



The Waterfront

Customer Survey Results Reveal Customers' Top Priorities

As done in past years, the District recently surveyed 4,000 randomly-selected customers, about 20 percent of all EID water and wastewater customers, to see what is first and foremost on their minds.

This year the District received an even higher response rate than previous years—946 responses—a 24 percent return rate! Consistent with last year's ranking, water quality and cost ranked as customer's top priorities in the survey, with 646 customers ranking water quality as most important followed by 438 customers ranking cost as most important. Water reliability was also high on customer's minds, with a 430 votes, followed by water security, which was ranked as most important by 354 customers. Some customers ranked more than one issue as their top priority.

"The year's response was even higher than last year's by nearly 7 percent," said EID general manager Jim Abercrombie. "This tells me that customers take the time to get involved and give us their feedback, which we value very much."

Customers also indicated that they are satisfied with the District's services but some feel that rates for wastewater are not as reasonable as they would like them to be. Here's the breakdown on the survey's questions related to those topics.

- 87% said they are very satisfied or satisfied with their water service.
- 95% said they were very satisfied or satisfied with the service they receive when they call the District, or they had no reason to call with service requests in the first place.
- 94% said the District's field responses—compared with other utilities—are excellent, very good, or average.
- 56% said EID's water rates are very reasonable or reasonable.
- 33% said EID's wastewater rates are very reasonable or reasonable.

The survey also asked how customers prefer to receive information about the District, and 91% preferred *The Waterfront*, the newsletter the District produces in-house.

Abercrombie plans on incorporating the results into the District's long-range financial, capital replacement and improvement projects, and strategic planning processes. "We take customer's concerns to heart and even though some of the feedback is disappointing, such as the dissatisfaction with wastewater rates, it is an opportunity for us to start a dialogue about why those rates exist, the numerous and costly regulatory requirements facing EID, and discuss other potential savings to offset those expenses."

Board Adopts 2010–2011 Budget

At its December meeting, the EID Board of Directors voted unanimously to adopt the 2010–2011 operating budget. "The \$42.7 million budget is basically flat, showing only a \$137,000 or 0.3% increase over the operating budget adopted for 2010," said District Finance Director Mark Price. "The budget reflects the many cost-cutting steps undertaken over the past few years, as well as expected increased revenue from the hydropower contract signed earlier this year."

Price pointed out that the District continued to hold the line on expenses, in part due to decreases in the salary and benefits line items. The District's current staff of 227 employees represents a 14.5% decrease since January 1, 2009 and a 34.8% decrease from January 1, 2008. Price also reported that revised revenue projections for 2010 are expected to be lower than initially estimated, primarily because of lower-than-anticipated revenue from water sales due to late rains and a fairly mild summer in 2010. As a part of a two-year budget cycle, the Board also approved the 2012 proposed operating budget in the amount of \$44 million, which represents roughly a 3% inflation adjustment to the 2011 budget.

"Staff has worked diligently to ensure that they have made as many cuts as possible to hold down the budget for this coming year," said newly appointed Board President, Harry Norris, "and I think they have done an excellent job." This budget reflects a previously approved rate increase which will be effective January 1, 2011.

El Dorado Irrigation District
Serving people, agriculture, businesses, and the environment in El Dorado County since 1925
October 21, 2010

Dear Customer,

As part of the EID's commitment to delivering the best services possible, we are asking you to complete the survey on the other side of this page and return it to the District in the enclosed stamped envelope by November 5.

This is an anonymous survey of randomly selected EID water and wastewater customers. We hope you will take the time to fill it out. We intend to use the results of the survey in our ongoing strategic planning processes.

This is the second year in a row we are conducting the survey. Like last year, we will publish the results in the District's newsletter, *The Waterfront*, that will be mailed with your bill in January and February. And we will include the results in a special feature posted to our website and sent to local and regional community organizations and the media.

Your opinion matters to us, and we look forward to your response.

Sincerely,
Jim Abercrombie
Jim Abercrombie
General Manager

EID crews are on the job—24/7, all year long—to ensure reliable service and protect public health.

Customer survey on other side >>>
Tel. 530-642-4513 | 916-965-0930 • 2890 Mosquito Road, Placerville, CA 95667 • www.eid.org



Message from the General Manager

Your Feedback Counts

Jim Abercrombie

Since I began work as EID's general manager in September of 2009, I have had a great deal of interest in finding out, first hand, what's important to you. That's why I have asked for your feedback in customer service surveys twice in the last two years.

