



El Dorado Irrigation District

2890 Mosquito Road
Placerville, CA 95667

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Permit #187
Placerville, CA 95667

ATTENTION: This notice contains important information about a proposed new rate schedule. Please read.

For more information about this notice, the proposed rate schedule, or the public hearing, please contact the District at 530-622-4513, or send your question to billing@eid.org.

Visit www.eid.org to calculate your bill under the proposed rates.

Notice of Public Hearing

On March 23, 2009, the District will hold a public hearing on the proposed rate schedule. The hearing will begin at 6:00 p.m., in the District's Customer Service Building. The address is 2890 Mosquito Road, Placerville, California.



El Dorado Irrigation District

PROPOSITION 218 NOTICE

**Proposed New Rate Schedule for
Water and Wastewater Services and Drought Rates**

February 4, 2009

To EID Customers or Affected Property Owners

We are writing to notify you—under Article XIII D, Section 6, of the California Constitution (Proposition 218)—of a proposed new rate schedule for water, wastewater, and recycled water services. The proposed rate schedule will be recommended to the District’s Board of Directors at the date, time, and location listed in the “Notice of Public Hearing” box on the back of this notice. Please note: The schedule does not propose changes in existing wastewater and recycled water rates, except for recycled water used for temporary purposes such as construction. It also includes a decrease in the wastewater basic charge for certain customer classes. See the table on page 3 for these changes.

Why a new rate schedule?

El Dorado Irrigation District provides water, wastewater, and recycled water services to more than 100,000 residents of El Dorado County. By law (Proposition 218), revenue the District generates from the rates and fees charged for these services cannot exceed the cost of providing the services—costs for personnel, electricity, chemicals, maintenance of equipment, and other operational functions. And, as mandated by the state and federal governments, the District is required to adjust its rate structure to encourage greater water conservation.

The District’s current rate structure provides few practical incentives for customers to conserve water. Nearly half of all water revenue comes from the basic charge on your bill that is not related to how much or how little water you actually use. Also, the District has no separate drought rate structure that can be initiated in a declared drought.

The proposed rate schedule is designed to encourage water conservation—in dry as well as normal water conditions. It seeks to be more fair to District customers by eliminating inconsistencies in the current structure. And by placing greater emphasis on water conservation, a larger percentage of your water bill would depend on your actual water use.

In general, this means that lower water users will see smaller bills than under the current rate schedule, while heavy water users will likely receive larger bills.

**In short, under the proposed rate schedule,
customers gain more control
over the size of their bills.**

Revenue neutral

Because of concern about the financial impact of rate changes on customers in these uncertain economic times, the EID Board directed that the proposed rate schedule be “revenue neutral” to the District as a whole. This means the rate schedule is designed not to collect additional revenue in 2009 above what is projected in the budget that the Board adopted on December 15, 2008.

To maintain revenue neutrality into the near future, the proposed rate schedule includes an annual cost-of-living adjustment for water rates—tagged to the consumer price index, but capped at a maximum of four percent a year—that would go into effect beginning January 1, 2010, and each year thereafter for four years.

**If adopted, the proposed rate schedule will go into effect
on April 1, 2009.**

How will the proposed rates affect your bill?

As an example of how the schedule will affect EID customers, most single-family residential water customers now pay a basic charge of \$30.74 per two-month bill. The new rate proposal drops that basic charge to \$19.08—a decrease of nearly 37 percent.

The charge for water that a single-family residence uses would cost \$0.00964 per cubic foot for the first 1,500 cubic feet used and \$0.01164 per cubic foot for the next 3,000 cubic feet used. For all water used above 4,500 cubic feet, the charge would be \$0.01364 per cubic foot.

The proposed decrease in the basic charge added to the water-use rates means that if single-family residential customers consume 3,000 cubic feet of water during the two-month billing period—which is about average for EID residential customers—their bills will actually decrease between five and ten percent, or around \$3.00 to \$6.00. If customers lower their water use, their bills will decrease even more.

