

Del Oro Water Company, California Pines District, Tank Replacement Project

Del Oro Water received several responses from customers of its California Pines District, and would like to respond to some of the questions brought forward.

Timeline of the Tank Project

The 200,000 gallon tank project replacing the 64,000 gallon tank started long before the citation was issued:

7/2016 to 12/2018	Preliminary Engineering and Environmental review began
10/17/2017	Grant Application was prepared and submitted to the State Water Board
8/16/2018	Email received stating grant funds for storage tanks projects were a lower priority for funding
2018	Camp Fire Catastrophic Event
2019	All DOWC capital improvement projects on hold due to Camp Fire effect
2020	Covid
2021	Del Oro contacted the State regarding grant applications – starting the process again.
10/25/2021	Scope of Work from Engineer for planning and designing new water storage tank.
12/28/2021	Letter to State Engineers with work and findings
1/25/2022	State Water Board stated community did not qualify for Grant Funding due to 66% second homes.
1/2022 – 8/2022	Engineering Planning – Surveyors Contracted
9/2022 – 8/2023	Engineering Planning for Meadow Site Environmental
8/24/2023	Citation No. 03_12_23C_024 was issued
9/2023 – Present	Finalizing Engineering Planning, Environmental, Surveyors, Excavation, Structural Engineers hired.

Environmental studies looked at (4) locations, and the site chosen is the most economical and environmentally safe location for the replacement of the water tank. The new tank will provide cost effective storage for potable water and fire flows.

This project will improve the water system’s service reliability to the community.

Water Rates

Water Rates are overseen by the California Public Utilities Commission (CPUC) and are based on **cost of service**. Together the combined Water Quantity Charge and Readiness to Serve Charge equals the cost of the water and the cost to deliver water to our customers.

Your rates cover electricity, maintenance on infrastructure, monitoring, field staff and administration. The depreciation portion of your rates covers, for example: the emergency cost of the flooding in March of 2023; and the engineering, environmental, surveyors, excavation, and structural engineer services that have been paid over the years since the project began.

The total amount of Readiness to Serve Charge cannot be saved for future projects, as it covers current expenses to keep your water system running.

Bid Process

The project costs presented to you and the CPUC are the engineer's estimates of costs for the project, and each line item will be reviewed and sent out for bid. Del Oro Water's field staff and Statewide Superintendent will be monitoring the project in an effort to complete the project on time and keep the costs down.

Community Meetings

Del Oro Water will work with the community setting up meetings by Zoom and in person. Posted updates on the project can be viewed on our web site delorowater.com. As a customer, you can sign up for email and text notifications by going to the payment portal using your account number.

Investments and Changes in Operation

Since 2004 when Del Oro Water purchased Pine Flat and Pine Mountain Districts, numerous investments and changes to the operation of the water system have been completed. These projects were required by the State Water Resources Control Board.

- The development and implementation of an aggressive water use conservation plan, which includes policing of wasteful water users.
- The installation of water meters on all service connections. (\$74,558)
- Replacement of the Pine Flat/Pine Mountain service areas' water system interconnection mainline, which was undersized and the source of numerous leaks, resulting in inadequate flow and pressure. (\$75,034)
- Removal of the aged and leaking Church Tanks from service.
- The construction, testing, and equipping of a new production well (Well 5) to enhance the system source capacity. The well is equipped with a well pump capable of producing 60 gallons per minute. (\$172,356)

Del Oro Water and the CPUC have completed five General Rate Cases (GRC) over the last twenty years. The current one (Sixth GRC) is set to be approved sometime this spring after the CPUC's review.

After the General Rate Case is completed, Del Oro Water and the CPUC will be reviewing the PG&E Settlement that Del Oro Water received. A portion of those monies will be used to refund current customers who paid the \$10.54 Statewide Lost Revenue Surcharge from 2019-2020. The credit will be a separate line item on the bills of those customers.