EID Seeking Modest Adjustment to Rates Over Five Years

On February 21, EID sent to all its customers a Proposition 218 notice that alerts customers to proposed water, wastewater, and recycled water rate adjustments between 2021 and 2025.

In 1996, California voters approved Proposition 218 which amended the state constitution as it relates to the passage of property related fees. Today, “Prop 218” requires that local governments or agencies follow a strictly defined process when setting fees such as water and sewer rates. EID is required to inform property owners that a proposed rate increase is being considered, clearly demonstrate the basis on which these fees are calculated, and hold a public hearing at least 45 days after notice where the district hears all protests to the rate increase.

Proposed Rate Increases 2021–2025

<table>
<thead>
<tr>
<th>Commodity</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
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<tr>
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<tr>
<td>Water and wastewater</td>
<td>$1.84</td>
<td>0.3%</td>
<td>6.25</td>
<td>2.4%</td>
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<tr>
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<tr>
<td>Recycled wastewater</td>
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<td>5.00</td>
<td>2.3%</td>
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<tr>
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The projects that EID will fund through bond sale are all long-lived projects. Projects that benefit not only current customers, but also the generations the come after are often equitably funded through long-term bond financing. Some projects include the Folsom Lake project, an extensive water line replacement program, and important lime replacement along EID’s 22-mile-long El Dorado Canal.

“We have facilities in our system that have become unreliable,” said Abercrombie. “If the Folsom Lake project fails in the heat of summer, all customers would be impacted as the District worked to provide minimum water for health and safety needs. El Dorado Hills would be particularly affected since during summer the majority of demand can only be met by this critical supply. If a flume or a major east-west water supply main fails in summer when water demand is high, it would mean severe water restrictions. These proposed rate increases will pay for the projects that increase needed reliability. We need them badly.”

Did You Know?

There are approximately 1,400 miles of water mains, over 41,100 potable service lines, over 5,400 recycled service lines, and more than 200 high-pressure regulating stations across EID’s 220-square-mile service area.

In 2021, for an average water user, proposed water rates would rise by $3.02 per month and wastewater rates would rise by $1.84 per bill. That means that an average water user who has a water line replacement program, and important flume replacement projects along EID’s 22-mile-long El Dorado Canal.

2020 Water Efficiency Rebates

A rebate of up to $100 per water service account is available to EID customers on a first-come, first-served basis while funding lasts for purchases made in 2020. Qualifying devices include high-efficiency toilets and clothes washers, irrigation efficiency upgrades, hot water recirculating pumps, and weather-based irrigation controls.

Rebate applications must be submitted within 60 days of the qualifying purchase. Save water indoors by replacing older high-volume toilets and clothes washers with water-efficient models. Save water outdoors by upgrading your irrigation system to drip, install high-efficiency nozzles, or convert timers to a weather-based irrigation controller.

To obtain a rebate application and learn more about qualifying high-efficiency devices, weather-based irrigation controllers, and clothes washers that are EPA WaterSense and CEE rated, visit the EID website for more information.
On February 21, EID sent out notices for proposed rate adjustments for the years 2021 through 2025. The notice lays out a series of rate adjustments over those years and details some of the drivers behind the need for the additional rate revenue.

EID personnel have worked to develop the leastest possible rate schedule while still ensuring rates generate enough revenue to help pay for critical projects that have become too pressing to defer any longer. We believe we have designed responsible rate adjustments that will do just that.

For 2021, the average (medium use) water customer would see an increase of $8.63 per bimonthly bill. The average wastewater customer would see a reduction of $6.79 per bill. The average water/wastewater customer would see a rise of $1.84 per bill and the average water/wastewater/recycled water customer would see a $7.42 increase per bimonthly bill.

What are these rates paying for?

These rates are paying for reliability, reinvestment in aging infrastructure, and responsibility. Every EID worker takes the responsibility of providing safe and reliable service 24/7 to our customers with significant pride. The rates will fund key projects to replace aging infrastructure to ensure the level of service and reliability our customers expect.

Here is a little background on just two of the critical projects faced by EID. To learn more about other important projects, I encourage our customers visit our upcoming open houses or review our five-year capital improvement plan posted on the EID website.

In late December of 2019, EID staff began monitoring a leak on its El Dorado Main No. 2 (EDM-2). EDM-2 was constructed between 1975 and 1978 by the U.S. Bureau of Reclamation as part of the Central Valley Water Project. EDM-2 originates at the District’s Reservoir 2 facility in Camino and is an indispensable artery in EID’s integrated water system.

In addition to the communities from Camino through Placerville, EDM-2 feeds the Gold Hill Intertert that in turn supplies Cameron Park and El Dorado Hills residents. In fact, EDM-2 is the primary water source for those communities during the winter months and aids the El Dorado Hills water treatment plant in the summer months to help meet peak demands.

