The Waterfront

GM Message, continued from page 2

Over the past five years, we’ve also reformed EID’s internal financial controls to protect against over-reliance on FCC (facility capacity charges, or so-called “hook-up” fees) revenues as the housing market comes back in the future. We now require EID’s projected annual revenues to cover 100 percent of the annual operating expenses plus debt payments, without relying on a penny of FCC revenues. When FCC revenues pick up in the future, this control will position EID to reduce its borrowing, fund more capital projects on a pay-as-you-go basis, and retire existing debt.

Looking out into the future, we still have old infrastructure we need to replace, including parts of our system that were built over 100 years ago. Most will be replaced as pay-as-you-go projects, but some large projects will require debt issuance. We will continue to pay down debt, as we have over the past five years when we paid down $30 million in debt. And, subject to the Board’s direction, I foresee future rate increases in the low single-digit range. Modest and regular adjustments avoid “rate shock” resulting from years of no rate increases, which then necessitate double-digit rate increases to catch up.

In closing, I look forward to providing customers with safe and reliable water and wastewater service for many years to come.

King Fire Threatened EID Facilities

The King Fire burned nearly 100,000 acres before it was contained and it very nearly compromised some EID facilities.

The fire came dangerously close and nearly overran our Camp 5 hydroelectric headquarters, flumes, and powerhouse. But due to the dedicated firefighting crews and air support, no damage was done to District facilities.

EID Board Supports Water Bond for November Ballot

At its meeting on October 14, the EID Board of Directors voted to adopt a resolution supporting the $7.545 billion water bond measure set for the November 4, 2014, ballot and to forward the resolution to the Association of California Water Agencies (ACWA), to which EID belongs. Titled the “Water Quality, Supply and Infrastructure Improvement Act of 2014,” the bond will appear as Proposition 1 on the ballot.

The District Board voted unanimously to support the measure, saying it contains much-needed funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities, and other programs that ACWA and its members have long advocated as part of a statewide comprehensive plan.

The bond measure was approved in a nearly unanimous bipartisan vote by the state legislature and signed by Governor Jerry Brown on August 13. Its backers consider it to be critical element of the state’s comprehensive water plan. A diverse array of interest groups supports the measure, including organizations representing water, agriculture, the environmental community, labor and business. The measure was supported unanimously by the ACWA Board of Directors on August 19.

“The EID Board supports the debt financing of major water projects that provide for increased water supply security and improve the reliability of our delivery infrastructure,” said EID General Manager Jim Abercrombie.

The current drought has underscored the fact that we need a comprehensive, statewide water plan to create a more resilient water system and meet the coequal goals of improved water supply reliability and ecosystem health. If approved by voters, Proposition 1 will fund programs and projects throughout the state to help combat drought and other challenges,” said Abercrombie.

Keep Fats, Oils, and Grease Out of Your Drain

With the holidays around the corner, remember to keep FOG (fats, oils, and grease) from going down the drain. Found in most kitchens and restaurants, waste FOG (cooking oil, fat, lard, grease, butter, tallow, shortening, and margarine are all examples) can solidify and accumulate in sewer pipes (see picture at left). This can result in sewer backups and sewage overflows—potential hazards to public health that can lead to property damage and damage to the sewer system itself.

Dispose of FOG properly: Place cooled cooking oil, poultry, and meat fats into sealed non-recyclable containers and discard with your regular garbage. Use paper towels to wipe residual grease or oil off of dishes, pots, and pans before washing them.
I want to take this opportunity on my five-year anniversary to let you know how much I have truly enjoyed my time as your general manager. My message below briefly reflects back to when I was a ratepayer in the 1990s reading about the trials and tribulations facing EID in fixing its infrastructure problems and my many challenging experiences over the past five years.

In the late 1990s through early 2000s, EID faced major challenges with regulatory compliance issues. A past Board forecasted that significant capital expenditures would be necessary to comply with the California Department of Public Health’s 1998 orders requiring the lining and covering of drinking water reservoirs, new wastewater treatment requirements mandated by more stringent Regional Water Quality Control Board regulations, as well as the need to address deferred maintenance issues. In 1999, the Board estimated that between $176 million and $300 million needed to be spent to resolve these issues, not including spending almost $100 million on refurbishing the Project 184 reservoir structures acquired in the same year.

As a longtime El Dorado County resident and EID ratepayer of 25 years, I believe we all knew back then that much of this infrastructure needed fixing or replacing. Much of this necessary capital work was completed in the 2000s and, yes, a lot of money was borrowed and significant capital expenditures were made, most of which was to maintain safe and reliable service to our customers.

