

PROP 218 AND COST OF SERVICE STUDY RESULTS AND PROPOSED RATES FOR 2021-2025

PUBLIC WORKSHOPS - 2020
March 4 CPCSD and March 23 EID HQ



Presented by: Mark Price, Finance Director and
Brian Mueller, Engineering Director

PRESENTATION SUMMARY

- EID services
- Overview of needed asset replacement projects
- Cost of Service Analysis
 - Cost of Service - Water Rate Model Overview
 - Cost of Service - Wastewater Rate Model Overview
 - Financial Plans and Future Debt Requirements
 - Revenue Requirements and Balance of Funds
- Questions/discussion

WATER FUND

- Comprised of:
 - Water
 - Hydroelectric
 - Recreation

WATER

The reliable delivery of high-quality water is a complex task that requires constant vigilance, millions of dollars invested in state-of-the-art treatment plants and equipment to meet regulatory requirements, and highly trained, professional employees.

- 5 treatment facilities
- 1,105 miles of pipelines
- 36 storage tanks
- 38 pumping stations
- 41,396 services



A flume carries water from the high country to reservoirs and treatment plants

HYDROELECTRIC

Project 184 transferred to EID in 1999. With the transfer came 15,080 acre-feet of water rights and EID has secured an additional 17,000 acre-feet of water rights from the project.

Water supply project with ancillary power generation reduces overall cost to provide drinking water

- 5 lakes/reservoirs—Lake Aloha, Echo Lake, Silver Lake, Caples Lake, Forebay Reservoir
- 22.3 mile canal/flume system
- 21-megawatt powerhouse
- Generates average of \$8 million in revenue per year
 - Revenue will be reduced in future years



RECREATION

EID's recreation sites rank among the most popular destinations in El Dorado County serving over 388,000 guests each year. Recreation sites include Sly Park as well as EID facilities at Silver Lake, Oyster Creek, Caples Lake, Echo Lake and Forebay Reservoir.

Recreation services are part of the water fund since it is a FERC requirement to provide these services at our drinking water reservoirs.

Hazel Creek
meadow at
Sly Park
Recreation
Area



WASTEWATER FUND

- Comprised of:
 - Wastewater collection, treatment and disposal
 - Recycled water

WASTEWATER COLLECTION AND TREATMENT

We are working to upgrade and improve our wastewater conveyance system in areas where aging infrastructure is at issue. The District is undertaking a replacement program for several lift station facilities and continuing several improvements to the treatment and collection system.

- 4 treatment facilities
- 446-mile collection system
- 61 lift stations
- 23,191 services



**El Dorado Hills wastewater
treatment plant**

RECYCLED WATER

The District delivers about 3,500 acre-feet of recycled water annually, or 1.1 billion gallons. The recycled program is an efficient way to dispose of treated wastewater effluent.

- 2 treatment facilities
- 93-miles of recycled pipelines
- 5 storage tanks
- 5 pumping stations
- 5,479 services





2020-2024 CAPITAL IMPROVEMENT PLAN

	2020 PLANNED	2021 PLANNED	2022 PLANNED	2023 PLANNED	2024 PLANNED	FIVE-YEAR PLAN TOTAL
FERC	\$5,721,762	\$743,195	\$464,671	\$381,191	\$392,682	\$7,703,501
Water	\$22,342,500	\$25,813,750	\$15,303,750	\$14,023,750	\$27,360,750	\$104,844,500
Wastewater	\$8,701,493	\$6,195,000	\$6,085,000	\$4,855,000	\$8,530,000	\$34,366,493
Recycled Water	\$175,000	\$100,000	\$550,000	\$550,000	\$550,000	\$1,925,000
Hydroelectric	\$19,615,000	\$11,295,000	\$4,310,000	\$8,395,000	\$6,460,000	\$50,075,000
Recreation	\$150,000	\$150,000	\$100,000	\$200,000	\$100,000	\$700,000
General District	\$2,600,000	\$2,351,000	\$1,997,000	\$1,620,000	\$1,290,000	\$9,858,000
TOTAL	\$59,305,755	\$46,647,945	\$28,810,421	\$30,024,941	\$44,683,432	\$209,472,494

