# Frequently Asked Questions about the Water District

## How did the Sierra Lakes County Water District (SLCWD) Get Started?

The Sierra Lakes County Water District (SLCWD) was established about 50 years ago to supply water and sewer services to the approximately 1050 lots in the Serene Lakes Subdivision. The original infrastructure and underground piping were financed by bond issues that were paid off some years ago by an assessment on the property tax bills paid by all property owners.

SLCWD was originally set up under rules governing water districts with no residents at all that gave property owners the right to vote for the Board of Directors. About 25 years ago, the voting right was extended by special State legislation to include all registered voters as well as property owners in the District.

## Who are our Customers?

From the beginning, our service area was larger than just Serene Lakes. We are required to offer services also to 9 large parcels in the surrounding privately-owned lands. Each of these parcels is entitled to service for one equivalent dwelling unit (EDU). The District is obligated to provide service, but the owner would have to install the water and sewer lines required for each parcel. Historically, these parcels were owned by Rancho Monterey. About seven years ago, Royal Gorge LLC bought these parcels from Rancho Monterey. (At this time, it is uncertain how the bankruptcy of Royal Gorge LLC will affect these 9 parcels, each of which is included as one EDU in financing the upgrade/expansion of the wastewater treatment plant. If the sale by the Receiver to the Truckee Donner Land Trust proceeds as expected, the obligation to service these parcels will be rendered largely moot.)

## What is an "Equivalent Dwelling Unit (EDU)"?

The California Association of Sanitary Agencies defines an equivalent dwelling unit (EDU) as one single-family dwelling unit or its equivalent. A standard service unit is assumed to use water and discharge wastewater at a flow, quantity, and strength equal to that of an average single-family home.

## How Many EDUs are in the Service Area?

In 2012, SLCWD provides water and sewer service to about 818 equivalent dwelling units in Serene Lakes. These include 800 homes, 13 EDUs for Ice Lakes Lodge, and 5 EDUs for the Summit Station of

Royal Gorge Cross-Country Ski Resort. Since we can't run a deficit, all of the costs of SLCWD have to be paid by its customers. In 2012, the cost of water and sewer services is $2027 per year per EDU, payable in two installments. In addition, SLCWD receives about $300,000 from a share of the Placer County Property Tax receipts.

There are an additional 230 vacant lots in the existing development, plus the 9 parcels described above, that do not pay water and sewer service fees. Except for a small number of lots which "opted out" of ever receiving service from SLCWD, all of the currently serviced 818 EDUs and the 239 undeveloped lots will be included in the Benefit Assessment District that will be used to finance our share of the upgrade/expansion of the Wastewater Treatment Plant.

**What is our Annual Operating Budget?**

The total SLCWD annual budget is about $2 million, which pays for the operation and maintenance of our underground pipes, pump stations, water collection and treatment plant, water tanks, wastewater collection and treatment, and general administrative and engineering costs. This includes about $400,000 paid to DSPUD for treating our wastewater. (SLCWD currently pays somewhat less than the contractual 44% of the operating costs of the plant, based on our actual usage of the plant capacity.)

Of the current total annual cost of $2027, about $1044 is attributable to water and $983 to sewer, including the fees we pay to the Donner Summit Public Utilities District (DSPUD) to treat our wastewater. In the future, the portion of the costs attributable to sewer services will increase as we begin to pay off the Bank of the West loan that has been used to finance the repair of our infrastructure and to finance the design and engineering phase of the upgraded/expanded DSPUD wastewater treatment plant on Sherritt Lane just across the freeway. So far, the financing has been on an interest-only basis, but now that the loan draw-down is complete, principal repayment will begin.

**How will the Expansion/Upgrade of the Wastewater Treatment Plant be Financed?**

Construction financing will be provided by CoBank. Once construction is complete, the USDA will provide a loan to be paid back by the Benefit Assessment District over 40 years. This loan will be used to pay off the CoBank construction loan. We currently expect that the Benefit Assessment District will be established in 2014-2015, after the plant is in full operation.