We all know that the last several years have been challenging, as we all experienced a deep and extended recession. At EID we have had to endure more cost cutting measures to guard against declining revenues and increasing costs. But we must also balance those cuts with increased regulatory requirements and the reality of investing in aging infrastructure. As with 2009, your priorities this year were water quality, the cost of water and wastewater services, water reliability, and water security.

The survey results are featured in this newsletter, but overall, 87 percent of those of you randomly selected for this survey have told us that you are very satisfied or satisfied with our water service. On the other hand, only a little over half—56 percent—think our water rates are very reasonable or reasonable, and only 33 percent think our wastewater rates are very reasonable or reasonable. While it is disappointing to hear of the low wastewater rate satisfaction level, we need to do a better job of controlling costs and sharing with you the reasons that wastewater collection, treatment, disposal, and regulatory compliance cost so much.

Our wastewater rates are tied to many factors. Wastewater disposal has become increasingly expensive across the United States—but even more so in rural foothill communities, such as ours, due to geography. Cities like San Francisco and Sacramento have the ability to discharge into larger rivers and receive dilution credits to help keep their rates lower. In the foothills, a higher level of treatment is required because we lack large rivers to discharge into and the costs are spread over a smaller customer base. Additionally, the detection of harmful contaminants in wastewater has become so sophisticated that regulations now measure detection levels in “parts per billion” versus “parts per million,” which was the norm not too long ago. This increased level of detection requires additional investments in technology and infrastructure to meet the new regulatory requirements associated with these detection levels.

We will continue to explore new ways to reduce the growth in operational expenses and will keep you informed of new costly regulations that add to the high price of wastewater treatment and disposal.

We appreciate your feedback and will continue to strive to provide you with safe and reliable water and wastewater services.

The News—Briefly

Cost-of-Service Study Update

General Manager Abercrombie updated the Board on the ongoing Cost-of-Services Study during the December 13, 2010 Board meeting.

“We are well on the way with the study and making progress,” said Abercrombie. The study advisory panel met on November 19, 2010, and reviewed cost-of-service analysis and terms, wastewater strength allocation, recycled water, financial plan final draft, compliance with BMP11, and future steps.

“One of the strategic actions is to see how much we conserve internally and try to minimize the impacts to our ratepayers,” said Abercrombie. “We will continue our work in 2011 and report back to the Board when we have more definitive information to report.”

Power Purchase Agreement Benefits District

In December, the California Public Utilities Commission approved PG&E's power purchase agreement to purchase renewable energy from EID's El Dorado Hydroelectric Project (Project 184).

The El Dorado Project is a water project with ancillary power generating business that helps the District hold down rates. Annual estimated revenue projections are \$6 to \$10 million, which will depend on water-year and other operational factors.



L to R: Harry Norris, John Fraser, and Bill George

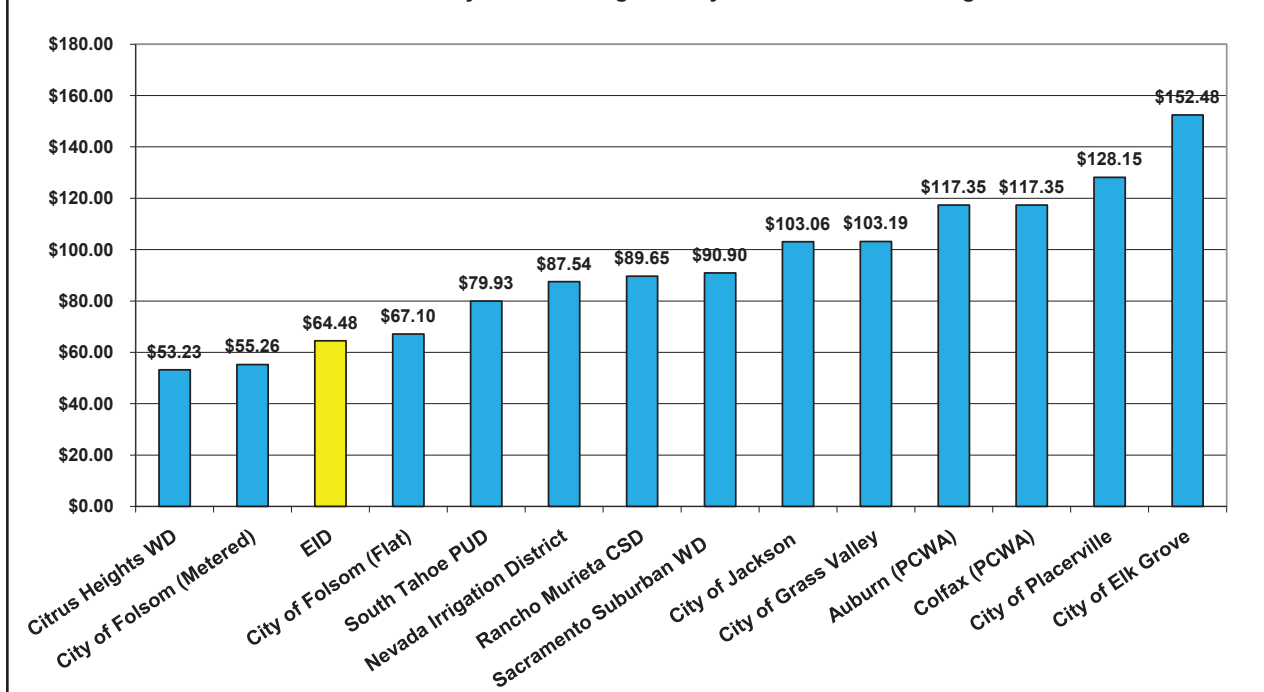
Harry Norris and Bill George Selected as 2011 Board Officers

