Sound financial planning and a history of community support are two of the reasons why EID has earned excellent credit ratings from Moody’s and Standard & Poor’s. Without these excellent ratings, customers would have to pay higher interest rates which would in turn increase debt service costs each year.

There are alternatives to financing long-term debt to pay for capital construction projects. “Utilities can increase rates sufficiently to pay cash up-front for projects as they are needed,” said EID General Manager Jim Abercrombie. “We do this to a degree already, but as you can imagine, rates would go up exponentially if EID chose to pay for everything this way. And it is not equitable for current ratepayers to bear the full cost of facilities and infrastructure that will benefit multiple generations.”

“You can also delay construction projects, which would eventually lower the debt burden,” continued Abercrombie. “However, a failure to reinvest in the system would also affect the community negatively in terms of unreliable service and decaying infrastructure. No one wants to find our community facing public health and safety challenges like inadequate fire protection and drinking water quality or unreliable service.”

Public safety—safe and reliable drinking water and protecting public health and the environment through effective wastewater collection and treatment—is EID’s top concern at all times and EID will not compromise on that.

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New Online Bill Pay Feature

EID customers now have more options when it comes to paying their bill online. In addition to making a one-time payment for the same day or signing up for recurring scheduled payments to help fit with customer budgets. Please note that late fees may still apply if payments are scheduled to be made after the due date on the statement.

If a payment is needed, customers should contact utility billing staff before scheduling a payment past the due date on the bill by calling 530-642-4000 or sending an email to billing@eid.org.

Helping Hands—Neighbors Helping Neighbors

In 2010, EID established the Helping Hands Outreach Program in cooperation with the El Dorado Community Foundation and El Dorado County Department of Human Services. The program provides help to customers who experience a financial catastrophe and are unable to pay their EID utility bill. The El Dorado Community Foundation, a publicly-charitable serving tens of thousands in El Dorado County, administers the program.

To date, donations total $18,747 and 113 families who have faced a financial hardship have been assisted with their EID utility charges.

“This partnership has been a wonderful success,” said EID General Manager Jim Abercrombie. “We’re proud to be able to work with the El Dorado Community Foundation to get help to those who need it the most.”

Helping Hands is funded entirely by voluntary contributions from EID employees and customers or other residents of the county. EID staff are able to participate through a payroll deduction.

Anyone in the community who wishes to contribute to the program should write a check payable to Helping Hands Outreach and send it to: El Dorado Community Foundation, 312 Main Street #201, Placerville, CA 95667.

EID customers who would like to contribute can mail a check payable to Helping Hands Outreach to EID at 2890 Mosquito Road, Placerville CA 95667.

Please call our Utility Billing staff at 530-642-4000 if you have any questions. Or send an email to billing@eid.org.
Planning for the Future—Needed Investment in Infrastructure

The Forebay Dam Modification project is required to satisfy state and federal regulations. The raised dam and the resulting increase in storage capacity has multiple benefits to EID ratepayers.

EID’s long-term financial plan is designed to ensure there are adequate funds to make the necessary infrastructure investments to maintain safe and reliable service. We do this by striking a balance between funding infrastructure through current cash flow and the need to borrow funds for more costly projects.

As our water and sewer systems age, it is important to continue investing in replacing, rebuilding, and expanding them in accordance with a long-term, balanced financing plan. For this balanced financing plan to work, EID needs modest but regular rate increases to pay for needed investments. The amounts of the rate increases are projected to be near the rate of inflation.

EID’s drinking water system is primarily supported by ratepayers and modest rate increases typically occur in order to:

- Maintain existing water plants, pipes and other facilities to ensure continued delivery of reliable, high-quality water,
- Provide funding for smaller pay-as-you-go water projects; and
- Meet ever-increasing regulatory requirements to protect water quality.

EID also invests an average of $13 million annually to maintain and improve the reliability of reliable, high-quality water, and the need to borrow funds for more costly projects. Bonds (or loans) allow our community to borrow money and pay it back over decades, similar to a mortgage payment. The high cost and longevity of some infrastructure projects makes financing them with long-term, low-interest debt the most efficient and equitable funding method.

With long-term debt financing, paying for these necessary repairs and enhancements to the infrastructure are shared by current ratepayers and the future residents and ratepayers who will benefit from the infrastructure.

Analyzing and prioritizing capital replacement and maintenance costs is something that staff reviews annually. Each year, EID prepares a five-year financial plan which includes revenue requirements, operating costs, and funding needed for annual pay-as-you-go construction projects. As a result of these projects, the necessary rate increases that are needed to balance the revenues with costs are forecasted.

Most recently, in December 2014, the EID Board of Directors unanimously adopted a two-year budget and financial plan. The financial plan contained a water bond issuance of approximately $46 million that included the following five projects: Main Ditch Piping, Forebay Modification, Sly Park Intertie Rehabilitation, Flume Replacement, and the emergency Esmeralda Tunnel reconstruction. See the sidebar for more information on these projects.

see INFRASTRUCTURE, page 4

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Jim Abercrombie
General Manager

Outstanding Conservation and Investing in Community Infrastructure

I want to start with a big “thank you” to our customers. There is a strong sense of community in EID’s service area and all of El Dorado County. Our community of ratepayers continues to step up in a strong way during this historic drought.