**What is the Source of our Water?**

SLCWD operates under a license from the State Water Resources Control Board that allows us to withdraw up to 1177 acre-feet of water per year from Serene Lakes. This license, which has to be renewed from time to time, is currently under review by the Board. Once build-out of Serene Lakes is complete and the final water requirements of the development are known, we will convert the license to "water rights." The final total water consumption of the development will depend on how many homes are ultimately built and what the average occupancy rate is.

**What Factors Influence the Amount of Water Available to us?**

One of the restrictions on our ability to use water is the amount that can be withdrawn from the lakes without impinging on the environmental and recreational uses of the lakes. If the lake level is drawn down more than about 3 feet below the level of the dam, the lakes will be separated at the old road crossing between the end of Hemlock on the east and Island Way on the west side of the lakes. (Before the dam was built, there were three lakes. The third lake was located in the area of the islands on the west side of the upper lake.) The old road went between the two larger (still existing) lakes, at a crossing that was dry in the summer. The dam combined three lakes into two, connecting them year-around at the old road crossing.

The existing lakes should provide ample water for the complete build-out of the existing Serene Lakes community. However, the ability to draw water from the lakes is limited by the total volume of water in the lakes in the summer and also by the formation of thick ice in winter. So, even though we live in one of the snowiest areas of the country, our ability to capture and use the water is subject to certain limitations.

**Why Don't We Install and Use Water Meters?**

A recurring question is, "Why don't we meter water usage to encourage conservation and to allocate costs more fairly based on water use?" The short answer is that, past studies have shown that the cost of installing meters, reading them, and billing based on use would increase the total costs paid by the ratepayers. A study done about 4 years ago found that installing meters would cost about $1800 per house. The District would incur initial costs of about $30,000 plus the ongoing costs of reading the meters and billing based on use that were estimated to be about $50 per year per connection. The relatively few houses that have existing, old meters would have to pay about $500 to have their meter upgraded to a remote-reading meter. For a more detailed answer, see the posting titled: Water District Cost Structure and Cost Allocation.

**Isn't Water Conservation Important?**

It should be noted that most river systems in California are over-committed. In other words, there is more demand on the water systems than there is water available. This situation results in curtailments in some water distribution systems that are unable to meet all of their requirements for residential and commercial uses, agricultural irrigation systems, and environmental requirements. In such areas, conservation and more efficient use of the available water is essential.

Water conservation means different things in different areas. Where water is transported a long distance, pumping costs represent a significant part of the costs of water services. Reducing water usage in those areas reduces energy costs for pumping. Water conservation also allows additional consumers to be served without costly increases in capacity. However, conservation can also have a downside for ratepayers. If less water is used, rates frequently have to go up to cover the fixed costs of the utility systems. Although large public utilities generally have a higher portion of variable costs than SLCWD, very often half or more of the total costs of operating a water/sewer system are fixed and thus not related to the amount of water actually used. It is common practice by most utilities to have both fixed and variable charges in their water bills, and even to escalate incremental rates for greater use.

In our situation, the conditions are somewhat different. We are located at the source of the water. Any water we withdraw (except for small amounts used for watering plants and gardens) flows into the sewer, is processed through the DSPUD treatment plant, and is returned to the Yuba River, where it flows downstream into the Yuba River reservoirs for reuse in water systems in the valley. (This is part of the reason for the concern by downstream communities and environmental groups about the quality of the DSPUD wastewater treatment plant effluent.) In this sense, almost all of our water is conserved, because it is used, treated, and returned to the river system as high-quality water for reuse.

**Do the Benefits Exceed the Costs of Living on the Summit?**

We have chosen to live in a beautiful but complicated and costly environment. We experience extremely high snow fall in winter for residential communities. Serene Lakes is situated at the headwaters of two major river systems—the South Fork of the Yuba River and the North Fork of the American River—and only a short distance from the headwaters of the Truckee River. In the summer, all of these rivers experience extremely low flows. Summit residents recognize that their stewardship of the environment is essential to the well-being not only of our own community, but also of those downstream from us. This makes it expensive to live here, but most feel that the environmental values of the community make it a worthwhile expenditure.