At its December 13 Board meeting, EID Board members selected Harry Norris as President and Bill George as Vice President for 2011.

Mr. Norris, who served as Vice President in 2010 and represents Division 5, was first elected to the EID Board in 2003 and is in his second term. He also served as President in 2006. Mr. George is serving his second term as EID's Division 3 Board member and served as President in 2007.

Regional Water Bill Comparison, January 2011

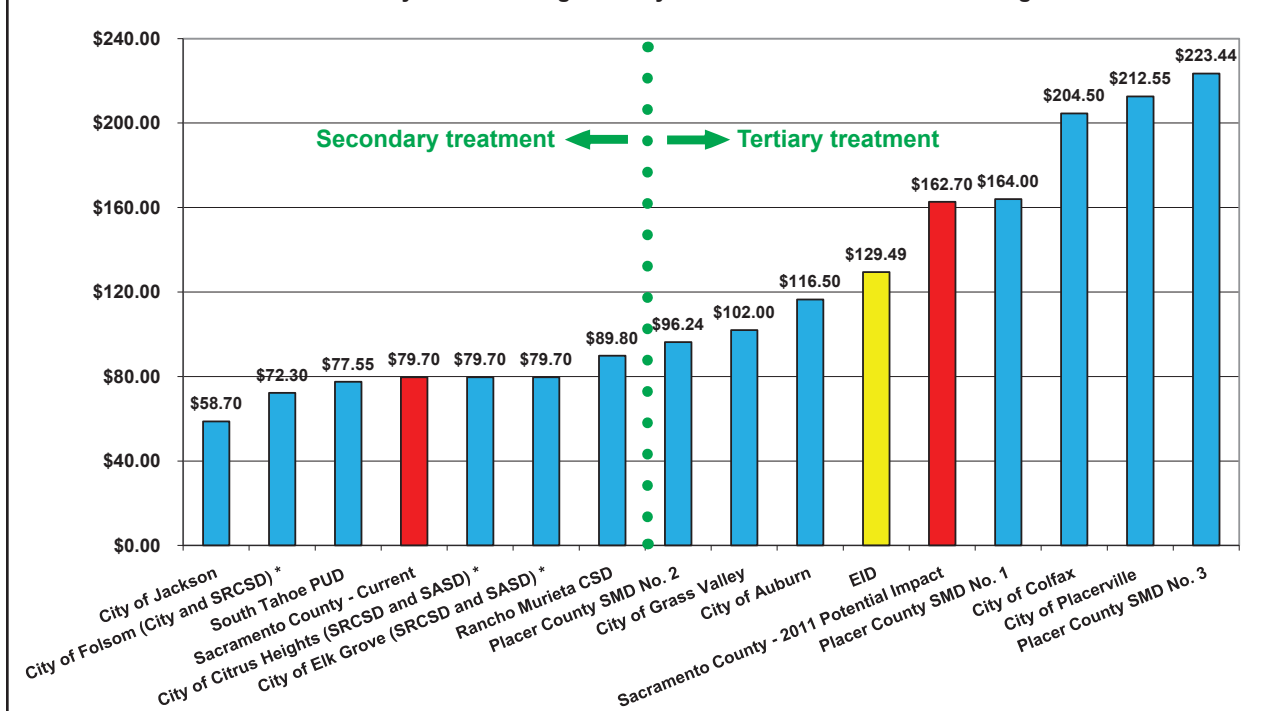
For Bi-Monthly Service - Single Family Residence - 27 ccf usage



