have the potential to adversely impact upstream users, like EID, in the mountain counties. Upstream users are concerned about the prospect of having to raise water rates for their customers to fund ecosystem repair in the Delta. We are also concerned about being required to reduce our water diversions or release water from our reservoirs to provide additional flows in and through the Delta. Such requirements could significantly decrease EID’s present and future water supplies, and drastically reduce EID’s hydropower generation.

They could also degrade the environment for agriculture, and adversely impact regional recreation and tourism.

Could the District lose any water rights with this plan?

That is certainly a major concern to us and other upstream water users. The issue is that by requiring EID to forego diversion and use of water in order to provide more water for the Delta’s needs, EID would essentially be deprived of our senior, area-of-origin water rights, and its water-poor areas, like southern California. The sustained export of water out of the Delta over the past half-century, along with other factors like the physical alteration of the Delta, the introduction of non-native predator species, and the degradation of water quality, have led to a dramatic decline in fish species native to the Delta estuary.

Consequently, litigation in recent years has restricted the amount of water exported from the Delta in order to protect the Delta ecosystem. These two factors—the decline of the Delta’s ecosystem and the restriction of Delta water exports—prompted the present efforts to restore the Delta ecosystem and increase water supply reliability through the BDCP.

What is the status of the development of the BDCP right now?

The BDCP has been under development since 2006, and is scheduled for completion in 2013. A draft environmental impact review/study is scheduled for release by July 2012, and will be available for public review and comment. Present versions of the BDCP propose an alternative conveyance system to move water around, rather than through, the Delta and for the creation of over 100,000 acres of fish and wildlife habitat. It is not clear at this point what the BDCP will be, if the current version is adopted, or if a revised version of the BDCP will be prepared. If the current version is adopted, we would have to make a decision about whether to pay or provide additional flows in and through the Delta.

Who will fund this plan?

The finance plan for the BDCP is based on the following key tenets: “beneficiaries” (those who benefit from the water resources of the Delta and its watershed) should pay for the benefits they receive and “stressors” (those whose actions adversely affect the Delta ecosystem) should pay for the stresses they place on the ecosystem. Water agencies that would benefit from an alternative conveyance facility (for example, tunnels under the Delta) have expressed their willingness to pay for construction of that facility. Of concern to EID and other upstream water users, however, is that upstream water users will be identified as stressors and will be required to pay, and/or provide water, for habitat restoration.

“We are also concerned about being required to reduce our water diversions or release water from our reservoirs to provide additional flows in and through the Delta.”

—Tom Cumpston
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With these new rates approved and a new rate calculation methodology in place that more accurately determines the cost for service, I am confident that we will not only have the needed resources to continue to provide excellent service to our customers, but we’ll also be able to keep paying down the debt. While no one likes to see rate increases, I truly believe that our customers know that we have reduced our expenditures and staff significantly before coming to them to ask for the changes.

—Jim Abercrombie

**Q & A: Bay Delta Conservation Plan—What It Means to EID**

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**Who is participating in the development of the BDCP?**

The BDCP is being prepared collaboratively by state, federal, and local water agencies, state and federal fish and wildlife agencies, environmental organizations, and other interested parties. As an upstream water agency that has senior, area-of-origin water rights, EID is actively monitoring the development of the BDCP. We routinely, along with other similar agencies, comment on aspects of the BDCP that may affect EID’s water rights and other interests.

**Why does the District have to be concerned about the BDCP?**

We’re a long way from the Delta. The two co-equal goals of the BDCP—restoration of the Delta ecosystem and water supply reliability for Delta exporters—have the potential to adversely impact upstream users, like EID, in the mountain counties. Upstream users are concerned about the prospect of having to raise water rates for their customers to fund ecosystem repair in the Delta. We are also concerned about being required to reduce our water diversions or release water from our reservoirs to provide additional flows in and through the Delta. Such requirements could significantly decrease EID’s present and future water supplies, and drastically reduce EID’s hydropower generation. They could also degrade the environment, harm agriculture, and adversely impact regional recreation and tourism.

**Could the District lose any water rights with this plan?**

That is certainly a major concern to us and other upstream water users. The issue is that by requiring EID to forego diversion and use of water in order to provide more water for the Delta’s needs, EID would essentially be deprived of our senior, area-of-origin water rights. That’s a critical piece of our water supply puzzle, and we’re not willing to go there.