Over my last five years, EID has followed a three-pronged financial plan in dealing with the recession and increased infrastructure-related debt costs. The first of the three-pronged approach, increasing non-rate revenue, was completed by renegotiating our hydroelectric power sales contract. By doing so we reduced the need to collect rate revenue to cover costs. EID was successful in more than doubling our hydroelectric revenues, an increase of about $5 million per year.

The second prong of our three-pronged approach was cost reduction, and we have done a lot of it. Some of the biggest items included renegotiating the contract with the employee association in 2010 which downward and tightened the retirement benefits for new hires. We also reduced staff by approximately 30 percent, from 305 employees in 2007 to 216 in 2014, even though the number of services the District provides has grown by more than 21,000 (50 percent) since 1999. The bottom line on cost reduction is on page 2 of EID’s 2013 Comprehensive Annual Financial Report, located on our website. It shows that we’ve reduced annual budgeted operating expenses by about 9 percent, from $46.3 million in 2008 to $42.4 million in 2013, representing a 3.9 million reduction.

The third prong of our three-pronged approach was after significantly cutting costs and increasing non-rate revenue, we reduced the costs of existing debt and allocated it appropriately to your water, sewer, and recycled water rates. Since 2010, the District has refinanced more than $120 million in lower interest rates and made lower annual payments. These actions have saved ratepayers more than $17 million in today’s dollars on future debt costs. Our Cost-of-Serve Study, completed in 2011, used industry standard practices to determine our existing customers’ fair shares of the debt incurred on capital projects that directly benefit them, and embed them in rates. I commend our Finance Department on a job well done.

District Receives $1 Million Grant to Pipe Main Ditch

In late September, EID learned that it was successful in its application for a $1 million grant to help fund a project to pipe the Main Ditch. The project is estimated to cost $6.5 million. The funding comes from Proposition 84 funds allocated by the California Department of Water Resources (DWR) through the Regional Water Authority (RWA). The ditch conveys raw water for three miles from Forebay Reservoir in Pollock Pines to the Reservoir 1 Water Treatment Plant.

By replacing the unlined earthen ditch with a 36- to 42-inch diameter pipe, the District will conserve up to 1,300 acre-feet—from 423 million gallons—of water that is lost to seepage and evapotranspiration (the combination of water lost from soil evaporation and vegetation transpiration) in these open, earthen ditches each year.

In addition to the water savings that are especially important in our current drought conditions, open ditches are susceptible to contamination and failure, putting drinking water supplies at risk and resulting in erosion and water quality issues,” said Director of Engineering Brian Mueller.

“Because EID operates an integrated water system, conserving 1,300 acre-feet of water that can be delivered by gravity to El Dorado Hills is protecting more than $250,000 annually in the electrical cost of pumping that amount out of Folsom Lake,” said General Manager Jim Abercrombie.

The District is currently using El Dorado County Water Agency matching funds for initial design and engineering. DWR is expected to issue notification of conditional award in early November and complete the funding agreements in early 2015.

The project will proceed in a phased approach over a two-year period in order to continue water supply deliveries.

Q&A: Putting Customer Service First

EID Director of Communications and Customer Services Mary Lynn Carlton (left) talks with Utility Billing Supervisor Jenny Downey and Meter Services Supervisor Jim Pritchard (below) who is demonstrating the vehicle radio read process.

I know the Customer Services division is comprised of several different functions. What are those functions and what services are provided?

The Customer Services division is responsible for meter services, utility billing, development services, reception and payment processing, water efficiency, field dispatch services, and irrigation management services.

Meter Services performs the meter reading services for the District and provides Underground Service Alert (USA) markings for construction projects. It is a legal requirement to call 811 (or go to www.usanorth811.org and create a ticket) before you start your next project that involves digging or excavating. Calling 811 allows you to get—at no cost—all underground utilities clearly marked. Knowing where the water lines and other utilities are located can help reduce potential costly line breaks and service interruptions.

Meter reading is done both manually, by an onsite physical read of the meter by a staff member, as well as by radio read where a staff member drives a route and a computer/hand held device picks up the read via radio signals.

Customers should know where their meter box is located. To learn how to use your meter to identify leaks, go to www.eid.org/readmeter. Meter boxes should be kept free of debris and vegetation to ensure that they are accessible for reads and potential maintenance.

Meter Services personnel also provide the Irrigation Management Services (IMS) activities for urban and agricultural customers.