The District's rates remain very competitive within our region, as illustrated in the chart above. The chart shows that EID's water rates are the third lowest in the region.

Regional Sewer Bill Comparison, January 2011

For Bi-Monthly Service - Single Family Residence - 18 ccf of winter usage



“Changing from secondary to tertiary sewage treatment greatly impacts costs to customers.”

—Jim Abercrombie

* Cities impacted by Sacramento Regional County Sanitation District's 2011 rate increase consideration.

EID has been required by law since since the early 1990s to treat wastewater to a tertiary level—as opposed to a secondary level—because we do not have the ability to discharge into larger rivers and receive dilution credits, as stated in the General Manager's message on page 2. The chart above illustrates that EID's wastewater rates rank competitively within our region when compared to agencies that must treat wastewater to a tertiary treatment level.

Recently, the Central Valley Regional Water Quality Control Board ruled that Sacramento Regional County Sanitation District (SRCSD) must upgrade their wastewater treatment processes from secondary treatment to tertiary treatment, which would likely result in some upgrades to their plant. Consequently, their sewer rates are proposed to increase dramatically over the next 10 years. SRCSD's current rate and proposed rate are illustrated in the graph above. The red column on the left is the current rate and the red column on the far right shows the proposed rate increase. The rates of the cities of Folsom, Citrus Heights, and Elk Grove will also rise when this upgrade requirement takes effect because their wastewater is treated by the SRCSD. For more information on this new treatment requirement for SRCSD, visit www.srcsd.com.

SLY PARK RECREATION AREA
Recreation for the whole family!

Half price camping at Sly Park until March 28, 2011

Visit the EID website today to reserve your camping stay. Also get your 2011 annual day use permit. Applications are online.

www.eid.org



Sly Park Again Recognized

In November 2010, the District's Sly Park Recreation Area was again honored with the 2010 Readers' Choice award for best recreation facility by readers of the *Mountain Democrat* newspaper. Thank you, visitors!



EID Board Approves Pared-Down Capital Improvement Plan for 2011–2015

In November, the El Dorado Irrigation District Board of Directors adopted the 2011–2015 Capital Improvement Plan (CIP) totaling \$142.7 million over five years. It includes \$19.8 million for projects in 2011, but each project must be approved in separate Board actions this year.

“This updated CIP is less than half of what we planned in our original projections for 2010 to 2014,” said Brian Mueller, EID’s Director of Engineering. “It reflects the Board’s decisions over the past few years to cut expenses, including the capital plan. The focus now is on replacing aging infrastructure, repairing facilities, and securing water rights and supplies.”

The 2011 proposed projects include replacement of Flumes 39 and 40, conversion from chlorine gas to a safer liquid bleach disinfection product at the Reservoir 1 water treatment plant, required improvements to Forebay dam, replacement of the Echo conduit, and evaluation of the recycled water system. Other work focuses on the completion of remaining projects from 2010 such as replacement of portions of the Mother Lode force main and replacement of and upgrades to sewer lift stations.

Director John Fraser said that even though the District has reduced the Capital Improvement Plan significantly, “The Board has a strong commitment to making sure our customers have a reliable water supply and delivery system and a safe wastewater treatment system. Those are the top priorities as projects come before us in the coming year.”

Go to the EID website and click on Document Library to read the 2011–2015 Capital Improvement Plan.



In December, workers battled wintry weather during construction on Flume 9.

2011 REGULAR BOARD MEETINGS

January	February	March	April	May	June	July	August	September	October	November	December
10	14	14	11	—	13	—	8	—	11 (T)	14	12
24	28	28	25	23	27	25	22	26	24	—	—

Board meetings generally occur on the second and fourth Monday of each month. The first October meeting takes place on a Tuesday.

The Waterfront is a publication of EID’s Communications and Community Relations Department.