Ultimately there were three separate leaks identified in EDM-2 and were repaired under emergency conditions.

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Water Line Replacement

Recent water line breaks—including the significant water main rupture in spring of 2019 that closed El Dorado Hills Boulevard temporarily—have highlighted the effects of aging District infrastructure and the lack of reinvestment for replacement.

One of EID’s major drinking water distribution arteries, El Dorado Main No. 2 (EDM-2) developed a series of leaks over the past year requiring emergency repairs during the winter months.

The water that goes through EDM-2 defines how integrated EID’s water distribution system really is. Water from Project 184 and Sly Park feeds the communities of camino, Placerville and further west, flowing through large water mains. The water it carries helps meet summer demands in El Dorado Hills when water usage is highest. Without this water, EID could not meet that community’s demand only from the Folsom Lake Intake.

It’s a vital component of an aging, interconnected network of pipelines that needs reinvestment. Our community relies on pipelines, most installed a half century ago, that are starting to fail at a more frequent rate, necessitating a more active replacement program. Not only does deferred investment increase the ultimate cost of replacement, equally—and perhaps more importantly—the deferral decreases the reliability of the service to our customers and increases the chance of creating public health and safety issues.

Folsom Lake Intake Project

The Folsom Lake Intake is a critical component to EID’s raw water supply. It is EID’s sole means of access to water from Folsom Lake, which makes up approximately one third of EID’s entire water supply. The entire community of El Dorado Hills depends on this infrastructure for its water supply.

Given its age and deteriorated condition, past pump failures, ongoing safety issues, and the difficulty in obtaining repair parts for 1958 vintage booster pumps, EID has made replacement of the facility a high priority.

At its meeting on February 24, the EID Board of Directors unanimously approved a $42 million project to replace critical components of the intake station and restore needed reliability and capacity that was lost to mechanical failure over the years. The project will be funded using low-interest, long-term bond financing. Projects of this magnitude are ideal to fund using bonds.

For more on these and other projects, go to www.eid.org/i-want-to/what-is-a-cip.

Flumes and Canals

Flumes and canals are a vital component of EID’s complex water conveyance system. Spanning 22 miles, they deliver approximately one-third of EID’s drinking water supply to its customers. The canal and its flumes run through steep and often hard-to-reach terrain in areas prone to landslide and fire, as well as tree and rock fall.

The majority of the canal system is constructed on a bench occupying a relatively steep, north-facing slope. This exposed location has been subject to failure, primarily due to natural events including occasional disasters caused by fire and landslide.

“The building dilapidated wooden flumes in the system helps to enhance water supply and power generation reliability,” said Abercrombie. “And since they are such long-lived assets—with a useful life of 50 or more years—we can use bond financing to pay for this vital infrastructure so it is more equitably spread across the decades of different customers who will benefit from them.”

The El Dorado Canal system is the primary means of supply to the northern portion of EID’s service area and also contributes significantly to supplying the rest of EID’s service area by gravity, all the way to El Dorado Hills.
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<th>2022</th>
<th>% Increase</th>
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<th>% Increase</th>
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<tr>
<td>Water</td>
<td>$6.63</td>
<td>3.8%</td>
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<td>Water and wastewater</td>
<td>$1.84</td>
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<td>Water, wastewater &amp; recycled</td>
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| For the AVERAGE WATER CUSTOMER, it's an increase of $8.63 per bill in 2021 and additional increases of $6.17 in 2022, $6.47 in 2023, $6.80 in 2024 and $7.15 in 2025.

### Need to Reinvest in Vital Infrastructure

The proposed increases to EID’s water, wastewater, and recycled water service fees will enable the District to recover current and projected costs of operations and maintenance; fund capital infrastructure improvements vital for providing safe and reliable drinking water; maintain the operational and financial stability of the utilities; and avoid operational deficits and depletion of reserves.

“We do not take the need to raise rates lightly,” said EID General Manager Jim Abercrombie. “Our customers have a right to know how their money is being spent and why it needs to be spent. Sometimes the projects are regulatory requirements—like the almost completed Forebay Dam project or it’s maintaining the viability of a critical piece of infrastructure like the Folsom Lake intake project, an extensive water line replacement project, and important flume replacement along EID’s 22-mile-long El Dorado Canal. “We have facilities in our system that have become unreliable,” said Abercrombie. “If the Folsom Lake intake fails in the heat of summer, all customers would be impacted as the District worked to provide minimum water for health and safety needs. El Dorado Hills would be particularly affected since during summer the majority of demand can only be met by this critical supply. If a flume or a major east-west water supply main fails in summer when water demand is high, it would mean severe water restrictions. These proposed rate increases will pay for the projects that increase needed reliability. We need them badly.”