EID is very involved in this planning process, both individually and through our affiliations with El Dorado County Water Agency, Mountain Counties and ACWA. Last summer, ACWA wrote its own plan, called the Statewide Water Action Plan (SWAP). The ACWA SWAP has much in common with the Governor's draft CWAP, but it's a superior plan. Although the draft CWAP is a good start for addressing statewide water management challenges, it lacks some critical important actions included in the ACWA SWAP—actions that would protect our water rights, including area-of-origin rights, and promote better stewardship of natural resources, including headwater management.

For this reason, EID's Board of Directors adopted a resolution on November 12, 2013 supporting the ACWA SWAP and urging the Brown Administration to revise its draft CWAP to include the critical actions and guiding principles of the ACWA SWAP that will protect water rights holders, including area-of-origin rights holders, and promote better stewardship of the State's natural resources, including headwater management. EID will closely monitor how the Brown Administration implements its CWAP and continue to advocate that the Administration do so in a manner consistent with the principles it outlined in its comment letter and which the Board included in its resolution.

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What are the key issues and events to watch in 2014? For the draft BDCP and environmental document, the tenor of public comments in April and the state's response next fall will be telling. Will the parties that would benefit from the BDCP make the huge financial commitments that are needed? Will there be sufficient details about project operations to satisfy upstream and in-Delta interests? For the CWAP, will we see prompt and decisive implementation actions to assure the public that the state is committed to addressing the whole water picture, and not just Delta exports? And if there's a water bond on the November ballot to fund Delta habitat restoration and improve the water situation statewide, will the votes approve it? The year 2014 could be pivotal.

EID Participates in Water Forum
The El Dorado County Chamber of Commerce hosted a Water Forum on November 13 at Henry's Restaurant at the Red Hawk Casino. Featured speakers were Steve Herkenham, vice president of debt management of El Dorado Irrigation District, John Woodling, executive director of the Regional Water Authority, and Dave Egerton, general manager of the El Dorado County Water Agency. Mary Lynn Carlton, EID's director of communications and community relations moderated the forum. The Water Forum was attended by approximately 75 people. Each panelist provided insight into their respective service area—Abercrombie, with EID perspectives on water; Eggerton with county water perspectives; and Woodling with regional and state perspectives on water, including information about the North State Water Alliance, an advocacy group of which EID is a part, that works to protect and advance the interests of northern California water users.

Topics discussed included the Bay Delta Conservation Plan; the status of the state's water bond, the governor's twin tunnel concept; how the local water purveyors, including EID, are working to protect existing water rights and obtain more; as well as how the drought will affect the region if it persists into 2014. The forum concluded with a lively question and answer period. To stay informed about regional and state water issues you may visit northstatewater.org, or sign up at info@northstatewater.org to receive information from the North State Water Alliance.

State Water Officials Brief Water Leaders at EID
EID, in conjunction with the Mountain Counties Water Resources Association, hosted an executive briefing by Secretary John Laird (top picture below) of the California Natural Resources Agency and Steven Moore, State Water Resources Control Board member. On November 26, they provided insight into the new draft California Water Action Plan, and asked for input from the attendees. Read more about the plan and other water initiatives in the message from the general manager and the Q&A in this newsletter.

District to Pursue Refinancing Opportunity to Save Millions in Debt Costs
In the December 9, 2013, Board meeting, the Board was briefed by staff on a refinancing opportunity based upon the approved 2014 budget and five-year financial plan. The opportunity to refinance approximately $130 million in debt will significantly reduce debt costs for ratepayers. The estimated savings will be approximately $300,000 in 2014 and $1 million per year beginning in 2015. “This is an excellent opportunity for the ratepayers,” said EID Finance Director Mark Price. “And, it does not put the District in debt out into the future years.” A Preliminary Official Statement and associated documents is being prepared by staff for Board consideration in January 2014.

