



The Waterfront

Scaled-Back Capital Improvement Program: Focus on Asset Replacement and Repair

This past February, the EID board of directors adopted a revised, five-year (2010–2014) capital improvement program, which reflects significant deferrals of projects as a result of budget-cutting measures.

At that time, EID director of engineering Brian Mueller explained the previous program, approved in April of 2009, “included nearly \$300 million in capital projects from 2009 through 2013. Now we’re down to \$152.5 million over the next five years, about half of what we had planned. The new program is designed to help conserve cash and delay the need to borrow while still completing high-priority replacement and safety projects.”

In late October, Mueller presented the revised program for 2011–2015 to the board of directors. “We’re changing the timing of the capital improvement program updates to coincide with the district’s fall budget-setting process,” he said. “And the schedule for 2011 is focused again on projects to address safety and critical maintenance as well as to comply with regulations and secure additional water rights.”

After the board approves the overall capital improvement program, staff presents proposals for the priority projects and requests board approval of each. Mueller said that among the projects lined up for 2011 are:

- replacement of Flumes 39 and 40, part of the district’s 22.3-mile high-Sierra water delivery system;
- improvements to the Reservoir 1 water treatment plant, including conversion of the gaseous chlorine storage and feed system with a safer liquid sodium hypochlorite system, and other upgrades to the plant to improve reliability and water quality;
- replacement of 2,500 feet of the aging Motherlode sewer line, the only means of routing wastewater from the Mother Lode service area to the Deer creek wastewater treatment plant;
- replacement of the Business Park 1 and Summit 1 sewer lift stations and repair of the Timberline lift station; and
- support of the El Dorado Water and Power Authority’s application for up to 40,000 acre-feet of water, including up to 15,000 acre-feet for use in emergencies such as drought.

For more information about the capital improvement program, visit the district’s website (www.eid.org) and click on document library, then choose the 2011–2015 Capital Improvement Plan.

Major Capital Improvement Projects in 2010



(Clockwise from bottom left) The 22.3-mile El Dorado Canal, dating back to the Gold Rush Era, conveys water from the high Sierra to EID customers and for hydropower generation. The district’s long-range rehabilitation program entails replacement or repair of different segments of the aging system each year. Pictured: Work on Flume 2/2A in October, 2010 (in-house project).

Replacement of a 1,700-foot stretch of the Motherlode sewer line along Durock Road, completed in early 2010.

The new Rancho Del Sol water tank, also completed in 2010, ensures a reliable source of water for nearby residents.



Message from the General Manager

Marking 85 Years of Service: EID's Irrigation Foundation

Jim Abercrombie

On October 5, 2010, EID turned 85—a fine time to reflect on the district’s roots.

EID’s formal history reaches back to 1925, but the water system we now operate has its foundation in the Gold Rush Era. One of the first laws passed in 1850, the year California joined the United States, enabled mining companies to claim water rights. A plethora of ditch and canal companies in El Dorado County immediately formed, ranging from the first, Coloma, to Ringold, Gold Hill, Weber, Squaw Hollow, Eureka, and more.

By 1862, it was clear many 49ers would be farmers, not miners, and a new state law allowed unappropriated water to be used for irrigation ditches as well as mining. In 1866, Congress got into the act, endorsing local water laws. The process was simple then: Appropriators posted notices, counties recorded them, and the water had to be put to use.

Numerous irrigation and mining companies came and went over the next several decades. And starting in 1914, the state required permits for all new appropriations, making pre-1914 water rights all the more valuable.

As mining declined, the county’s population dropped from 21,057 in 1851—the largest in the state except for San Francisco—to 6,426 in 1920, mostly farmers, ranchers, and residents of small towns. They grew nervous as a different competitor for water, hydropower generation, gained prominence, and after watching two water companies run into financial difficulties between 1919 and 1925, they voted to form the El Dorado Irrigation District under the state’s irrigation district law.

Today, EID has rights to 77,590 acre-feet* of water, including ditch rights of more than 3,500 acre-feet from the 1800’s. Those ditch rights are still in use; now, however, the water flows into Folsom Lake where we take it, treat it, and serve El Dorado Hills with it.

We all owe much to the fortitude of early twentieth century farmers and townspeople, who laid the foundation for today’s water system in the solid bedrock of pre-1914 water rights.

* An acre-foot is equal to 325,851 gallons of water.

The News—Briefly

Coalition Challenges New Higher Fees for Federally Licensed Hydropower Generation Projects

A coalition of agencies that hold federal licenses to operate hydropower generation projects is making progress in a challenge of a new fee schedule imposed by the Federal Energy Regulatory Commission (FERC). EID joined the coalition when FERC adopted a new method to calculate its fees.

“The new fee schedule would more than double the amount of money we pay to operate our El Dorado hydropower on federal lands,” said district general counsel Tom Cumpston.

The coalition succeeded in obtaining an emergency court order staying the new fees temporarily.

“Our ultimate goal is to pay FERC reasonable land-use fees, and we don't think an annual six-figure increase is anywhere near reasonable,” Cumpston said. The case is scheduled to be heard by the federal appeals court in Washington, DC, this November.



Echo Lake is one of the reservoirs in EID's federally licensed water delivery system (Project 184).

Board Okays Letter of Credit for Existing Variable-Rate Bonds

In its September 27 meeting, the board authorized staff to execute a two-year letter of credit (LOC) with Union Bank and Bank of the West. This will replace the 2008 LOC that expires in April 2011.

An LOC is not new borrowing. It is one way to provide liquidity for investors in the district’s existing variable-rate debt.