FOREBAY DAM REMEDIATION \$26 MILLION





2020
Flume 38-39/40
replacement
\$11M

2021
Flume 30 replacement



FLUME REPLACEMENT WITH CONCRETE CANAL

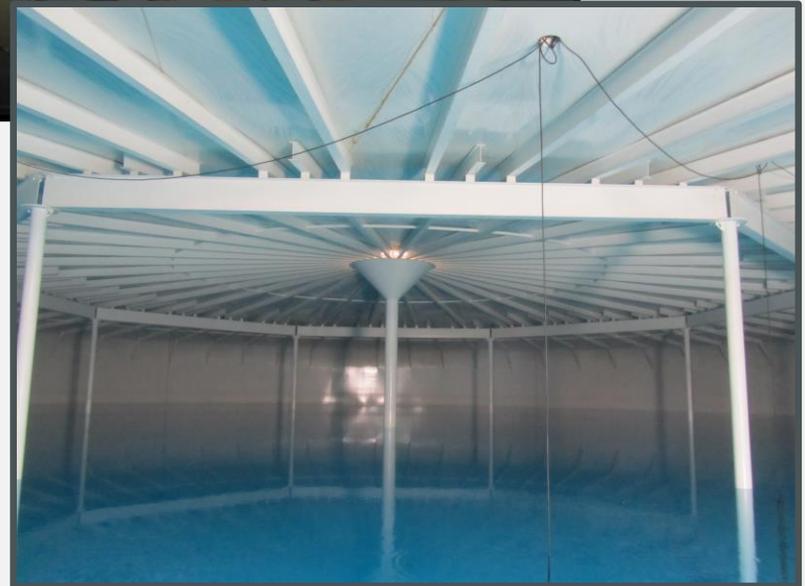




**2020-2021
Folsom Lake Intake
Improvements
\$42M**



STORAGE TANK PROGRAM



\$9M over 5 years

WATER LINE REPLACEMENT



\$38M over 5 years

WASTEWATER SYSTEM UPGRADES