Dave Houston, managing director of Citigroup Global Markets, and head of Citi’s National Water Practice, praised the District for being proactive in managing its cost strategies and discussed the refinancing opportunity at the Board meeting. Houston cited as accomplishments EID’s continued improvement in financial and debt service coverage and its credit rating upgrades. “EID’s name in the capital markets is very well respected,” said Houston. “With EID’s bond rating at A1 and A+, this is the strongest rating since the District was incorporated and provides the District strong strength in the markets. Over the last 10 years, the District has continued to improve its financial operations and has been preparing principal on outstanding certificates of participation.” Houston has nearly 40 years of water industry experience and has managed more than 750 public-agency water and wastewater financings.
In this edition of the Waterfront, you’ll get an overview of many of the complex initiatives concerning water supply going on simultaneously in the state. In the Q&A column, you’ll read about the Bay Delta Conservation Plan (BDCP), as well as other BDCP-related initiatives such as Governor Brown’s California Water Action Plan (CWP). The BDCP is of great interest to EID because of concerns over whether implementation of the plan would require EID to forgo diversion and use of water in order to provide more water for the Delta’s needs. Besides the BDCP process, which has been going on since 2006 but is now nearing a final plan, Governor Brown has directed the California Natural Resources Agency, California Environmental Protection Agency, and the California Department of Food and Agriculture to jointly identify key actions needed to be taken in the next one to five years to address urgent needs for sustainable management of California’s water resources. The agencies issued a draft CWAP which lays out the process and hopefully the final plan document will supplement the Delta-centric BDCP to put all of the state on a better path for water-supply sustainability. Prior to the release of the draft CWAP, the Association of California Water Agencies, of which EID is a member, issued their own Statewide Water Action Plan for California. Although there are some similarities in these latter two plans, there are some distinct differences which EID is monitoring.

On November 26, Secretary John Laird of the California Natural Resources Agency, along with State Water Resources Control Board member, Steven Moore, provided an executive briefing on the draft CWAP at EID headquarters. This briefing, for EID and other members of the Mountain Counties Water Resources Association, gave us an opportunity to ask tough questions and get answers and have candid dialog with two of the state’s top water officials. We are fortunate to have a proactive group of water agencies as well as committed EID staff to watch over and fight for our water rights. It will be some time before these issues are totally worked out, but rest assured that we are fighting for what belongs to us.

I am happy to report that the District is also working on a refinancing plan to save District ratepayers millions of dollars in debt costs, without extending the term of the maturity of the bonds. Y ou will learn more about this later in January as plans progress. In short, there’s a lot going on right now. A lot of state water planning and EID’s involvement in this year’s dry year by water managers. While we are all hoping for more winter precipitation, we are planning for contingencies in case we don’t get the storms. Stay tuned for more on what our drought plans entail if it continues to be a dry winter.
New Rates in Effect January 1, 2014

At its October 28 meeting, the El Dorado Irrigation District Board of Directors approved a 2014 mid-cycle operating budget in the amount of $443.3 million. This budget reduces a previously-adopted rate increase of 11% for water services down to a 5% increase, effective January 1, 2014. The previously-adopted rate increase for wastewater and recycled water services will remain at 5% effective January 1, 2014. "This proposed reduction in rate increases for water services is due to expenses reductions related to the early implementation of the Public Employees Pension Reform Act (PEPRA) which is the employees of the District agreed to four years early; the delay of the forecasted bond sale for specific significant long-lived capital assets; and continued diligence by staff to contain costs," said Mark Price, the District's finance director. The District will also continue to stay on course with the financial plan built within the 2012 Cost-of-Service Study.

Bills that include 2013 consumption will be prorated at the old and new rates for the time periods indicated on your statement. Although the prorated charges will not show as a printed line item, the total amount due is the correct amount billed. For more details on the proration, or for any questions regarding your account, please contact Utility Billing at (530) 642-4000.

Q&A: Update on the Bay Delta Conservation Plan

In this edition of the Q&A, EID Director of Communications and Community Relations Mary Lynn Carlton talks with EID General Counsel Tom Cumpston (right) and Deputy General Counsel Brian Poulos about the progress on the BDCP.

In the May/June 2012 issue of the Waterfront, I spoke with you about the Bay Delta Conservation Plan (BDCP) and its implications on the District. Since that time a lot has happened. Can you bring us up to date with a basic review of the BDCP?