**Why is the BDCP being developed and why is this situation in the Delta considered such a crisis?**

The Delta operates as the central “hub” of infrastructure that conveys water from California’s water-rich areas, like the mountain counties, to its water-poor areas, like southern California. The sustained export of water out of the Delta over the past half-century, along with other factors like the physical alteration of the Delta, the introduction of non-native predator species, and the degradation of water quality, have led to a dramatic decline in fish species native to the Delta estuary. Consequently, litigation in recent years has restricted the amount of water exported from the Delta in order to protect the Delta ecosystem. These two factors—the decline of the Delta ecosystem and the restriction of Delta water exports—prompted the present efforts to restore the Delta ecosystem and increase water supply reliability through the BDCP.

**What is the status of the development of the BDCP right now?**

The BDCP has been under development since 2006, and is scheduled for completion by 2013. A draft environmental impact review/study is scheduled for release by July 2012, and will be available for public review and comment. Present versions of the BDCP include an alternative conveyance system to move water around, rather than through, the Delta and for the creation of over 100,000 acres of fish and wildlife habitat. As mentioned earlier, this plan would then be implemented over the next 50 years. BDCP participants have released more than 40,000 pages of analysis and information related to the habitat conservation plan. Although no preferred alternative has been identified yet, the draft plan will be subject to an independent science review soon.

**Who will fund this plan?**

The finance plan for the BDCP is based on the following key tenants: “beneficiaries” (those who benefit from the water resources of the Delta and its watershed) should pay for the benefits they receive and “stressors” (those whose actions adversely affect the Delta ecosystem) should pay for the stresses they place on the ecosystem. Water agencies that would benefit from an alternative conveyance facility (for example, tunnels under the Delta) have expressed their willingness to pay for construction of that facility. Of concern to EID and other upstream water users, however, is that upstream water users will be identified as stressors and will be required to pay, and/or provide water, for habitat restoration.

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The value of California tap water, especially when compared with other household services, is the focus of the latest segment of the “California’s Water” series for public television. Produced by Huell Howser and underwritten by the Association of California Water Agencies (ACWA), of which EID is a member, the new segment debuted April 3 in Sacramento and San Diego. To view the program from your computer, please visit EID’s website at www.eid.org.

Depending on where you live in California, your water may come from a nearby well or river. Or it may travel hundreds of miles through canals or pipelines to reach your tap. Fortunately for us, here at EID our water sources are the South Fork of the American River and the Cosumnes River, both of which are fed by the pristine Sierra snowpack. Regardless of where it originates, your tap water is filtered, cleaned, tested and distributed in an exhaustive process that produces some of the highest quality drinking water in the nation and the world. The cost of delivering that water to your tap has increased in recent years for several reasons:

- Rising treatment costs. Increasingly stringent drinking water regulations have made it necessary for many water suppliers to invest in costly new treatment technologies. That adds to the cost of providing water.
- Aging water infrastructure. Many local and regional water systems were built decades ago. Repairing and upgrading aging systems to ensure reliable water supplies can account for a significant portion of monthly water bills.
- Increasing energy costs. It takes lots of electricity to pump, treat and deliver water. Rising costs for energy directly affect the cost of delivering water to consumers.
- Controlling invasive species. Debilitating invasive species such as quagga mussels, which can clog waterways and distribution systems, have been an unforeseen strain on water agencies’ budgets, especially in the last five years.
- Investing in new supplies. Local water agencies are investing billions of dollars in local strategies such as water recycling and reusing water in a way that serves the environment and the economy.
- Comprehensive customer service. Besides delivering safe, reliable water every day, water agencies are responsible for providing other services, such as responding to incidents, monitoring and testing, ongoing maintenance and investments, safety communications, and planning for future needs.

If you would like to learn more about EID’s water and wastewater services, please join us for a tour of our facilities this summer. Call or e-mail Jim Murphy at (530) 622-4513 or jmurphy@eid.org to reserve your place for one of the dates listed below.

During Water Awareness Month—Earn Your Blue Thumb!

May is “Water Awareness Month”—Earn Your Blue Thumb! You can earn your Blue Thumb by using water efficiently in your landscape and taking the “Blue Thumb Pledge” at www.BeWaterSmart.info. It is fast and simple, and by taking the pledge you can earn a free pair of “Blue Thumb” garden gloves. The measures include pledging to:

1. quickly repair leaks and broken sprinkler heads;
2. water your landscape early in the morning or late at night;
3. add two to three inches of mulch around trees and plants to reduce evaporation;
4. adjust sprinklers to prevent overspray and runoff; and
5. use a shut-off control nozzle on your hose.

The Blue Thumb program is sponsored by the Regional Water Authority (RWA), of which EID is a member, and has partnered with the Green Gardener’s Association. A water education event will be held on Saturday, May 19 at local nurseries in and around our area. The Front Yard Nursery has agreed to be the host for El Dorado County. They have drought-resistant and native plants available to beautify your landscape and help reduce water use. Come by and take the “Blue Thumb Pledge” or visit www.BeWaterSmart.info to learn more.