The tables on pages 2 and 3 list the proposed basic charges and rates and can be used to calculate how the changes would affect you. You may want to use your latest bill for calculation purposes. Remember to add the proposed basic charge (page 3) to the proposed usage rates (page 2).

Summary of Proposed Consumption-based Water Rates

Commodity Charges, by customer class per cubic foot (cf) used

	Rate per cf	Drought Rates		
		Stage I per cf	Stage II per cf	Stage III per cf
<u>Single Family Residential</u>				
0 - 1,500 cf	\$0.00964	\$0.01114	\$0.01354	\$0.01978
1,501 - 4,500 cf	0.01164	0.01345	0.01635	0.02388
Above 4,500 cf	0.01364	0.01734	0.02299	0.03638
<u>Multi-family residential</u>				
All water consumed	\$0.01053	\$0.01239	\$0.01504	\$0.02103
<u>Commercial and retail landscape</u>				
All water consumed	\$0.01053	\$0.01239	\$0.01504	\$0.02103
<u>Agricultural metered irrigation (with residence)</u>				
0 - 1,800 cf	\$0.00964	\$0.01114	\$0.01354	\$0.01978
1,801 - 30,000 cf per acre	0.00087	0.00090	0.00094	0.00099
30,001 - 58,200 cf per acre	0.00101	0.00105	0.00109	0.00115
Above 58,201 cf per acre	0.00115	0.00119	0.00124	0.00131
<u>Agricultural metered irrigation (no residence)</u>				
0 - 30,000 cf per acre	\$0.00087	\$0.00090	\$0.00094	\$0.00099
30,001 - 58,200 cf per acre	0.00101	0.00105	0.00109	0.00115
Above 58,201 cf per acre	0.00115	0.00119	0.00124	0.00131
<u>Small Farms</u>				
0 - 1,800 cf	\$0.00964	\$0.01114	\$0.01354	\$0.01978
1,801 - 6,500 cf	0.00087	0.00090	0.00094	0.00099
6,501 - 50,000 cf	0.00101	0.00105	0.00109	0.00115
Above 50,001 cf	0.00115	0.00119	0.00124	0.00131
<u>Domestic Irrigation</u>				
0 - 6,500 cf	\$0.00120	\$0.00144	\$0.00178	\$0.00252
6,501 - 50,000 cf	0.00133	0.00159	0.00197	0.00280
Above 50,001 cf	0.00176	0.00212	0.00262	0.00372
<u>Recreational Turf (5/8" T – 1 1/2" T meter)</u>				
0 - 13,300 cf	\$0.00527	\$0.00576	\$0.00635	\$0.00728
13,301 - 75,000 cf	0.00543	0.00595	0.00655	0.00751
Above 75,001 cf	0.00676	0.00739	0.00815	0.00934
<u>Recreational Turf (2", 2" T, 3", 3" T meter)</u>				
0 - 37,500 cf	\$0.00527	\$0.00576	\$0.00635	\$0.00728
37,501 - 166,700 cf	0.00543	0.00595	0.00655	0.00751
Above 166,701 cf	0.00676	0.00739	0.00815	0.00934
<u>Recreational Turf (4", 4" T, 6", 6" T, 8" T meter)</u>				
0 - 500,000 cf	\$0.00527	\$0.00576	\$0.00635	\$0.00728
500,001 - 1,666,700 cf	0.00543	0.00595	0.00655	0.00751
Above 1,666,701 cf	0.00676	0.00739	0.00815	0.00934
<u>Fire Hydrant/Construction</u>				
Potable	\$0.01748	\$0.02057	\$0.02497	\$0.03491
Recycled	0.00788	0.00927	0.01126	0.01574

Proposed Bi-monthly Basic Charges, by meter size

5/8" and 3/4" meter ¹	\$ 19.08
1" meter	\$ 22.15
1 1/2" meter	\$ 25.72
1 1/2" T meter	\$ 29.86
2" meter	\$ 34.66
2" T meter	\$ 40.24
3" meter	\$ 46.72
3" T meter	\$ 54.23
4" meter	\$ 62.96
4" T meter	\$ 73.10
6" meter	\$ 84.86
6" T meter	\$ 98.52
8" T meter	\$114.38

Basic charges would be based on meter size for most customer classes. An exception is the domestic irrigation class. The basic charge for that class would be \$52.40, regardless of meter size.