The BDCP is a habitat conservation plan and natural community conservation plan under the Federal Endangered Species Act and the California Natural Communities Conservation Planning Act, respectively. 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 Sacramento-San Joaquin River Delta ("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." In short, the BDCP is an effort to provide water exporters with some supply assurances in exchange for large-scale ecosystem improvements. This process started in 2006 and 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 has actively monitored the development of the BDCP and we have provided input to the plan, especially voicing our concern with certain aspects of it.

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

After the issuance of administrative draft documents last summer, a Draft BDCP and a Draft Environmental Impact Report/Environmental Impact Study ("DEIR/EIS") for the BDCP were released on December 9, 2013. They contain more than 30,000 pages of analysis. The DEIR/EIS identifies a preferred alternative that includes the construction of a supplemental conveyance system (two large underground tunnels) to move water around the Delta when operations at the existing pumps are constrained, as well as the creation or restoration of about 150,000 acres of fish and wildlife habitat. As mentioned earlier, this plan would then be implemented over the next 50 years. The plan indicates that water users receiving water exported from the Delta will finance construction of the Delta conveyance system, presently estimated to cost $14.5 billion. Habitat restoration will likely rely on state bond funding and federal grants. EID is actively reviewing the DEIR/EIS in collaboration with other local and regional agencies that share our interests. We plan to submit comments on the draft prior to the public comment deadline of April 14, 2014.

The plan is scheduled for completion in 2014, with decades of tunnel construction and habitat restoration to follow. I know the District has been concerned about losing water rights with this plan. Is this still the case and has anything happened to help ensure that this will not happen? That remains a major concern to us and other upstream water users. The issue is whether implementation of the BDCP would require EID to forego diversion and use of water in order to provide water for the Delta's needs. This would essentially deprive EID of our senior water rights for the benefit of junior water rights holders who divert water from the Delta. EID, along with many other upstream water users and water users groups such as the Mountain Counties Water Resources Association and the Association of California Water Agencies (ACWA), has repeatedly advocated that the BDCP include explicit water rights protections and assurances for upstream and other senior water users. Although Governor Brown has said that he supports water rights protections for upstream users and senior water rights holders, so far, the BDCP includes no such protections. Even more concerning, the Governor has given no such instructions to the state regulatory agencies that will carry out his initiatives linked to the BDCP.

Let's talk about one of those BDCP-related initiatives the Governor is proposing—the California Water Action Plan. Can you tell me about this plan and how it interfaces with the BDCP?

Governor Brown recently announced that California faces a critical juncture for water policy. He stated that climate change, drought and population growth pose significant water supply challenges to all of us. Therefore, in May, Governor Brown directed the California Natural Resources Agency, the California Environmental Protection Agency, and the California Department of Food and Agriculture to jointly identify key actions that need to be taken in the next one to five years to address urgent needs and lay a foundation for sustainable management of California's water resources. In response, these agencies released a draft California Water Action Plan (CWAP) in October 31, 2013. The Governor's hope is that, once final, the plan will support the Delta-centric BDCP to put all of California on a path to water-sustainability—and perhaps mute BDCP opposition.

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—Tom Cumpston

Irrigation Efficiency Rebates

Upgrading your irrigation system to become more water efficient could qualify you for a rebate on your water bill. Residential and commercial customers can apply for the program, receive a complimentary survey from EID, and be pre-qualified for a rebate. Call 530-642-4126 or email officeofwaterefficiency@eide.org to learn more.
BDCP, continued from page 3

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Return Address Change

During the first quarter of 2014, there will be a change in the return mailing address for EID utility payments. As a cost reduction measure, the District will be utilizing the services of a new vendor to process incoming payments to EID. In order to minimize any impact to customers, the new address will automatically be printed on each payment stub once the changeover is finalized. We will also continue to accept payments at 2890 Mosquito Road in Placerville.

Customer Service Website Expanded

Have you visited our website lately? Recent updates to the customer service area of the EID website have been added to improve your customer service experience. Online bill pay is available to customers who wish to view their statements, make a one-time payment, or set up recurring payments. You can also find answers to your most frequently asked questions, update your contact information, transfer service, learn how to check for leaks and other helpful maintenance tips, and much more! Visit the customer area of our website today at www.eid.org!

2014 REGULAR BOARD MEETINGS

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