Sewer lift station upgrades

\$3.7M OVER 5 YEARS

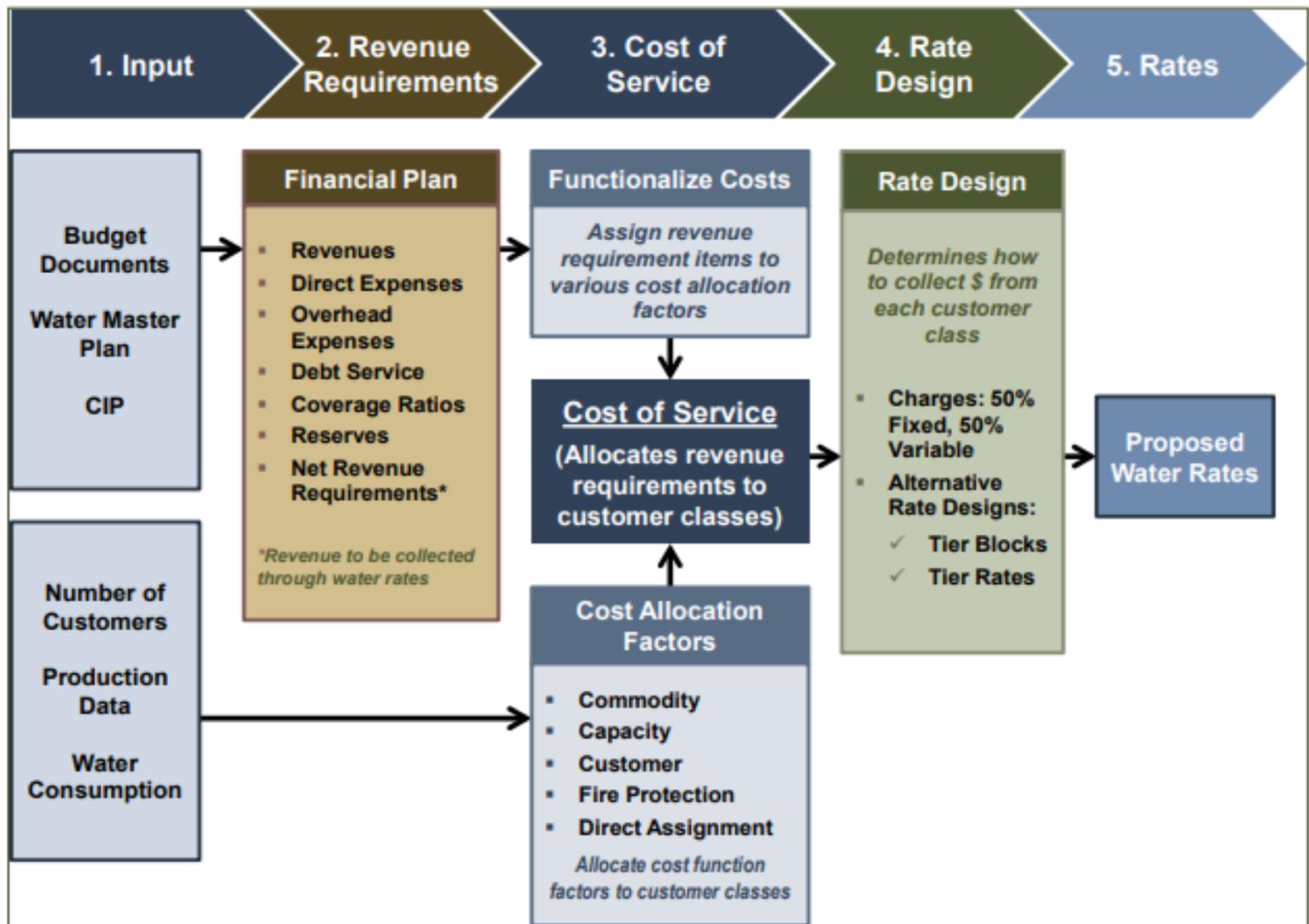


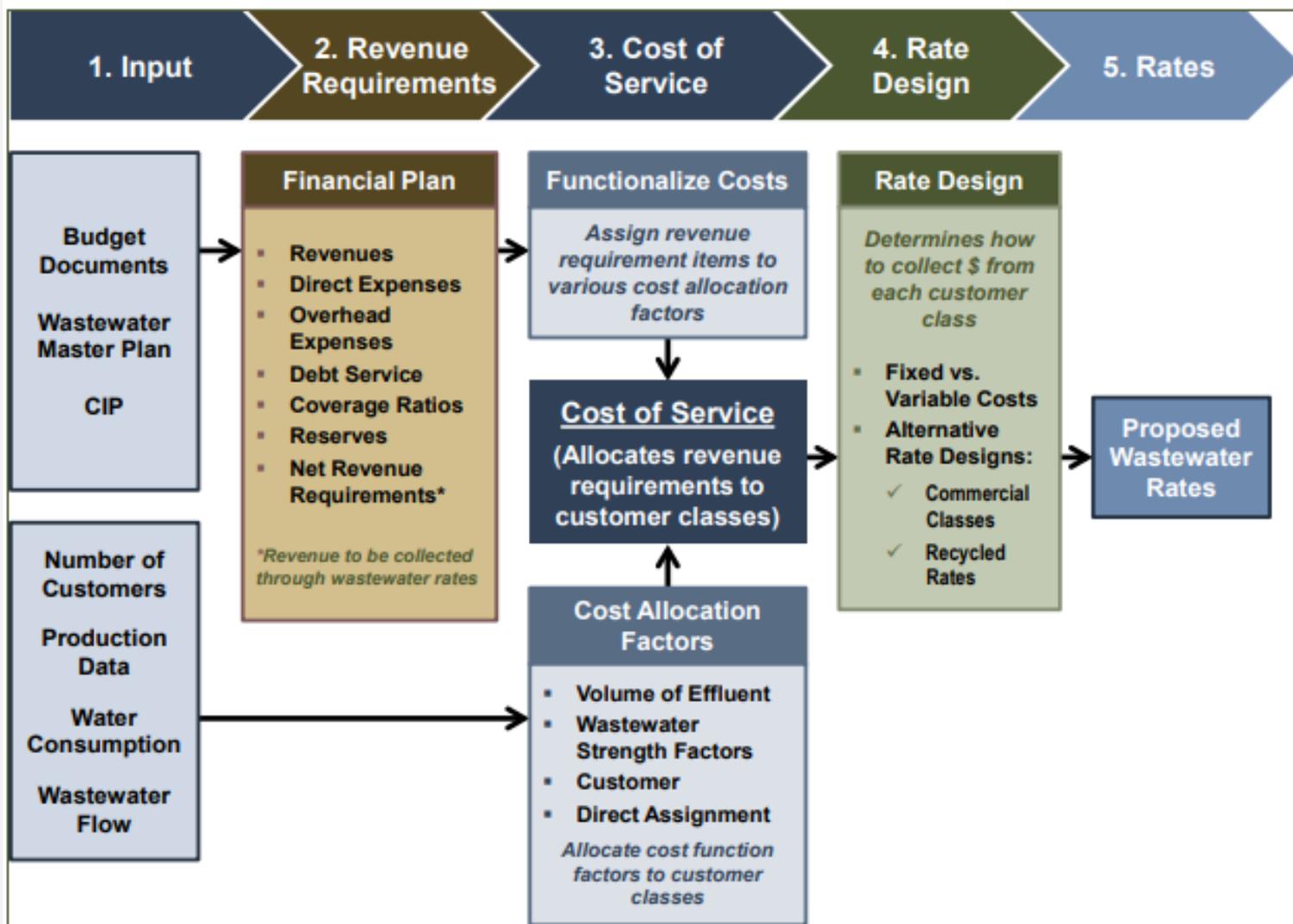
EDHWWTP Odor Control

\$900,000



COST OF SERVICE AND RESULTS





2020-2025 FINANCIAL PLAN-WATER

(IN MILLIONS)

	2020	2021	2022	2023	2024	2025
Revenue from rates	33.0	34.8	36.7	38.7	40.8	43.0
Other non-rate revenue						
Property Tax	9.3	9.5	9.7	9.9	10.1	10.3
Hydro electric	8.0	7.0	6.0	6.0	6.0	6.0
Misc	4.8	4.6	3.5	3.5	3.5	3.5
Total other non-rate revenue	22.1	21.1	19.2	19.4	19.6	19.8
Total Revenue	55.1	55.9	55.9	58.1	60.4	62.8
Operating expenses	35.7	37.0	37.9	39.0	40.2	41.0
Debt service	17.7	17.8	15.1	15.1	14.9	20.4
Total revenue requirements	53.4	54.8	53.0	54.1	55.1	61.4

2020-2025 Financial Plan-Wastewater

(in millions)