T = turbine

¹ Most residential customers have 5/8" or 3/4" meters.

Proposed Bi-monthly Basic Charge, Multi-Family Residential

Per residential unit \$ 9.45

Proposed Bi-monthly Basic Charge Fire Hydrant/Construction

Potable \$42.39
Recycled \$65.79

Proposed Bi-monthly Wastewater Basic Charge
\$95.43

Affected customer classes: Residential with no winter water-use history; small farm; recreational turf; domestic irrigation; and sewer-only. The proposed charge is a decrease from the current \$120.06 charge.

Proposed Drought Rates

The proposed schedule contains rates that would go into effect only when the District has declared a drought. The rates are designed to encourage conservation during extended dry periods, thus protecting water supplies. They also would provide sufficient revenue to operate the District's facilities in times of reduced water sales.

The proposed drought rates (see the rate table on page 2) correspond to the three stages of declared drought identified in the District's Drought Preparedness Plan.

The proposed drought rates also contain a small sur-charge on each customer's bill to recover increased fixed costs during drought. Among other services, those costs include additional public outreach and education and enforcement of the District's water waste regulation. The amount of the surcharge would depend on the declared drought stage, as shown below.

Proposed drought surcharge

Stage I drought	\$0.89
Stage II drought	\$1.93
Stage III drought	\$2.48

How to protest the proposed rate schedule

Under Proposition 218, the owner of record for a parcel(s) that is subject to the proposed rate schedule can submit a written protest against the proposed rate schedule to the District at or before the time set for the public hearing. If a majority of affected property owners submit written protests, the proposed rate schedule will not go into effect.

The written protest must contain a description of the parcel(s) in which the party signing the protest has an interest. That description must be sufficient to identify the parcel(s), including the Assessor's Parcel Number (APN). If the party signing the protest is not shown on the last equalized assessment roll of El Dorado County as the owner of the parcel(s), the protest must contain, or be accompanied by, written evidence that such party is the owner of the parcel(s).

In rental situations where the tenant pays the utility bills, the property owner is responsible for supplying the tenant with this notice. Tenants who pay the utility bills can submit a written protest and appear at the public hearing.

Written protests should be mailed to: Clerk to the Board, El Dorado Irrigation District, 2890 Mosquito Road, Placerville, CA 95667, or personally delivered to the Clerk to the Board at the same address. The protest must be in writing and received by the Clerk to the Board at or before the time of the public hearing.

Attention AMI customers

Beginning May 1, 2010, Agricultural Metered Irrigation (AMI) customers who are not enrolled in the District's Irrigation Management Services (IMS) conservation program would be charged at the proposed "AMI with residence" rate of \$0.00101 per cubic foot/acre for water consumed between 1,800 and 58,200 cubic feet/acre. See the rate table on page 2. If AMI customers enroll in the IMS program by November 30, 2009, they will continue to be charged according to the AMI schedule shown in the table.

Basis of the proposed rate schedule

The EID Board contracted with an independent consulting firm to prepare a rate study and recommend any changes in EID's current structure that would better meet state and federal conservation mandates, protect the District and our customers in times of prolonged drought, and address inflationary increases in the cost of providing service.

The study is completed, and it recommends the proposed changes to our current rate schedule. Just as under the existing rates, the proposed rate schedule continues to assess users a fixed "basic charge" every two months and a consumption-based charge that varies with the amount of water used.