For July and August—the first two months EID has been required to meet a state-mandated 28 percent water use reduction—District customers have stepped up to meet and then exceed the mandate. We reported a 32 percent reduction in June and a 34 percent reduction for July.

And as this edition of the Waterfront goes to print, the numbers for August appear to be on track to exceed the mandated reduction again. These extraordinary results show how engaged and aware EID’s customers have been. Thank you sincerely for helping us to exceed the state’s requirements during this severe multi-year drought.

Community Infrastructure

You may have heard or have seen news reports about other California water purveyors that are dealing not only with the effects of the drought and requirements to conserve water, but also the hit on their financials with reduced water sales.

EID’s strong financial plan and rate structure has helped us weather the hits associated with the drought—reduced water sales resulting from conservation and reduced hydroelectric power generation revenue as a result of water transferred to Jenkinson Lake to bolster supplies for our customers should this historic drought continue for another year.

Our financial plan helps us weather the ongoing problems associated with the drought, but we must continue to plan to invest for the long term in our community’s water infrastructure.

In December of 2014, the EID Board of Directors unanimously approved a financial plan to fund infrastructure replacements. This plan calls for modest rate adjustments to help pay for five water projects that will benefit current and future customers.

Read the article on page three for more detail about why these investments are vital to strengthen and maintain the sometimes hidden infrastructure that we rely on for water, sewer, and recycled water.

Fixing broken appliances, whether they are sprinklers for your landscape or indoor appliances like faucets, showerheads, and toilets, can help you to save a significant amount of water. For additional tips, go to www.eid.org/drought.

A local girl scout, Kayla Grissom, recently teamed up with the Gold Rush Club to create a free kid’s life jacket station at Sly Park’s Sierra Point day use area.

“This program helps to bring awareness about the dangers associated with young children in the water without properly fitted life jackets,” said EID Recreation Manager Greg Hawkins. “Each day we distribute around 45 of the 60 life jackets given to us by the Active 20-30 Gold Rush Club. We are pleased to offer this new life jacket loan program at Sly Park Recreation Area.”

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— Jim Abercrombie

Main Ditch Piping: $6.5 million
Piping the Main Ditch—currently an open earthen ditch—will minimize water loss, adding up to 1,300 acre-feet of usable supply. The pipe will protect water quality and help save money on treatment processes.

Flume Replacement: $11.6 million
Rebuilding dilapidated flumes in the District’s Project 184 delivery system will help increase power generation and water supply reliability. Necessary flume replacement significantly reduces the risk of catastrophic failure. Flumes are a vital component of EID’s water system. Flumes scheduled for replacement in the capital improvement plan are also critical in transferring and banking water in Jenkinson Lake during times of drought.

Sly Park Intertie: $5.5 million
This pipeline project increases the reliability for delivery of one-third of EID’s water supply by interconnecting two major water treatment facilities. Refurbishing this 40-year-old artery allows for greater operational flexibility to optimize water supplies during drought conditions and increase power generation revenues.

Planning for the Future—Needed Investment in Infrastructure

- Main Ditch Piping
- Forebay Modification
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EID also invests an average of $13 million annually to maintain and improve the reliability of our existing water infrastructure. Most of these investments are made on a pay-as-you-go basis. Borrowing is another option for capital investments. Bonds (or loans) allow our community to borrow money and pay it back over decades, similar to a mortgage payment. The high cost and longevity of some infrastructure projects makes financing them with long-term, low-interest debt the most efficient and equitable funding method.

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‘You can also delay construction projects, which would eventually lower the debt burden,’ continued Abercrombie. ‘However, a failure to reinvest in the largely unseen infrastructure and decaying infrastructure. No one wants to find our community facing public health and safety challenges like inadequate fire protection and drinking water quality or unreliable service. ‘

Public safety—safe and reliable drinking water and protecting public health and the environment through effective wastewater collection and treatment—is EID’s top concern at all times and EID will not compromise on that. Using an average asset life of about 50 years, the district needs to plan to replace/rebuild approximately two percent of its assets annually.

Oftentimes sewer spills and emergency water pipe repairs must take top priority when they occur. But with careful planning and vigilance in preparation, the district can ensure that the community’s water, sewer, and recycled water system are in safe working order without dramatic increases in rates.

By investing and periodically reinvesting in the largely unseen infrastructure that provides safe and reliable drinking water, collectors and treated wastewater from homes and businesses, and treats wastewater, the district is helping to strengthen this community infrastructure to last for generations to come.

Main Ditch Update

The District has been awarded a Department of Water Resources drought grant in the amount of $1,007,550 for piping the ditch. In June, EID re-tained the services of a design engineering consultant to complete design on one of three alignment that are being considered for the piping project.

An Initial Study was completed and a Notice of Preparation of an environmental impact report (EIR) was released in June kicking off the environ-ment review process.

A public scoping meeting was held On June 29, a public scoping meeting was held where the com-munity and others had an opportunity to discuss any concerns they would like to see addressed in the EIR.

Completion of the Draft EIR is expected early in 2016 at which time public comment will be invited on the document.

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