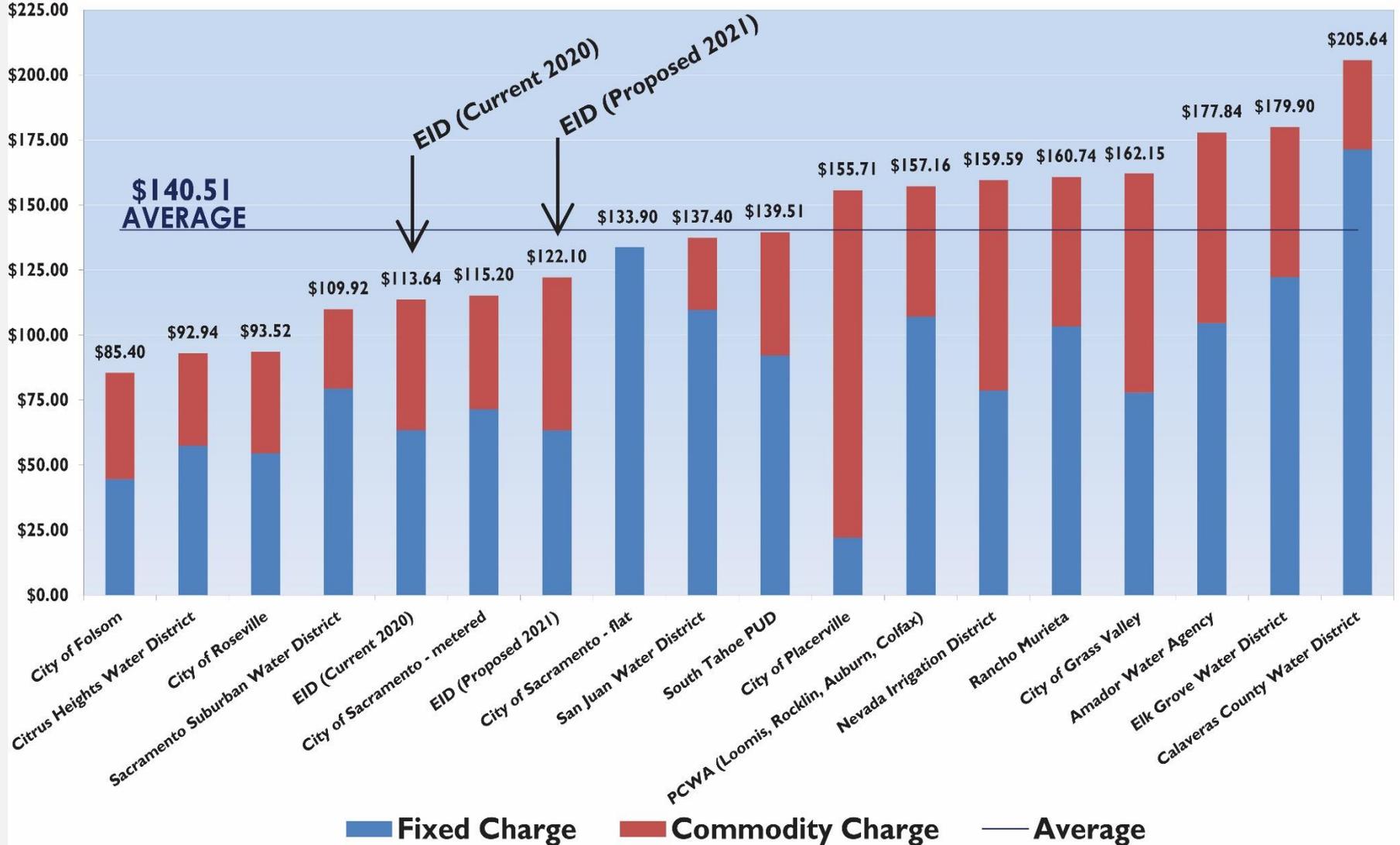
	2020	2021	2022	2023	2024	2025
Revenue from rates	24.3	24.7	25.1	25.6	26.2	27.2
Other non-rate revenue						
Property Tax	3.1	3.2	3.2	3.3	3.4	3.4
Misc	2.4	1.5	1.4	1.4	1.4	1.4
Total other non-rate revenue	5.5	4.7	4.6	4.7	4.8	4.8
Total Revenue	29.8	29.4	29.7	30.3	31.0	32.0
Operating expenses	18.9	19.7	20.4	21.0	21.7	22.1
Debt service	10.9	8.9	7.0	7.0	7.0	6.8
Total revenue requirements	29.8	28.6	27.4	28.0	28.7	28.9

Impact to Bi-Monthly Average Use Customers

Commodity	2021	%	2022	%	2023	%	2024	%	2025	%	Average
Water	\$8.63	7.5%	\$6.17	5.0%	\$6.47	5.0%	\$6.80	5.0%	\$7.15	5.0%	5.5%
Wastewater	-\$6.79	-4.8%	\$0.00	0.0%	\$1.35	1.0%	\$1.35	1.0%	\$4.11	3.0%	0.0%
Water and wastewater	\$1.84	0.7%	\$6.17	2.4%	\$7.82	3.0%	\$8.15	3.0%	\$11.26	4.0%	2.6%
Water, wastewater & recycled	\$7.42	2.7%	\$7.30	2.6%	\$9.00	3.1%	\$9.40	3.2%	\$12.56	4.1%	3.1%