The board’s action ensures the district “will not be caught in a crowded marketplace when numerous letters of credit, including ours, expire in 2011,” said EID finance director Mark Price. “Our current underwriter, Dexia, has announced it will not renew letters of credit. Other institutions have also said they are getting out of the LOC business. By acting now, we can assure our bondholders that our liquidity requirements are met.”

In the meeting, board members rejected the option of converting the debt from variable to fixed rates. Variable rates have saved the district a present net value of more than \$24 million in interest payments since 2003.

Cost-of-Services Study: Update

As general manager Jim Abercrombie noted in his last *Waterfront* message, the district's cost-of-services study is well underway. The advisory panel continues to discuss important issues related to the study and to make recommendations for consideration by the EID board of directors.

In August, the panel recommended 12 principles to guide the study, which the board adopted in early September. Also, the panel concluded that the district's current methods for allocating debt costs, property tax revenues, and overhead and indirect costs are appropriate. Those conclusions were presented to the board in early October.

The panel's October and November meetings focus on the district's five-year financial plan, commodity and fixed service charges, and revenue requirements for the water and wastewater systems (October meeting) and rates by customer class (November meeting).

The study process includes public workshops, not yet scheduled when this newsletter went to print. Keep your eye on the district's website for more about the workshops and the cost-of-services study in general. Visit www.eid.org and click on the link under Announcements at the top of the homepage. Or give us a call and request the schedule for the workshops and copies of the information posted on the website.

Keep Holiday FOG Out of Your Kitchen Sink



Turkey Day is just around the corner, and El Dorado Irrigation District encourages you to keep your sink fat-free this holiday season.

Throughout the year, and especially during the holidays, people pour the byproducts of cooking down the sink drain. Fats, cooking oils, and grease (FOG) can coat and clog pipes and cause sewer lines to back up into homes. That could mean costly clean-up and repair costs. FOG can also cause blockages further down sewer lines. And that can result in overflows or sewage backups into yards or streets, creating a public health risk.



Fats, cooking oils, and grease can coat and clog pipes and cause sewer lines to back up into homes.

The oil making its way to wastewater treatment plants can disrupt treatment processes and add to the need for maintenance.

To prevent these problems, we encourage you to dispose of your leftover FOG properly. Here are some general suggestions that many of your neighbors may already be following.

- Don't put fats, oil, grease, or greasy food down the garbage disposal or drain.
- Place small amounts of fats, oil, and grease in a container with a tight-sealing lid, put the container in a trash bag, tie the bag shut, and dispose of it in a trash receptacle.
- Mix cooking oils with an absorbent material such as coffee grounds, place in a lidded container, and dispose in a trash receptacle.
- If you're soaking a greasy pan, first pour off grease into a container. Then place paper towels over the drain basket to catch grease and food as you pour the soaking water down the drain.
- Deep fat fryers for turkeys leave a large amount of oil. Solidify the grease by mixing it with an absorbent material such as cat litter. Or, soak up excess oil with newspaper and then place it in the trash.



To learn more visit www.eid.org and click on the FOG icon.

Make a Resolution to Go Paperless in 2011

Sign up for EID's Online Billing: View and Pay, and manage your EID bill payments. This service offers you a convenient and secure way to access your account at any time of the day or night.

- Pay your EID bill with a **Visa** or **MasterCard**.
- Receive an **email notification** when your statement is available.
- Choose to automate by signing up for **recurring payments**.
- Choose to receive bills or **go entirely paperless!**



SLY PARK RECREATION AREA

Visit the EID Recreation webpage today to plan your 2011 stay. Sly Park is a wonderful place to bring the whole family for an unforgettable camping experience. The park features 8 family campgrounds that contain a total of 191 individual sites, each with a picnic table, fire ring, and barbecue. Vault toilets and water faucets are nearby.

Learn more at www.eid.org

Recreation for the whole family!

Conserve water now to save year-round

Your 2011 residential sewer fees are derived from the water you use during the November to February water-use evaluation period. You can positively affect your sewer rates for the rest of the year by conserving water.

Here are some 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.
- Inspect water appliances—in your home and garage—for signs of leakage. This includes water heaters, toilets, sinks, showers, tubs, and hoses on washing machines.
- Use your clothes washers and dishwashers only for full loads.

For more conservation tips, head to the district's water efficiency pages at www.eid.org.

REMEMBER TO WINTERIZE PIPES

1. Insulate all accessible pipes using pipe insulation (this can be found at your local hardware store).
2. Keep all exterior entry, exit and overhead doors to unheated spaces closed as much as possible during the winter months.
3. Ensure that all cracks, holes, and other openings on the exterior walls are sealed tightly with caulk or insulation to prevent cold air from penetrating the wall cavity.
4. If you have rest rooms, kitchens, or service rooms with water sources located on exterior walls, it is likely that the plumbing for these systems is located inside the exterior walls. Or, if you have piping coming up through the floor over an unheated room or unheated crawlspace under your building, it is likely there is plumbing exposed to freezing weather.
5. During extremely cold weather let all faucets drip to prevent freezing of the water inside the pipe and if freezing does occur, to relieve pressure buildup in the pipes between the ice blockage and the faucet. The pressure buildup is the actual cause of bursting pipes. Using cold water will save on your electricity or gas bill.

If you experience a burst pipe, first turn off the water supply to your house. It's important to locate your shut-off valve before you need to use it.

After you have turned off the water, call your preferred plumber immediately.

2 Regular Board Meetings

| 010 | January | February | March | April | May | June | July | August | September | October | November | December |
|-----|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|
| | 11 | 8 | 8 | 12 | — | 14 | — | 9 | — | 12 (T) | 8 | 13 |
| | 25 | 22 | 22 | 26 | 24 | 28 | 26 | 23 | 27 | 25 | — | — |

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.

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