Utility Billing provides billing services for customers. This group serves as the District’s call center to answer customer questions, calculate the bills, process payments, and initiate account sign ups or close outs. They also provide field dispatch services for the District.

Development Services provides assistance to customers who are either connecting to existing District infrastructure, or those wishing to expand the District’s infrastructure to serve new development.

Water Efficiency works closely with customers to implement water efficiency measures, including handling many drought-related questions and water efficiency rebates.

I encourage all customers to provide their email address and make sure we have the District’s updated telephone numbers on file. This will ensure that customers receive prompt and efficient notification in times of emergencies.

How do you communicate all of this information to the customers?

Staff interacts with customers on a daily basis and we strive to make information easily accessible. One of the most effective ways of communication is through the Customer Services webpage on the District’s website at www.eid.org/customers. This webpage covers many topics including various methods of bill payment and how to read a bill; details about customer’s accounts; and how to stop, start, and transfer services. It also has a maintenance section that includes directions for reporting a water leak and water waste; identifying an EID service employee; reading a water meter; checking for leaks; turning off the water in an emergency; pool tips; dealing with frozen pipes; adjusting water pressure, among many others. There are also many forms available on the website. On the Development Services webpage customers can find information about the cost of a water and wastewater service, annexations, and extension of facilities. The drought webpage lists useful drought-related information. Complimentary water efficiency audits are available to customers and can be scheduled on the website.

For customers who have provided email addresses, we communicate in that method. On occasion, we communicate by automated telephone calls through our Rapid Notify system, and by direct mail postcards and letters, as we’ve done a lot this past summer to get our drought message out. I encourage all customers to provide their email address and make sure the District has updated telephone numbers on file. This will ensure that customers receive prompt and efficient notification in times of emergencies.

How can you contact us?

Jim Abercrombie

Update on the GM’s Fifth Anniversary

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The Waterfront

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The King Fire burned nearly 100,000 acres before it was contained and it very nearly compromised some EID facilities.

The fire came dangerously close and nearly overran our Camp 5 hydroelectric headquarters, flumes, and powerhouse. But due to the dedicated firefighting crews and air support, no damage was done to District facilities.

The fire came very close to EID’s Camp 5 hydroelectric facility in Pollock Pines (right).

The Sacramento Water Supply Index (WSI) came in as the fourth driest water year in terms of runoff in the 109-year period dating back to 1906. The 1977 water year was the worst, followed by 1924 and 1931, respectively. Several of California’s largest reservoirs are running at their lowest levels, only running behind 1977. This is of particular importance given that the population has roughly doubled since the drought of 1977. In order to weaken this extreme drought, an above-normal water year is sorely needed to stave off even further depletion of surface and ground water supplies.

Above Average 2014/2015 Water Year Needed to Weaken Drought

The residential sewer commodity charge is based on what we call the “winter quarter average” or the water consumption during the winter months. You can positively affect your sewer bill for the rest of the year by conserving water during this period.

For billing cycles 1, 2, 3, or 4, the water consumption on the February bill is used to calculate a new sewer commodity charge to go into effect on the April bill. For billing cycles 5, 6, 7, or 8, the water consumption on the January bill is used to calculate the new sewer commodity charge to go into effect on the March bill. The new commodity charge will remain in effect for one full year. Here are just a few tips to get you started.

- Stop irrigating during the winter.
- Cover your irrigation control valves to prevent cracks and leakage caused by the winter weather.
- Install insulating wrap around pipes that can potentially freeze. Our coldest temperatures are normally between December and March.

Many of the tips on our Save 30% inside and outside your home can help you get your usage lower.

Go to www.eid.org/save30 to download a copy.

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Dispose of FOG properly: Place cooled cooking oil, poultry, and meat fats into a deep container with a lid. Unused butter, margarine, shortenings, and cooking oils can be frozen. If you pour used cooking oil, fat, or grease directly down the drain, it will solidify, block the drain pipe, and can be a fire hazard. Solidified FOG also blocks grease trap systems in restaurants and other commercial establishments, creating a risk to public health and property damage.

www.eid.org • El Dorado Irrigation District • 2890 Mosquito Road • Placerville, CA 95667 • 530-622-4513 | 916-965-0930

Permanent Link: www.eid.org/GM-Message-continued-from-page-2

In accordance with the Americans with Disabilities Act and California law, the EID is committed to providing the public with access to its public programs, services and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an alternative language or format, or if you require any other accommodation, please contact the ADA Coordinator at 530-622-4513 or email at ada@eid.org.

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