2020 Regional Water Bill Comparison

For Bimonthly Service - Single Family Residence: 3/4" Meter - 3,000 cf usage



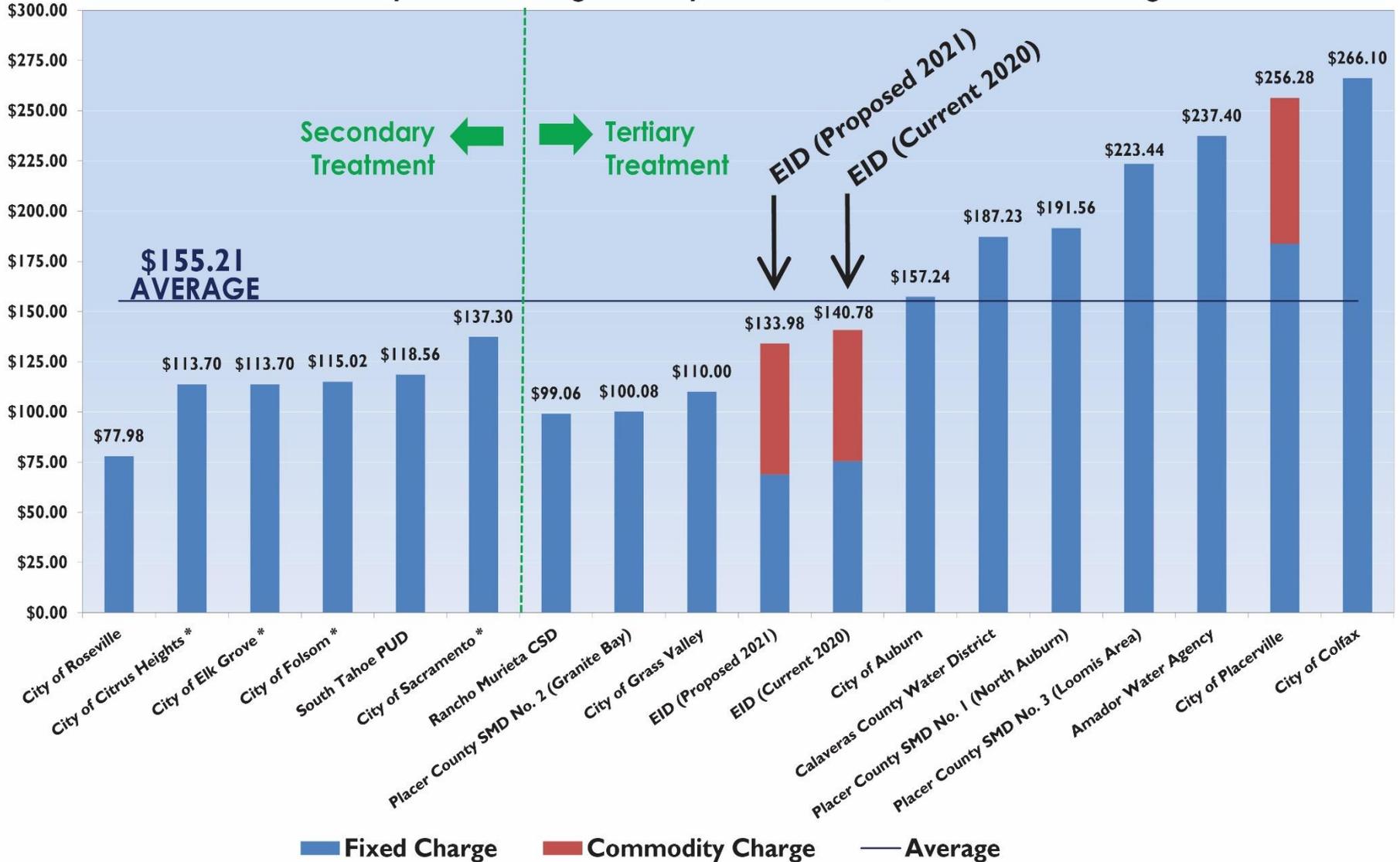
■ Fixed Charge

■ Commodity Charge

— Average

2020 Regional Sewer Bill Comparison

For Bimonthly Service - Single Family Residence: 1,600 cf of winter usage



DISCUSSION